

PRESS RELEASE

Equity stake placed with institutional investors: free float of SMARTRAC's shares increased to more than 74 percent

- **Some 5.5 million shares sold by original shareholders**
- **Founder of SMARTRAC Richard Bird sells his equity to institutional investors**
- **Free float of SMARTRAC's shares increases from about 35 percent to more than 74 percent**
- **Dr. Christian Fischer: "We have increased liquidity of our shares and significantly strengthened the position of institutional investors."**

Amsterdam, March 15, 2007 – Today, a total of 5,487,500 shares of SMARTRAC N.V., the Netherlands (stock abbreviation SM7) have been placed mainly with institutional investors through an accelerated bookbuilding (approximately 40 percent of the company's share capital).

4,737,500 of the shares, or approximately 35 percent of the share capital, are mainly from the interest of Richard Bird (66), founder of SMARTRAC and Vice Chairman of the company's Supervisory Board. Another 550,000 shares come from the equity interest of TCL Netherlands B.V., controlled by Elisabeth Rietzler, the wife of Manfred Rietzler, CEO of SMARTRAC. An additional 200,000 shares were sold by Wolfgang Schneider, co-founder and Chief Marketing Officer of SMARTRAC. The private bank Sal. Oppenheim jr. & Cie conducted the placing of shares.

Subsequent to this latest share transaction, the Rietzler family still controls a strategic majority equity interest of 25.5 percent of all shares. Approximately 4 percent of SMARTRAC shares will continue to be held by the company's management.

As a result of the current placement, the free float of SMARTRAC's shares has increased from approximately 35 percent to approximately 74 percent, according to the free float definition of Deutsche Boerse.

"It was our stated goal to significantly increase the free float of our share. Through the current share transaction we have now achieved this goal," said Dr. Christian Fischer, CFO of SMARTRAC. "At SMARTRAC'S current share price, we have achieved a free float-market capitalisation of approximately €230 million. We have thus substantially increased the liquidity in the market, satisfying the requirements of institutional investors and strengthening their position."

Altogether 13,500,000 SMARTRAC shares are outstanding, equivalent to a market capitalisation of approximately €310 million at the current share price.

SMARTRAC yesterday announced its figures for the full year 2006. In the reporting period, the group's total sales reached €52.5 million, thus more than doubling the sales of €25.2 million from the previous year. SMARTRAC's EBITDA improved to €11.9 million in 2006, representing an increase of approximately 140 percent compared to €4.9 million in 2005. Net profit in Q4 2006 was €3 million, representing significant growth compared to €1 million in Q4 2005.

“Since the IPO in July 2006, we have consistently followed our growth strategy and put groundbreaking decisions into action. The figures for financial year 2006 show impressive evidence”, said Dr. Fischer. “In our view, the great interest shown by institutional investors in SMARTRAC’s shares is evidence that they look favourably upon our strategy and have confidence in our business model and the excellent prospects of our company.”

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.



If you have any questions, please contact:

Stephan Öri

Media Relations SMARTRAC N.V.

Tel: +49 711 6569 2616

Email: stephan.ori@smartrac-group.com

Internet: www.smartrac-group.com