

## PRESS RELEASE

### SMARTRAC N.V. reports on results for the third quarter of 2007 and raises forecast for the full year of 2007

- Q3 2007 with sales of EUR 27.0 million (plus 101 percent), EBITDA of EUR 7.1 million (plus 109 percent), net profit of EUR 5.5 million (plus 101 percent)
- RFID applications from the High Security segment with a predominant share of ePassport inlays substantially contribute to SMARTRAC's profitable growth
- Dr. Christian Fischer, CEO: "We are confident of reaching sales of at least EUR 95 million and to exceed EBITDA of EUR 22 million for full year 2007."

Amsterdam, November 8, 2007 – The Dutch company SMARTRAC N.V. today reported on its results for the third quarter of 2007. With sales of EUR 27.0 million, EBITDA of EUR 7.1 million and net profit of EUR 5.5 million, the company keeps straight on its path of profitable growth. Compared to the same period in 2006, the third quarter 2007 figures represent an increase of 101 percent in sales (Q3 2006: EUR 13.4 million) and 109 percent in EBITDA (Q3 2006: EUR 3.4 million). Net profit in the third quarter 2007 is equivalent to an increase of 101 percent compared to the net profit of EUR 2.8 million in the third quarter of 2006.

"On the basis of the excellent figures from the third quarter 2007, we are raising our forecast and are confident of reaching sales of at least EUR 95 million and to exceed an EBITDA of EUR 22 million for the full year 2007," said Dr. Christian Fischer, CEO of SMARTRAC.

#### Overview

In millions of EUR	Q3 2007 <sup>1</sup>	Q3 2006 <sup>1</sup>	Change in % <sup>1</sup>	Q1-Q3 2007 <sup>1</sup>	Q1-Q3 2006 <sup>1</sup>	Change in % <sup>1</sup>
Revenues	27.0	13.4	101	67.7	35.9	88
EBITDA <sup>2</sup>	7.1	3.4	109	17.6	8.1	117
Net profit	5.5	2.8	101	14.8	6.1	143

<sup>1</sup> Figures have been rounded

<sup>2</sup> EBITDA from other operations included

In the first nine months of 2007, overall sales of SMARTRAC reached EUR 67.7 million, up 88 percent from EUR 35.9 million in the same period 2006. The EBITDA in the first nine months of 2007 increased to EUR 17.6 million which is equivalent to a rise of 117 percent compared to EUR 8.1 million from January to September 2006. SMARTRAC generated a net profit of EUR 14.8 million from January to September 2007. This represents an increase of 143 percent compared to the net profit of EUR 6.1 million from the comparative period in 2006.

With a predominant share of sales of ePassport inlays, the RFID applications from the High Security segment substantially contributed to SMARTRAC's profitable growth in the third quarter 2007. "As the worldwide leading supplier of high-quality ePassport inlays, SMARTRAC benefits from the increasing security requirements for travel documents," said Dr. Fischer. "We are involved in most of the ePassport projects worldwide. As more

and more governments opt for RFID based passport solutions, we will continue to build upon this strong market position.“

From January to September 2007, sales from the **High Security segment**, comprising high-quality RIFD inlays for passports with integrated contactless chips (ePassports) and contactless credit cards (ePayment), reached EUR 47.5 million. Compared to sales of EUR 18.8 million in the same period in 2006, this represents a significant growth of 153 percent. EBITDA in this segment increased in the first nine months 2007 by 131 percent to EUR 15.8 million from EUR 6.8 million in the comparative period in the previous year.

In the period from January to September 2007, sales from the **Standard segment**, comprising components for RFID applications in public transport, access control and logistics, went up 20 percent to EUR 20.5 million compared to EUR 17.1 million in the respective nine month term in 2006. “Profitability in the Standard segment has to a certain extent been affected by the ramp up costs for the Brazilian and the U.S. operations as well as for investments in the bio logistics product line,” said Dr. Fischer. “Nevertheless, the overall profitability in this segment for the first nine months of 2007 improved significantly compared to the same period in 2006.“ The EBITDA in the first nine months of 2007 reached EUR 3.2 million and rose 82 percent compared to EUR 1.8 million from January to September 2006.

#### **About SMARTRAC N.V.**

SMARTRAC is a leading supplier of RIFD (Radio Frequency Identification) 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 office in Amsterdam. At the end of September 2007, the company employed 2,600 employees around the globe.



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