PRESS RELEASE

SMARTRAC signs purchase agreement to acquire KSW Microtec AG

Amsterdam and Jena, December 14, 2011 – SMARTRAC N.V., a leading developer, manufacturer, and supplier of RFID transponders, announced that the company signed a contract today with Deutsche Effecten- und Wechsel-Beteiligungsgesellschaft AG, Jena, Germany, regarding the acquisition of KSW Microtec AG by SMARTRAC N.V. at an amount of EUR 24 million enterprise value. The acquisition is subject to standard closing conditions.

The acquisition of KSW Microtec AG (KSW) will add KSW’s proficient team and renowned technology to SMARTRAC’s strong capability and global network of research and development, production, and sales locations on four continents.

KSW and SMARTRAC have very similar positions in the global RFID value chain. Thus, the acquisition will not create any channel conflicts. The long-term expertise of KSW in the high frequency (HF) and ultra-high frequency (UHF) RFID inlay production and proprietary know-how of KSW are expected to contribute to strengthening SMARTRAC’s technology base. Synergies are also expected to result from joint research and development activities.

“We are very pleased to welcome KSW Microtec AG in our group of companies. Thomas Hitzer and his team have a very good reputation in the RFID industry regarding service orientation and product quality”, said Dr. Christian Fischer, CEO of SMARTRAC. “KSW’s product portfolio and technology range ideally complement our strong intellectual property. We are very confident that the acquisition will create value for the employees, global customer base and stakeholders of our companies.”

The acquisition further extends SMARTRAC’s market leading position in the RFID industry in particular in the access control, e-payment, e-Ticketing, and asset management application fields as well as for high-security products for government identification documents.

“The combination of our strong product portfolio and manufacturing concept with SMARTRAC’s widely respected and proven capabilities will create a comprehensive technology platform for our customers,” said Thomas Hitzer, CEO of KSW Microtec AG. “Together we will lead the industry in providing smart and secure RFID transponders to meet any deployment preference and highest quality requirements.”

KSW Microtec AG is headquartered in Dresden, Germany, yet its customer list includes international players in Europe and North America. KSW manufactures RFID inlays, prelaminates, and components based on etched and printed antennas deploying advanced wafer processing, assembly, laminating, and interconnecting technologies.

The acquisition of KSW enlarges SMARTRAC’s presence in Germany to three locations, including the Group’s Corporate Service Center in Stuttgart and the manufacturing facility in Reichshof-Wehnrath. KSW and the totality of its 72 employees will continue their business activity in Dresden, Germany. Under the new ownership, KSW’s operations will be integrated into SMARTRAC’s business unit organization and global corporate structure. The location in Dresden shall be fostered and shall serve as a European competence center for the Business Unit eID and the competence center for the development of high-security products for government identification documents.
About DEWB:
Deutsche Effecten- und Wechsel-Beteiligungsgesellschaft AG (DEWB AG, ISIN: DE0008041005) is a listed private equity house that specialises in young and established medium-sized companies. The investment focus is on strong growth companies from the areas of photonics and sensor systems for which DEWB provides support through shareholders' equity, expertise in corporate development and its sector network. The regional focus lies in the German speaking countries (D, A, CH). Since 1997 DEWB has invested more than 360 million Euros in 55 companies and realized more than 465 million Euros through 42 exits, eight of which were in the form of IPOs. The company is located in Jena, one of the most successful technology and science regions in Germany, with a long tradition in the field of optical technologies and one of the most important European centres for photonics.

About KSW Microtec AG:
KSW Microtec AG, founded in 1994, with its headquarters in Germany, is one of the world's leading suppliers of contactless components for applications such as Access Control, eGovernment, ePayment, eTicketing and Asset Management. KSW combines successfully high-end wafer processing, extremely efficient assembly and lamination technology and far-reaching expertise in design. KSW has earned itself a leading position on the market as innovator and one of the most efficient, and simultaneously most flexible, producers of RFID components. For more information visit: www.ksw-microtec.de

About SMARTRAC:
SMARTRAC is a leading developer, manufacturer, and supplier of RFID components for a broad range of applications in all current frequency standards. The company produces both ready-made and customized transponders for public transport, access control, RFID-based car immobilizers, animal identification, libraries, industry, and logistics.

SMARTRAC is one of the global market leaders in high-quality RFID inlays for electronic passports (e-passports) and contactless credit cards (e-payment) as well as for RFID transponders for public transportation applications. SMARTRAC was founded in 2000, went public in July 2006, and trades as a stock corporation under Dutch law with its registered headquarters in Amsterdam. The company currently employs some 3,300 employees and maintains a global research and development, production, and sales network.

If you have any questions, please contact:
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Forward-looking statements
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from the assumptions, planning, and forecasts at the time of publication of this ad hoc release. Therefore, SMARTRAC N.V. does not assume any responsibility relating to forward-looking statements contained in this ad hoc release. Furthermore, SMARTRAC N.V. does not assume any obligation to update the forward-looking statements contained in this ad hoc release.