

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

The financial year of 2007 has been another prosperous one for our company, and we were therefore able to add another successful chapter to SMARTRAC's company records.

I would now like to report on our financial performance and results as well as our strategic achievements in 2007.

Furthermore, I would also like to include an overview of the certain developments we have seen in the course of the year 2008 to date in my statement.

Let me start with the key financial figures from the year 2007.

SMARTRAC continued along its path of constant growth in 2007.

At euro 96.6 million in 2007, representing an increase of 84 percent on the euro 52.5 million generated in 2006, the group's sales developed favourably.

The growth rate of our company's EBITDA is even steeper.

Compared to 2006, when EBITDA was at euro 11.9 million, our operations in financial year 2007 generated a rise of 114 percent in EBITDA which rose to an overall figure of euro 25.5 million.

The financial year 2007 has shown that developments in the High Security segment since the previous reporting period are based on a sustained worldwide trend in the RFID industry.

High Security applications therefore remained the main growth driver and continued to set the trend.

Compared to 2006 when the High Security segment accounted for euro 27.1 million or 52 percent of overall revenues, the contribution in 2007 amounted to euro 67.7 million or 70 percent, which is the equivalent of a growth of 150 percent compared to 2006.

The ePassport projects in 2007 carried over the momentum from the prior year and continued to contribute significantly to SMARTRAC's profitable growth.

In 2007, SMARTRAC generated revenues of euro 56.5 million with RFID inlays for ePassports, growing by 158 percent compared to 2006.

ePayment applications showed a favourable development as well and gained momentum throughout 2007.

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

Revenues in 2007 went up to euro 11.3 million, growing by 117 percent from euro 5.2 million in 2006.

The Standard segment which comprises RFID components for mass transit, access control, bio and logistics as well as tickets and labels, accounted for revenues of euro 29.0 million in 2007, growing 17 percent on revenues of euro 24.7 million in 2006.

To a certain extent the results from the Standard segment have been affected by investments in the ramp-up of the bio logistics product line which is expected to contribute to Standard segment sales in 2008 and beyond.

Acquisitions and strategic achievements

From a strategic perspective, the financial year 2007 has been characterised by:

- the further expansion of our global network in research and development, production and sales
- the significant broadening of our technology base
- the further development of our market position in our existing product lines
- the preparation of our entry into new markets with additional product lines
- the further consolidation of structures and processes
- and the continued development of our management capacities

Fourth factory opened in Thailand

In February 2007, we opened our fourth factory and increased our production capacity in Thailand in the province of Ayutthaya near Bangkok where SMARTRAC has its main production location.

This factory primarily produces RFID inlays for card related products.

It releases additional capacity at our other locations and helps to strengthen production in the High Security segment at the other factories in Thailand.

Also in February we have settled a dispute with the U.S. company Silone MagCard based in California regarding the use of SMARTRAC's patents in the production of RFID components.

Agreement in patent issue with Silone

We entered into a settlement agreement pursuant to which Silone acknowledged the respective patent rights of SMARTRAC.

Silone agreed that it will cease U.S. production and sales of its RFID components that are made according to the processes disclosed and claimed in SMARTRAC's patents.

Acquisition of multitape GmbH

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

After already acquiring a 25 percent stake in multitape GmbH in January, SMARTRAC announced the complete takeover of multitape GmbH in May.

The access to multitape's etching skills is a perfect addition to wire-embedding technology.

With the takeover, SMARTRAC broadened its technology base and combines under one roof the core technologies used in the manufacture of RFID components, thus consolidating its position on the market for RFID inlays.

Etching technology is a complementary technology to wire-embedding in certain applications in the Standard segment.

It also enables SMARTRAC access to segments of the RFID market in which the company has little or no presence to date.

In the meantime, we have already successfully initiated several projects in order to turn this potential into profitable growth.

Production starts in Brazil

In July, SMARTRAC started production in Brazil and facilitated the entry into this market with locally produced RFID inlays for public transport and access control.

Brazil is one of the world's most important RFID growth markets.

Due to the regulatory conditions and the high market entry barriers for external suppliers, a local production in Brazil is indispensable to holding a competitive position in the Brazilian market.

With our local production facility we are well positioned to open up the potential of this market for SMARTRAC.

Production capacity in Brazil had been expanded to some 2.5 million units by the end of 2007.

The location in Manaus in the Amazonas province is therefore currently the second biggest production location of the company's worldwide production network.

