

PRESS RELEASE

SMARTRAC N.V. presents preliminary 3rd quarter results

- **EUR 13.4 million sales in 3rd quarter 2006 increase by 86 percent compared with Q3 2005**
- **EBITDA of EUR 3.4 million around 88 percent over 3rd quarter 2005**
- **SMARTRAC N.V. anticipates ongoing growth in sales and profit and continued to expand its production capacities**

Amsterdam, 13 November 2006 – SMARTRAC N.V. continued along its growth path in the 3rd quarter of 2006 and further strengthened its earnings. SMARTRAC, the world's leading RFID manufacturer and supplier of components for passports (ePassport) and contactless credit cards (ePayment) increased its total sales in 3rd quarter 2006 to EUR 13.4 million up from EUR 7.2 million in 2005. For the nine months ended September 2006 this corresponds to sales of EUR 35.9 million, an increase of 133 percent over the previous year (EUR 15.4 million). The Group's 3rd quarter EBITDA doubled from EUR 1.8 million in 2005 to EUR 3.4 million. For the nine months ended September 2006 the EBITDA is EUR 8.1 million, an increase of 145 percent over the previous year (EUR 3.3 million).

„Main growth driver in the 3rd quarter was the high security business, comprising the ePassports and ePayment segments“, said Manfred Rietzler, CEO of SMARTRAC N.V. “In order to satisfy the increasing demand, particularly in the ePassport business, we are doubling our efforts to open our fourth production plant in Thailand as early as January 2007.”

SMARTRAC has posted a net profit every year since its foundation. For full-year 2006, the company anticipates sales of at least EUR 50 million with an EBITDA substantially above EUR 10 million.

About SMARTRAC N.V.

SMARTRAC is a leading supplier of inlays for contactless ePassports and contactless credit cards (ePayment). The company, which was founded in 2000, is incorporated under Dutch law and has its head office in Amsterdam. SMARTRAC has its main production and R&D centre in Bangkok (Thailand), as well as sales offices in Stuttgart and Singapore. Through an agreement with Xytec Solutions (Kulim, Malaysia), in which SMARTRAC holds a 30 percent stake, the company has exclusive access to proprietary manufacturing equipment. In two product segments - Standard and High Security - SMARTRAC manufactures components for RFID applications in public transport, access control and logistics, as well as in the high-security applications of ePassports and ePayment.



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