

PRESS RELEASE

**SMARTRAC N.V. reports figures for the first quarter of 2007;
Management Board decides on a reshuffle of management responsibilities**

- **Q1 2007: Sales of €19.5 million, EBITDA of €4.8 million and net profit of €4.5 million show significant increases compared to first quarter of 2006**
- **Dr. Christian Fischer: “We reaffirm our growth target of significantly above 50 percent in sales and EBITDA for full-year 2007 compared to 2006.”**
- **Management reshuffle: Manfred Rietzler new Chief Technical Officer (CTO), Dr. Christian Fischer new Chief Executive Officer (CEO) of SMARTRAC**

Amsterdam, May 10, 2007 - SMARTRAC N.V. today reported on its Q1 2007 results with sales of €19.5 million, EBITDA of €4.8 million and net profit of €4.5 million, representing an increase in all key figures compared to the same period of last year. Sales went up by 82 percent (Q1 2006: €10.7 million) and EBITDA increased by 140 percent (Q1 2006: €2.0 million). Net profit in the first quarter 2007 increased by 650 percent compared to €0.6 million in the first quarter 2006.

Q1 2007: Overview

In millions of euro	Q1 2007 ¹	Q1 2006 ¹	Change ¹	Change in % ¹
Revenues	19.5	10.7	8.8	82
EBITDA ²	4.8	2.0	2.8	140
Net profit	4.5	0.6	3.9	650

¹ Figures have been rounded

² EBITDA from other operations included

Following a proposal of Manfred Rietzler, the SMARTRAC Management Board today also decided upon an adjustment of management responsibilities. The new position of Manfred Rietzler, currently Chief Executive Officer (CEO), will be Chief Technical Officer (CTO), and Dr. Christian Fischer, currently Chief Financial Officer (CFO), will be CEO of SMARTRAC. Under the new assignments, the responsibilities of the CFO will be taken over by the CEO, and the CFO position will therefore not be newly filled. The changes will be effective from July 1, 2007.

Q1 2007 results: Continuation of development from previous reporting periods, continuous upward trend in key business areas

“The Q1 2007 result marks the fourth consecutive quarter with a significant growth in sales and earnings since we started to publish quarterly results. We are very pleased with this sustained profitable development of SMARTRAC,” said Dr. Christian Fischer, CFO and designated CEO of SMARTRAC. “We are fully on track and reaffirm our growth target of significantly above 50 percent in sales and EBITDA for full-year 2007 compared to 2006.”

The figures for the first three months 2007 show a continuous upward trend in some key aspects of SMARTRAC’s business that had already been indicated in previous reporting periods. With €13.2 million and 67 percent of overall sales in Q1 2007, the High Security segment is maintaining the momentum. An EBITDA of €4.2 million from high security components, accounting for 88 percent of the overall Q1 2007 EBITDA, underscores the strong contribution of this segment. Compared to €4.3 million in Q1 2006, sales of High Security RFID components in

Q1 2007 went up by more than 200 percent. The EBITDA in Q1 2007 increased by 250 percent compared to €1.2 million in Q1 2006.

From January through March 2007, the Standard segment achieved sales of €6.4 million, representing 33 percent of overall sales. The Standard segment sales in Q1 2007 remained on a comparable level to sales of €6.3 million in Q1 2006. The EBITDA of this segment was €1.1 million in Q1 2007 and remained constant compared to €1.1 million in the same period of 2006.

“The High Security segment continued to perform strongly in the first quarter of 2007 and remains the main growth driver of SMARTRAC’s business development,” said Dr. Fischer. “With growth potential especially in some new applications and additional markets of the Standard segment, we see further prospects in this key market as well. Currently, we are assessing several strategic options and technologies of how to utilise this potential.”

Management reshuffle: Combining of management resources to strengthen research and development as well as implementation of company strategy

Through the adjustment of responsibilities within the Management Board with Manfred Rietzler as Chief Technical Officer (CTO) and Dr. Christian Fischer as Chief Executive Officer (CEO) of SMARTRAC, the company is focusing its management resources as a result of an ongoing review of structures and processes. The Supervisory Board will propose to the SMARTRAC Annual General Meeting in Amsterdam on June 22, 2007, that Mr. Fischer’s and Mr. Rietzler’s appointments as members of the Management Board be extended ahead of time for another four years, starting on January 1, 2008. The other positions within the SMARTRAC Management Board will remain unaffected.

“SMARTRAC high-quality RFID products and production technologies set standards across the industry. With the newly created position of a Chief Technical Officer, I will have even more time and capacities to accelerate our research activities and the development of new products and will maintain close contact to our customers regarding all new developments. I will also focus even more on the optimisation of existing production technologies as well as on the integration of new ones,” said Manfred Rietzler, CEO and designated CTO of SMARTRAC. “In addition to the CFO functions, the CEO will focus on strategy development, the implementation of strategic initiatives and projects, overall efficiency and especially capital markets’ expectations. Thus, the realigned responsibilities in the Management Board will contribute to further managing SMARTRAC’s profitable growth. With leading RFID components and solutions, we will guarantee continuity to our customers as a reliable supplier in the RFID value chain.”

“We will continue to implement SMARTRAC’s international strategic development with a clearly focused and dedicated commitment of management resources,” said Dr. Christian Fischer, CFO and designated CEO of SMARTRAC. “The management reshuffle is a logical consequence of the optimisation of our corporate organization and structures. It facilitates the efficient leveraging of the company’s expertise in research and development. And it ensures continuity to the stakeholders of our company. We are thus contributing to maintaining SMARTRAC’s leading position in the worldwide RFID industry.”

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 (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.



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

Forward-looking statements

This press release contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections about the industry, the company's beliefs and its assumptions. Words such as "anticipates," "expects," "intends," "outlook," "plans," "believes," "seeks," "may," "will," "should" and "estimates," and variations of these words and similar expressions, are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the Company's control, are difficult to predict and could cause actual results to differ materially from those expressed, implied or forecast in the forward-looking statements. In addition, the forward-looking events discussed in this press release might not occur. Readers are cautioned not to place undue reliance on these forward-looking statements. Readers should read this press release with the understanding that actual future results and events may be materially different from what we currently expect. The forward-looking statements included in this press release reflect SMARTRAC's views and assumptions only as of the date of this press release. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.