Acquisition of HEI

In August we acquired substantially all of the assets of the RFID division of the U.S. company HEI Inc.

This acquisition opened up interesting prospects for SMARTRAC with new products and access to an additional customer base.

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

We now also have our own location in the important U.S. market and are in the process of integrating the existing RFID business of HEI into SMARTRAC's operations.

The location in Chanhassen in the U.S. state of Minnesota also fulfils all of the prerequisites to serve as a high security location for the production of RFID inlays for the U.S. ePassport project, which is required by the U.S. authorities to a certain extent.

Takeover of Xytec Solutions

In order to ensure the strategic advantage of having an inhouse machinery builder, SMARTRAC and the major shareholder of Xytec Solutions signed an agreement in November by which SMARTRAC announced the intention to take over 100 percent of the shares in the Malaysian company.

SMARTRAC held 30 percent of the shares in Xytec at that time.

In January 2008, SMARTRAC and the major shareholder of Xytec signed the purchase contract over the remaining 70 percent of the shares of Xytec.

This acquisition marks the execution of a crucial strategic decision.

The access to state-of-the-art machinery for the production of RFID components is a decisive competitive advantage in our industry.

We are now in the position to make full use of the advantages this potential can give SMARTRAC. The know-how of the Xytec engineers, cost advantages as well as the exploitation of short delivery times for new machinery will contribute to maintaining our technological leadership and to allocating production capacities for further profitable growth in good time.

Production location in Germany

Our production capacities in Regensburg, Germany, have also been ramped up successfully.

We supply the RFID inlays for German ePassports directly from there.

We now fulfil the contractual requirements regarding local content in supplies to this national ePassport project.

Research and development

The acquisitions of multitape and HEI contributed additional expertise, know-how and research and development facilities.

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

This strengthens the company's worldwide network in research and development, which is headquartered in Thailand.

The ability to quickly respond to customers' needs in the development of both existing and new products and RFID applications is an important competitive factor.

It reinforces this strategic SMARTRAC advantage that we are close to our customers with research and development competence centers and prototyping facilities in Asia, Europe and the U.S.

Global network

Reviewing the reporting period, we can say that we have made further important and groundbreaking decisions for SMARTRAC and we have successfully started their implementation.

Altogether, we invested euro 11.6 million in property, plant and equipment in the reporting period of 2007.

SMARTRAC has developed its position as a global leader in the supply of RFID components with production locations in Thailand, Brazil, USA, Malaysia and Germany.

Today the company is operating from a much more global base than it did at the end of the previous financial year.

The worldwide production capacity of SMARTRAC at year end was some 20 million units a month and is still growing.

Given the highest production capacity in the industry and our market share in key segments of the RFID industry, it is very likely that

- if you travel and show your ePassport at border control
- if you make a contactless payment with your ePayment credit card
- if you enter public transportation systems in London, Singapore Sao Paulo or several other capitals of the world with a contactless card
- or if you enter your office building by just holding a key fob or an entry card towards a contactless reader device

you are probably doing so holding a piece of SMARTRAC in your hands.

Share development

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

The liquidity of our shares and the perception of the company in the capital markets were enhanced in 2007 and also in 2008 to date.

I will therefore also mention share transactions from 2008 in this section of my statement.

In the course of a secondary placement of shares in March, approximately 40 percent of all SMARTRAC shares were placed on the market. Together with minor share transactions in the course of 2007, by which management sold shares, this resulted in a significant increase of the free float of SMARTRAC's shares to some 77 percent and has thus also contributed to a significant increase in the liquidity on the market.

Another 12 percent of shares from the equity interest of Manfred Rietzler, the Chief Technical Officer of SMARTRAC, have been placed on the market on March 7, 2008.

As a result of this transaction, the free float of SMARTRAC's shares was again increased and is currently at some 89 percent.

Nevertheless, with an equity interest of approximately 11 percent, Manfred Rietzler remains the biggest shareholder of SMARTRAC.

With a share buyback programme announced on April 2, 2007, SMARTRAC made limited use of a decision of the SMARTRAC Annual General Meeting on February 8, 2006, by which the Management Board was authorised to repurchase up to a maximum of 10 percent of the company's issued share capital.

The buyback was conducted via the stock exchange. SMARTRAC had authorised a bank to conduct the share buyback.

The conclusion of the share buyback was announced on June 4, 2007.

