



PRESS RELEASE

Milestone of 20 million RFID-Inlays per month surpassed: SMARTRAC maintains its leading market position

Amsterdam, July 17, 2008 – SMARTRAC N.V., a leading supplier of RFID components, has accomplished an all-time high. In June 2008, production and shipments of RFID components from SMARTRAC's production location in Thailand for the first time exceeded 20 million units in one single month.

“This production milestone underlines our leading market position and our commitment to provide significant volumes of high quality inlays. Our high production numbers also show our competence to handle large customer projects within short lead times”, says Manfred Rietzler, Chief Technical Officer (CTO) of SMARTRAC.

Located in the province Ayutthaya, SMARTRAC runs four factories in Thailand. One of which is a high security production facility for the manufacturing of inlays that are used in ePayment and eID applications and has successfully passed numerous stringent qualification processes. The other three factories are manufacturing facilities for standard inlays including applications such as logistics, animal ID, mass transport and access control.

The majority of inlays is manufactured with SMARTRAC's advanced and proprietary wire-embedding technology. For an increasing number of inlays the two additional antenna technologies etching and coil-winding are applied.

Within its worldwide production network, SMARTRAC also maintains production locations in Brazil, the USA and Germany. The second largest production located in the Manaus province in Brazil, where the company mostly produces RFID inlays for the local market, accounts for a production capacity of some two million units a month.

SMARTRAC is currently building up an additional factory in Malaysia for the production of aluminium based etched antennas for eTickets. These tickets are mainly used in cost-sensitive areas such as libraries or mass transport.

In addition to the ordered volumes, SMARTRAC also holds excess capacity to guarantee short turnaround times in unexpected projects as the RFID market in large parts is a project driven market.

Quick turnaround times and the ability to ramp up the production capacity to accommodate customer requirements, in large parts is supported by SMARTRAC's particular machine building subsidiary Xytec that designs and assembles the manufacturing equipment used in the groups' worldwide production facilities. With this competitive advantage, the company is well positioned to participate in the further growth of the RFID 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 headquarters in Amsterdam. The company currently employs some 2.600 employees around the globe.



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