

PRESS RELEASE

SMARTRAC N.V. reports on preliminary results for the first half year of 2008

- **Sales 1. HY 2008: EUR 49.6 million increasing by 22 percent (1. HY 2007: EUR 40.7 million)**
- **EBITDA 1. HY 2008: EUR 11.5 million increasing by 10.6 percent (1. HY 2007: EUR 10.4 million)**
- **Q2 2008: Sales reach EUR 22.5 million (Q2 2007: EUR 21.2 million), EBITDA reach EUR 4.6 million (Q2 2007: EUR 5.6 million)**
- **SMARTRAC confirms its 2008 sales target and is confident to reach total sales of some EUR 124 million, EBITDA is expected to reach some EUR 27 million for the full year 2008**

Amsterdam, July 15, 2008 – The Dutch company SMARTRAC N.V. (stock abbreviation SM7) today reported on its preliminary results for the second quarter and the first half year of 2008. The company will publish the comprehensive Q2 2008 Interim Report on July 30, 2008.

With total sales of EUR 49.6 million and EBITDA of EUR 11.5 million for the period between **January to June 2008**, SMARTRAC remained on the company's path of profitable growth. Compared to total sales of EUR 40.7 million within the first six months of 2007, sales of EUR 49.6 million in the same period in 2008 represent an increase of some 22 percent. EBITDA of EUR 11.5 million from January to June 2008 represent an increase of 10.6 percent compared to EBITDA of EUR 10.4 million in 2007.

The overall business of SMARTRAC from April to June 2008 developed as expected. In **Q2 2008**, SMARTRAC reached sales of EUR 22.5 million (Q2 2007: EUR 21.2 million) and EBITDA of EUR 4.6 million (Q2 2007: EUR 5.6 million). The EBITDA decline was mainly driven by ramp up costs for new product lines and by a temporary decrease in ePassport sales which had already been announced.

On the basis of a stronger second half of the year, SMARTRAC confirms its 2008 sales target and is confident of reaching total sales of some EUR 124 million, EBITDA is expected to increase to some EUR 27 million for the full year 2008.

The company is currently laying the foundation for further growth for its existing as well as its new product lines. SMARTRAC is in the course of ramping up a manufacturing facility in Kulim, Malaysia, for the production of RFID inlays with an etched antenna, applicable for eTickets in mass transit. The company is also on the track of launching new products for animal identification and logistics. The new products are currently being introduced into the market and will start to contribute to overall sales from the second half of 2008 on. Both new product lines will be subsumed under SMARTRAC's Standard segment.

SMARTRAC has allocated its RFID components for eID as well as ePayment applications to its High Security segment. Since the beginning of this year, the company was chosen to supply RFID inlays for major ePassport projects in additional countries across the world. As a consequence, the company was able to further increase its share of the global market in this key segment of the RFID industry. SMARTRAC is currently ramping up a high security production facility at its location in the U.S. State of Minnesota in order to supply the RFID inlays for the

U.S. ePassport from there. ePayment applications are gaining momentum with excellent future perspectives. In this product line too, SMARTRAC has extended its market leadership.

Altogether, SMARTRAC is well positioned to deliver further innovative RFID solutions that will continue to constantly gain importance in various fields of application. The company will profit from these RFID growth trends and will actively contribute to shaping the future developments in the RFID industry.

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 headquarters in Amsterdam. At the end of 2007, the company employed 2,600 employees around the globe.



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