In the course of the share buyback, an overall number of 199,500 shares have been bought back at an average price of euro 25.05 per share for a total value of euro 4,997,000.

On February 4, 2008, the Management Board of SMARTRAC decided to start another share buyback programme and buy back shares in the company up to a maximum value of euro 7,500,000.

The buyback was based on a decision of the SMARTRAC Annual General Meeting on June 25, 2007, by which the Management Board was authorised to repurchase up to a maximum of 10 percent of the company's issued share capital.

The share buyback of SMARTRAC N.V. has been concluded on April 10, 2008.

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

In the course of the share buyback, an overall number of 220,170 shares have been bought back at an average price of approximately EUR 34.06 per share with a total value of EUR 7,499,762.22.

This means that SMARTRAC currently holds close to 2.14 percent of a total of 13,500,000 issued shares of the company. This includes shares from the previous share buyback.

The SMARTRAC Management Board utilises the shares from the buyback for acquisitions and the company's employee share programmes.

Establishment of the SMARTRAC Group Executive Team

The ability to allocate management resources in an efficient way and further expand our management base is definitely one of the most crucial success factors for managing a highly dynamic company like SMARTRAC.

Recruiting activities were therefore a major item on the agenda of the SMARTRAC management in 2007. The achievements reached by these activities will benefit the company in 2008 and beyond.

The implementation of the SMARTRAC Group Executive Team at the end of 2007 is a major element in this respect.

It comprises all of the members of the SMARTRAC Management Board and selected members of the senior management of the company and serves as a platform for discussing strategic issues across all of SMARTRAC's activities and also for preparing decisions of the Management Board.

Personnel changes among SMARTRAC's Top Management

In January 2008 we announced two new members to the Group Executive Team.

We are happy that we have been able to win additional highly skilled managers with proven track records for our management team. SMARTRAC will definitely benefit from their years of international experience and expertise.

Stephen Juge took over the management position of Head of Legal Affairs and Chief Legal Counsel of SMARTRAC. This position has been newly created.

Stephen will be based in our Group headquarters here in Amsterdam and will be responsible for the full scope of our company's legal affairs with a strong focus on the protection of SMARTRAC's intellectual property.

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

Among other things, the employment of Stephen is a clear signal to the market that SMARTRAC will continue to bring action against parties infringing our patents and has placed this issue on the agenda as a strategic issue of crucial importance for our company.

Today at our AGM the SMARTRAC Supervisory Board will propose the appointment of Stephen Juge as a director and member of the Board of Directors of SMARTRAC later in the agenda.

Let me take this opportunity and make a more general remark on the protection of our intellectual properties.

SMARTRAC holds patents in the wire-embedding technology for the production of high-quality RFID inlays that have set standards across the industry.

Wire-embedding technology is a core competency of SMARTRAC and we view our intellectual properties as an important competitive advantage.

Ongoing patent infringements by competitors therefore are a severe threat to our business operations and to the financial performance of SMARTRAC.

It is clear that patent infringements could weaken our position as a global leader in the supply of RFID components.

SMARTRAC has already taken some legal action against competitors and has reached some agreements by which competitors have acknowledged the patent rights of SMARTRAC.

The company will continue to make efforts to protect effectively its intellectual property.

But now back to the changes in the top management.

Since February 11, 2008, Franz Vollmann has occupied the position of the Chief Operating Officer of SMARTRAC.

He replaced Ron Brown who retired at the end of January 2008.

Ron Brown will continue to support the company as a consultant to the Group Executive Team. On behalf of the Management Board, I would like to say „Thank you, Ron“. We are most happy that we can continue to count on the expertise and experience of Ron Brown in the future.

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

Franz Vollmann will have his main office at our production location in Thailand and drives the further integration of our worldwide production facilities and the improvement of efficiency and productivity across all of SMARTRAC's operations.

Effective April 1, 2008, Christian Uhl took over the management position of the Chief Financial Officer (CFO) of SMARTRAC.

He is based in the company's corporate service center located in Stuttgart, Germany.

Christian Uhl already held the management position of Director Corporate Accounting, Controlling and Finance based in Stuttgart since he joined the company back in May 2006.

We are happy that we can further rely on his expertise, commitment and professional experience in an even more decisive position in the top management of SMARTRAC.

Let me say a warm welcome to all of our new members of the SMARTRAC Group Executive Team.

