PRESS RELEASE

Preliminary figures 2007: SMARTRAC continues along its path of constant growth with sales of EUR 96.6 million and EBITDA of EUR 25.5 million

- Sales in fiscal year 2007 grew by 84 percent to EUR 96.6 million compared to EUR 52.5 million in 2006
- 2007 EBITDA of EUR 25.5 million represents an increase of 114 percent compared to EUR 11.9 million in the previous year
- Dr. Christian Fischer, CEO: “In 2007 we have implemented strategic decisions to strengthen our existing business and to facilitate further profitable growth, also in additional segments of the fast growing RFID market.”

Amsterdam, February 26, 2008 – The Dutch company SMARTRAC N.V. today announced its preliminary figures for the fiscal year of 2007. In the period under review, the group’s total sales reached EUR 96.6 million, thus improving on the sales of EUR 52.5 million generated in the previous year by 84 percent. EBITDA improved to EUR 25.5 million in 2007. This represents an increase of 114 percent compared to EUR 11.9 million in the fiscal year of 2006. SMARTRAC will publish its Annual Report 2007 on March 14, 2008.

“Overall we have managed to continue along the path of constant growth in the fiscal year 2007,” said Dr. Christian Fischer, CEO of SMARTRAC. “From a strategic perspective, the year 2007 was characterized by the implementation of decisions which strengthen our existing business and provide the preconditions for further profitable growth, also in additional product segments of the fast growing RFID market. In the course of 2008 we expect additional business for SMARTRAC with RFID applications in the fields of animal identification and electronic tickets based on etching technology.”

In February 2007, SMARTRAC opened its fourth factory and increased its production capacity in Thailand where SMARTRAC has its main production location. This factory primarily produces RFID inlays for card-related products.

In May 2007, SMARTRAC announced the complete takeover of multitape GmbH. The access to multitape’s etching skills is a perfect addition to the core competency of SMARTRAC in wire-embedding technology. With the takeover, SMARTRAC broadened its technology base and combines under one roof the decisive core technologies used in the manufacture of RFID components. Etching technology enables SMARTRAC access to segments of the RFID market in which the company has little or no presence to date. SMARTRAC is currently building up a production location in Malaysia where additional production capacities for etched RFID components will be realized.

In July 2007, 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. 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.

In August 2007, SMARTRAC acquired substantially all of the assets of the RFID division of the U.S. company HEI Inc. The location in Chanhassen in the U.S. state of Minnesota fulfils all of the prerequisites to serve as a high security location for the production of RFID inlays for the U.S. American ePassport project.

In January 2008, SMARTRAC and the major shareholder of Xytec Solutions signed a purchase contract by which SMARTRAC completely took over the Malaysian machinery builder. The companies signed an initial agreement on November 29, 2007, which was announced at that time and formed the basis for the current deal. The resulting access to state-of-the-art machinery needed for the production of RFID components is a decisive competitive advantage. SMARTRAC is now in the position to make full use of the advantages this potential can give.

About SMARTRAC N.V.
SMARTRAC is a leading supplier of RFID (Radio Frequency Identification) components for Standard and High Security product segments. In the Standard segment, the company produces ready-made components for RFID applications in public transport, access control and logistics. In the High Security segment, SMARTRAC is the global leader in high-quality RFID inlays for passports with integrated contactless chips (ePassports) and contactless credit cards (ePayment). SMARTRAC was founded in 2000 and, since going public in July 2006, has been trading as a stock corporation under Dutch law with its registered office in Amsterdam. At the end of 2007, the company employed 2,700 employees around the globe.

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