

PRESS RELEASE

SMARTRAC N.V. decides to completely take over multitape GmbH

- **Excellent match: SMARTRAC exercises its option to acquire multitape GmbH**
- **Manfred Rietzler: “By taking over multitape GmbH we combine the decisive core technologies of the RFID industry under one roof.”**
- **Christian Fischer: “We will transfer the potential of etching technology into profitable growth”**

Amsterdam, May 23, 2007 – The Management Board of the Dutch company SMARTRAC N.V. has decided to take over the remaining 74.8 percent of the shares in multitape GmbH, based in Salzkotten, Germany. SMARTRAC had already acquired 25.2 percent of multitape in January 2007. To effect the deal SMARTRAC availed of an option agreed on earlier with multitape to acquire the remaining shares in the company. The parties have agreed to keep the price confidential.

“Our intensive cooperation in recent months has confirmed our assessment that multitape and SMARTRAC complement each other brilliantly,” claims Manfred Rietzler, CEO and the future Chief Technical Officer (CTO) of SMARTRAC. “The expertise in etching technology, where multitape is the acknowledged industry leader, is the perfect match to wire-embedding technology, which is the core competence of SMARTRAC. With the takeover of multitape GmbH we can therefore combine under one roof the decisive core technologies used in the manufacture of RFID components.”

“By acquiring multitape we have consolidated our position on the market for RFID inlays,” says Dr. Christian Fischer, CFO and future CEO of SMARTRAC. “We will bundle all our research, development, manufacturing and sales resources to translate the potential of the etching technology into profitable growth.”

“It is a logical step to integrate the strengths and experience of SMARTRAC and multitape in one company,” says Karl Heinz Wendisch, the managing director of multitape GmbH. “The combination of technological expertise and research and development in particular provides synergies and opens up future perspectives for existing products and new developments.”

The etching technology is used to etch antennae structures out of a substrate. In contrast to etching technology, with wire embedding the antenna is embedded into a carrier material. SMARTRAC’s wire-embedding technology sets the international standard in the manufacture of top quality and long-lived RFID components. In the Standard segment these inlays are used in public transport, in access controls and logistics. In the High Security segment, SMARTRAC is the global leader in high-quality RFID inlays for passports with integrated contactless chips (ePassports) and contactless credit cards (ePayment). These RFID inlays are designed to work at high frequencies (13.56 MHz) at a distance of not more than ten centimeters or at low frequencies (125 kHz) at distances of up to 80 centimeters.

SMARTRAC views the etching technology as a complementary technology to its wire-embedding technology for certain RFID applications in the Standard segment. Moreover, the

etching technology provides SMARTRAC access to market segments in which it has little or no presence to date. This is because the strengths of etching technology lie mainly in RFID applications at ultrahigh frequencies (868 MHz) where wire-embedding cannot be used. In contrast to low-frequency and high-frequency inlays, UHF inlays can be read at distances of up to several meters. These inlays are used mainly in logistics and the quickly growing market for pharmaceuticals and bio-logistics.

On SMARTRAC N.V.

SMARTRAC is a leading supplier of RFID (**R**adio **F**requency **I**dentification) components for Standard and High Security product segments. In the Standard segment, the company produces ready-made components for RFID applications in public transport, access control and logistics. In the High Security segment, SMARTRAC is the global leader in high-quality RFID inlays for passports with integrated contactless chips (ePassports) and contactless credit cards (ePayment). SMARTRAC was founded in 2000 and since going public in July 2006 has been trading as a stock corporation under Dutch law with its registered offices in Amsterdam. At the end of March 2007, the company employed 2,200 employees around the globe. The main manufacturing and research and development facility of SMARTRAC is in Bangkok, Thailand. The company also has sales offices in Singapore and Stuttgart. Moreover, due to an agreement with Xytec Solutions (Kulim, Malaysia), in which SMARTRAC holds 30 percent, the company has exclusive access to patented machine technology. SMARTRAC stands on a broad technological foundation. Its core competence lies in wire-embedding technology used in the manufacture of high-quality RFID inlays to which SMARTRAC holds important patents and enjoys exclusive rights to a wide extent. In addition, the company can also rely on the etching technology of multitape GmbH for its manufacturing processes.



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