

PRESS RELEASE

SMARTRAC N.V. announces preliminary financial figures: Forecast for financial year 2006 exceeded

- **Sales in fiscal year 2006 grow significantly by 108 percent to €52.5 million compared to €25.2 million in 2005**
- **2006 EBITDA of €11.9 million represents an increase of approximately 140 percent compared to €4.9 million in the previous year**
- **Dr. Christian Fischer: “The preliminary financial figures for 2006 reflect the overall positive development of SMARTRAC across all segments.”**

Amsterdam, February 28, 2007 – SMARTRAC N.V., the world’s leading supplier of high-quality RFID inlays for contactless data transmission, today announced its preliminary figures for the fiscal year of 2006. In the period under review, the group’s total sales reached €52.5 million, thus more than doubling the sales of €25.2 million from the previous year. EBITDA improved to €11.9 million in 2006, representing an increase of approximately 140 percent compared to €4.9 million in 2005. SMARTRAC will publish its Annual Report 2006 on March 14, 2007.

“SMARTRAC exceeded its forecast for financial year 2006. The preliminary financial figures reflect the overall positive development across all segments,” said Dr. Christian Fischer, CFO of SMARTRAC. “In 2007 we will build upon the successful year 2006, and we are confident that we will continue our positive business development. We expect an increase in revenues of significantly above 50 percent this year.”

SMARTRAC’s strategy focuses on the further expansion of production capacity and global presence, the development of additional growth segments of the RFID market and the protection of the company’s intellectual properties rights.

In December 2006, SMARTRAC reached a groundbreaking agreement with the Swedish company Assa Abloy AB regarding the use of certain patents related to the production of radio frequency identification devices using wire embedding technology. By this agreement Assa Abloy AB assigned its ownership rights in approximately 70 patents to SMARTRAC N.V. In return, Assa Abloy AB received a worldwide, non-exclusive license for the ongoing use of the patents.

With the acquisition of a 25 percent stake in Multitape GmbH in January 2007, SMARTRAC gained access to etching technology, thus broadening its technology base. Etching is a strategic supplement to the wire-embedding technology which continues to be SMARTRAC’s core competence.

In February 2007, SMARTRAC further expanded its production capacity by opening a fourth factory in Thailand and extended its globally leading position as a supplier of inlays in the field of radio frequency identification.

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 1,800 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 Xytec Solutions (of Kulim, Malaysia), in which SMARTRAC holds a 30 percent stake. SMARTRAC has a broad technology base. Its core competence is wire-embedding technology for the production of high-value RFID inlays; SMARTRAC holds major 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 percent equity interest.



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