



PRESS RELEASE

SMARTTRAC N.V. reports on results for the first half year of 2008 and shows growth in sales and EBITDA

- **1. HY 2008 sales increase by 22 percent to euro 49.6 million (sales 1. HY 2007: euro 40.7 million)**
- **1. HY 2008 EBITDA increase by 9.9 percent to euro 11.5 million (EBITDA 1. HY 2007: euro 10.4 million)**
- **1. HY 2008 High Security segment sales reach euro 30.1 million (1. HY 2007: euro 28.2 million)**
- **1. HY 2008 Standard segment sales reach 19.7 million (1. HY 2007: euro 12.7 million)**

Amsterdam, July 30, 2008 – The Dutch company SMARTTRAC N.V. (stock abbreviation SM7) today announced its results for the first half year of 2008. The company reports continued growth momentum in sales and earnings for the first six months of 2008. The comprehensive SMARTTRAC Q2 2008 Interim Report is available for download on the company's website at www.smartrac-group.com.

SMARTTRAC achieved sales of euro 49.6 million in the first half year of 2008, which represents an improvement of some 22 percent compared to sales of euro 40.7 million in the first half of 2007. EBITDA for the first six months of 2008 amounts to euro 11.5 million, which is an increase of 9.9 percent compared to EBITDA of euro 10.4 million in the same period in 2007.

On the basis of an expected stronger second half of the year, SMARTTRAC is confident of reaching total sales of some euro 124 million, EBITDA is expected to increase to some euro 27 million for the full year 2008.

„SMARTTRAC operates in an RFID market that is characterized by very healthy growth rates over the long-term,“ said Dr. Christian Fischer, CEO of SMARTTRAC. “SMARTTRAC will profit from these RFID growth trends and will actively contribute to shaping the future development in the RFID industry.”

For the first six months 2008, SMARTTRAC generated a net profit of euro 8.2 million which represents a decrease of 11.3 percent compared to a net profit of euro 9.2 million in the same period in 2007. The decrease was caused to a large extent by translation effects due to changes in the exchange rate between the euro and the U.S. Dollar as well as the Thai Baht in the first quarter of 2008.

Million €	1st half year 2008 ¹	1st half year 2007 ¹	Change in % ¹
Sales	49.6	40.7	+ 22.0
EBITDA ²	11.5	10.4	+ 9.9
Net profit	8.2	9.2	- 11.3

¹ Figures have been rounded

² EBITDA from other operations included

RFID inlays for ePassports and ePayment applications remain a strong growth market for SMARTRAC. The company achieved sales of euro 30.1 million in the **High Security segment** in the first six months of 2008, representing an increase of some 7 percent compared to sales of euro 28.2 million in the first half year of 2007. EBITDA in this business segment reached euro 10.3 million in the first half year 2008 compared to euro 9.2 million from January to June 2007. With an EBITDA growth of some 11 percent in the first half year 2008, the High Security segment continued to account for an essential part of the overall EBITDA of the company.

Sales figures from the **Standard segment** showed a 55 percent increase in the first six months of 2008 and reached euro 19.7 million compared to sales of euro 12.7 million in the comparison period in 2007. With EBITDA of euro 2.4 million in the first half year of 2008, the Standard segment showed a slight increase on the EBITDA of euro 2.2 million recorded in the same period in 2007.

As already announced, SMARTRAC achieved second-quarter sales in 2008 of euro 22.5 million (Q2 2007: euro 21.2 million) and EBITDA of euro 4.7 million (Q2 2007: EUR 5.6 million). The EBITDA decline in the second quarter 2008 was mainly driven by ramp up costs for new product lines in the Standard segment and by a temporary decrease in ePassport sales.

SMARTRAC is well positioned to participate in the further growth of the RFID market. Sales in the company's High Security segment will mainly profit from the ongoing demand for secure electronic identification (eID) where SMARTRAC already anticipates the first projects. Further growth opportunities will result from the market for credit cards with an increasing number of applications for contactless payment being introduced.

As of the second half 2008, eTickets as well as the bio and logistics product line will contribute to SMARTRAC's overall result. These new product lines are subsumed under the company's Standard segment.

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 2.700 employees around the globe.



If you have any questions, please contact:
Stephan Öri



SMARTTRAC N.V.
Investor Relations
Tel: +31 20 30 50 150
Email: investor.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, SMARTTRAC N.V. does not assume any responsibility relating to forward-looking statements contained in this press release. Furthermore, SMARTTRAC N.V. does not assume any obligation to update the forward-looking statements contained in this press release.