

PRESS RELEASE

SMARTRAC N.V. reports on results for the first quarter of 2008 with sales of EUR 27.1 million and EBITDA of EUR 6.8 million

- Sales increase by 40 percent to EUR 27.1 million (Q1 2007: EUR 19.5 million), EBITDA increases by 42 percent to EUR 6.8 million (Q1 2007: EUR 4.8 million)
- With approximately 50 percent RFID inlays for ePassport-projects made the main contribution to the overall sales of the company
- On the basis of anticipated stronger second half of 2008, SMARTRAC reiterates forecast of a growth of 30 percent in sales and EBITDA for full year 2008

Amsterdam, May 6, 2008 – The Dutch company SMARTRAC N.V. today reported on its results for first quarter of 2008 with sales of EUR 27.1 million, EBITDA of EUR 6.8 million and Net Profit of EUR 4.49 million.

Compared to the first quarter of 2007, the Q1 2008 figures represent an increase of 40 percent in sales (Q1 2007: EUR 19.5 million) and 42 percent in EBITDA (Q1 2007: EUR 4.8 million). The decrease in Net Profit to EUR 4.49 million in Q1 2008 compared to the Net Profit of EUR 4.54 million from Q1 2007 was mainly driven by the negative foreign currency result caused by the appreciation of the Euro against the US Dollar.

Overview

In millions of EUR	Q1 2008 ¹	Q1 2007 ¹	Change in % ¹
Revenues	27.127	19.452	40
EBITDA ²	6.801	4.804	42
Net profit	4.486	4.543	(1.3)

¹ Figures have been rounded

² EBITDA from other operations included

Compared to the first three months 2007, when RFID inlays for ePassports and ePayment applications accounted for EUR 13.2 million, the sales in the **High Security segment** from January to March 2008 went up 32 percent to EUR 17.4 million. EBITDA in the High Security segment amounted to EUR 6.1 million, up 45 percent from the EBITDA of EUR 4.2 million in the same period of the previous year.

The RFID inlays from ePassport projects continued to make the main contribution to High Security segment sales as well as to the overall company sales. Sales from ePassport inlays went up by 33 percent in Q1 2008 compared to Q1 2007. With an increasing demand in the first three months of the year, RFID inlays for ePayment cards also developed favorably in this period. Sales from ePayment inlays in Q1 2008 grew by 26 percent compared to the same period last year.

Sales of RFID components from the **Standard segment** in Q1 2008 increased by 58 percent to EUR 10.1 million compared to sales of EUR 6.4 million in Q1 2007. After the successful market entry in Brazil, the second biggest production location of SMARTRAC in Manaus in the Amazonas province contributed with sales of some EUR 1.8 million from RFID components for mass transit and access control to the increase in Standard segment. The result from the Standard segment was affected by the ramp up costs for the new product lines in eTickets and

animal identification which are expected to contribute to the segment development from the second half of 2008 on. Therefore the EBITDA of EUR 1.0 million in the Standard segment in Q1 2008 was 9 percent below the EBITDA of EUR 1.1 million from Q1 2007.

As a dedicated and focused RFID company and a major supplier of RFID components, SMARTRAC will continue to participate in the potential of the RFID market and will continue to deliver profitable growth. The company expects a top line decrease in Q2 2008 compared to Q1 2008. Nevertheless, on the basis of an anticipated stronger second half of the year compared to the first half 2008, SMARTRAC reiterates its forecast of a growth of 30 percent in sales and EBITDA for full year 2008. The growth will be borne by the existing product lines as well as by new product lines which are currently being introduced into the market.

About SMARTRAC N.V.

SMARTRAC is a leading supplier of RFID (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 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 office in Amsterdam. At the end of 2007, the company employed 2,700 employees around the globe.



If you have any questions, please contact:

Stephan Öri
SMARTRAC N.V.
Media Relations
Tel: +31 20 30 50 150
Email: media.relations@smartrac-group.com
Internet: www.smartrac-group.com

Forward-looking statements

To the extent that this press release contains forward-looking statements, such statements are based on assumptions, planning and forecasts at the time of publication of this press release. Forward-looking statements always involve uncertainties. Business and economic risks and developments, the conduct of competitors, political decisions and other factors may cause the actual results to be materially different from the assumptions, planning and forecasts at the time of publication of this press release. Therefore, SMARTRAC N.V. does not assume any responsibility relating to forward-looking statements contained in this press release. Furthermore, SMARTRAC N.V. does not assume any obligation to update the forward-looking statements contained in this press release.