PRESS RELEASE

SMARTRAC pursues growth policy and further expands production capacity in Thailand

- SMARTRAC N.V. opens its fourth factory in Thailand near Bangkok
- The world’s biggest production capacity for RFID components: SMARTRAC anticipates rising demand in all market segments
- Manfred Rietzler: “We are consistently implementing our growth strategy and are strengthening our competitive position as a supplier for RFID applications.”

Amsterdam, February 2, 2007 – SMARTRAC N.V. today officially opened its fourth factory in Thailand in the province of Ayutthaya near Bangkok. The expansion of production capacity is the company’s next step to further extend its globally leading position as a supplier of inlays in the field of radio frequency identification (RFID).

The expansion of the production network is SMARTRAC’s response to the increase in worldwide demand for RFID components. “We are consistently implementing our growth strategy, expanding production capacities and thus strengthening our competitive position as a supplier of RFID components,” stated Manfred Rietzler, CEO of SMARTRAC. “With the current network of four factories in Thailand, SMARTRAC has the biggest production capacity worldwide in this field. This will allow us to react to market developments and customers’ needs even more flexibly than before.”

The new plant in Thailand will primarily produce RFID inlays for the standard segment, which comprises components for contactless data transfer for public transport, access control, animal identification, transport and logistics.

A total of more than 1,900 people produce SMARTRAC’s high-tech products in the four plants near Bangkok. When these plants are running at full capacity, SMARTRAC can produce up to 14 million inlays each month. Research and development activities will also be strengthened. SMARTRAC is expanding its technology centre and will recruit additional engineers. SMARTRAC also has a production facility in Burgweinting in Germany.

In addition to expanding total production capacity, the fourth site will contribute towards strengthening production in the high security segment, in which SMARTRAC is the world’s market leader as a supplier of RFID components. This segment consists of high-value RFID inlays for passports with integrated contactless chips (ePassports) and for contactless credit cards (ePayment), fulfilling the highest security standards. “The demand for RFID components is rising in all segments. We will use the fourth factory to produce in the standard segment, thus releasing additional capacity at our other locations for the production of high-security RFID inlays,” explained Dr. Christian Fischer, CFO of SMARTRAC. “In strategic terms, we are ideally placed with our production capacities and technological expertise to continue participating in the worldwide market growth.”
With the acquisition of a 25% equity interest in Multitape GmbH, SMARTRAC recently gained access to Multitape’s etching technology and thus broadened its technological base. SMARTRAC’s core competence continues to be wire-embedding technology, to which there is no alternative for high-value and durable RFID components fulfilling stringent safety requirements. Etching technology is primarily an option for applications in logistics and access control.

About SMARTRAC N.V.
SMARTRAC is the world’s leading supplier of RFID (Radio Frequency Identification) components in the standard and high-security product segments. For the standard segment, SMARTRAC manufactures intermediate products for RFID applications in public transport, access control and logistics. In the high-security segment, SMARTRAC is the global market leader and supplies high-value RFID inlays for passports with integrated contactless chips (ePassports) and for contactless credit cards (ePayment). SMARTRAC was founded in 2000, and since its initial public offering in July 2006 has been a stock corporation under Dutch law and domiciled in Amsterdam. At the end of 2006, the company employed a total workforce of approximately 2,000 people. SMARTRAC’s main production and R&D facilities are located in Bangkok (Thailand), and it has sales offices in Stuttgart and Singapore. The company has exclusive access to patented machinery through an agreement with Xytac Solutions (of Kulim, Malaysia), in which SMARTRAC holds a 30% stake. SMARTRAC has a broad technology base. Its core competence is wire-embedding technology for the production of high-value RFID inlays; SMARTRAC holds all of the patents taken out on wire-embedding technology and has exclusive rights of use in many areas. It also has access to the etching production processes of Multitape GmbH, in which SMARTRAC holds a 25% equity interest.

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