

## PRESS RELEASE

### **SMARTRAC N.V. acquires a 25 percent stake in Multitape GmbH**

- **SMARTRAC expands its technology base for volume production of RFID components through access to Multitape's etching skills**
- **Etching is a strategic supplement to SMARTRAC's core competence in wire-embedding technology**
- **Manfred Rietzler: "Our involvement in Multitape will help us to further strengthen our competitive position as a supplier of RFID inlays."**

Amsterdam, January 26, 2007 – SMARTRAC N.V., of Amsterdam, the Netherlands, has acquired 25 percent of the shares in Multitape GmbH, which is domiciled in Salzkotten, Germany. The parties to the transaction have agreed not to divulge any details of the price paid. The two companies intend to cooperate more intensively on the production of RFID (Radio Frequency Identification) components in the future.

"Multitape has great expertise in etching. We will obtain access to this technology as a strategically optimal supplement to wire-embedding technology, which continues to be SMARTRAC's core competence," stated Manfred Rietzler, CEO of SMARTRAC. "This stake in Multitape is a logical step in our strategy. It opens up additional perspectives in new applications and markets for RFID technology and will help us to further strengthen our competitive position as a supplier of RFID inlays."

Etching is used with RFID applications to etch antenna structures out of a carrier substrate. "We regard etching technology as an option primarily for applications in logistics and access control," continued Manfred Rietzler. "We are now ideally placed in these segments with high volumes and great growth potential, and can further extend our product portfolio." Unlike with etching technology, with wire embedding the antenna is embedded into a carrier material. With this production process, with which SMARTRAC has set standards worldwide, mainly RFID inlays are produced, fulfilling the highest standards in terms of security and quality. Wire embedding is therefore primarily suited for applications in the security segment such as passports with integrated contactless chips (ePassports) and contactless credit cards (ePayment). "There is no alternative to our wire-embedding technology for high-value and durable RFID components fulfilling high security requirements, an area in which SMARTRAC is the global market leader," explained Dr. Christian Fischer, CFO of SMARTRAC. SMARTRAC holds all of the patents taken out on wire-embedding technology and has exclusive rights of use in many areas.

#### **About SMARTRAC N.V.**

SMARTRAC is the world's leading supplier of RFID (Radio Frequency Identification) components for passports with integrated contactless chips (ePassports) and for contactless credit cards (ePayment). The company was founded in 2000 under Dutch law and is domiciled in Amsterdam. SMARTRAC has its main production and R&D centre in Bangkok (Thailand), as well as sales offices in Stuttgart and Singapore. The company also has exclusive access to patented machinery through an agreement with Xytec Solutions (of Kulim, Malaysia), in which SMARTRAC holds a 30% stake. In two product segments, Standard and High Security,

SMARTRAC manufactures intermediate products for RFID applications for public transport, access control and logistics, as well as for ePayment and ePassport security applications.



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