But today is also the occasion to say goodbye to a longtime Member of the SMARTRAC Management Board.

The term of office of Anthony Driessen who was the Head of the Dutch office of SMARTRAC, ends with this AGM and will not be renewed.

Anthony, you are closely linked to our company and the successful development of our business. Your reliable professional advice and expertise were crucial for our company in many discussions and strategic decisions.

I want to thank you very much also on behalf of the Group Executive Team.

As far as corporate governance is concerned, we are convinced that we are following the right approach and that we comply with all of the relevant legislations and regulations of which the Dutch Corporate Governance Code for us is particularly decisive.

Good corporate governance is a claim of high importance which the SMARTRAC Management Board recognises and applies in its business conduct.

At our locations around the world we have the financial reporting systems and personnel in place to make sure that our reporting is performed in an accurate and timely manner and that the Management Board acts upon a solid foundation of comprehensive information.

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

In 2007 we have implemented SAP in Thailand and will continue to benefit from this system as it is rolled out in all of our locations.

Transparency for external audiences and target groups is facilitated as well by means of regular quarterly reports and ad hoc releases and press releases on the occasion of strategic decisions.

To safeguard a sustained implementation of risk management and control systems, we have also significantly strengthened our financial staff at senior management level. This should translate into a positive impact on our future hedging activities.

In 2007, the SMARTRAC Management Board also introduced a corporate human resources function, thus emphasising the progress on the group-wide development and implementation of uniform processes and instruments in human resources based on best practices.

Altogether, we have made good progress in 2007, but nevertheless we have not yet implemented the full scope of best practice instruments and processes.

Further improvement of our risk management and control systems is a declared goal of the SMARTRAC Management Board. We will stay focused and keep it on the agenda.

Outlook

We expect additional growth in the worldwide market for RFID components. From our current perspective we can say that we have laid the cornerstones in 2007 for further success.

We are in a good position to realise profitable growth for SMARTRAC in future.

As a dedicated and focused RFID company, SMARTRAC will continue to participate in the potential of the RFID market.

We expect to maintain a leading position in our existing market segments and expect an additional contribution from new RFID product lines which are designed to meet the profitability targets of our company.

Whereas financial year 2007 was predominantly shaped by developments in the High Security segment, the ratio is expected to change in favour of the Standard segment to a certain extent in 2008.

This is mainly due to the fact that applications in animal identification and eTickets with etched antennas will show up in revenues in 2008 which according to the

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

company's segmentation belong to the Standard segment and have not been in the company's portfolio to date.

SMARTRAC is currently implementing additional production capacities in Malaysia for RFID products on the basis of etched antennas.

We have all of the expertise it takes to make the additional Malaysian operations a profitable business.

Despite the positive development for SMARTRAC in the ePayments sector and our ability to defend our leading position in the market as the supplier of RFID inlays, we still have higher expectations regarding the potential of this product line, a view which is shared by external assessments as well.

SMARTRAC therefore looks favourably upon the prospects with ePayment applications.

After an unexpectedly steep ramp-up in the production of ePassport inlays in 2007, there will be a certain consolidation phase in 2008 with focus being placed on existing projects.

Additional projects will nevertheless also contribute towards maintaining the momentum in this product line in the years to come as SMARTRAC has already been chosen as supplier or well-positioned as potential supplier for still outstanding ePassport projects in various countries around the world

Interesting additional market segments for RFID applications such as eID cards are already visible on the horizon.

With a focused dedication of resources in research and development competence centers and prototyping facilities in Asia, Europe and the U.S., we are well positioned to address our customers' needs directly on location.

Our advanced production technology and the largest production capacity in the industry give us the flexibility to respond quickly to market developments.

From our sales offices in Asia, America and Europe our worldwide sales force can provide our customers with the service they need.

We believe that our company's success and prospects are built upon the right strategy, a focused and target-oriented allocation of resources and the ongoing improvement and implementation of projects, structures and processes.

Amsterdam, April 25, 2008

Statement Dr. Christian Fischer, CEO of SMARTRAC

Check against delivery

The individual performance and expertise of each employee at all of our worldwide operations are just as important to our success.

The Management Board is well aware of the high level of commitment of our employees, and on behalf of the Management Board and the Group Executive Team, I would like to thank each and every one for her or his contribution.

We will continue to focus our management efforts on maintaining that very special SMARTRAC spirit and to leverage this important asset for our company.