



PRESS RELEASE

SMARTRAC N.V.: Local production of RFID components in Brazil started

- **Production by local subsidiary based in Manaus in Brazil's Amazonas province**
- **Market entry in Brazil with RFID inlays for public transport and access control**
- **Christian Fischer: "With local production now in place we are in an ideal position to open up the potential of this important RFID growth market."**

Amsterdam, July 26, 2007 – The Dutch company SMARTRAC N.V. has started local production of RFID inlays in Brazil. Under "SMARTRAC Tecnologia Indústria e Comercio da Amazônia Ltda.", a SMARTRAC subsidiary headquartered in Manaus in Brazil's Amazonas province, the company will initially produce RFID inlays for applications in public transport and access control.

"Local production in Brazil is indispensable if we are to be competitive with our products in the Brazilian market," said Dr. Christian Fischer, CEO of SMARTRAC. "We are now superbly positioned with a local production facility to open up the potential of one of the world's most important RFID growth markets and thereby to contribute toward SMARTRAC's further profitable growth."

Production capacity at the Brazilian location currently is approximately one million units a month and will be expanded to two million units by the end of this year in order to meet the demand in the fast growing Brazilian market. "Larger Brazilian cities in particular are making consistent use of the benefits of contactless transactions in public transport and access control, and we will concentrate in production on RFID components for these applications," said Manfred Rietzler, Chief Technical Officer (CTO) of SMARTRAC. "In addition, however, we see prospects in Brazil for RFID applications in biologistics and for e-passports and contactless credit cards."

On SMARTRAC N.V.

SMARTRAC is a leading supplier of RIFD (**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 RIFD 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. SMARTTRAC 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 SMARTTRAC holds important patents and enjoys exclusive rights to a wide extent. In addition, the company can also rely on the etching technology of its subsidiary multitape GmbH for its manufacturing processes.



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