



## PRESS RELEASE

### **The Swatch Group Ltd. and SMARTRAC N.V. agree on the sale and purchase of Sokymat Automotive GmbH**

Biel/Bienne and Amsterdam, September 22, 2008 – The Swatch Group Ltd., in Biel/Bienne, Switzerland, and SMARTRAC N.V., Amsterdam, The Netherlands (stock abbreviation SM7), signed a contract today regarding the acquisition by SMARTRAC of 75 percent of Sokymat Automotive GmbH, a company of The Swatch Group Ltd. Manfred Rietzler, Chief Technical Officer of SMARTRAC, has purchased the remaining 25 percent of the shares in Sokymat Automotive GmbH from Swatch Group today for the same terms and conditions as SMARTRAC on a pro rata basis. The acquisition is subject to standard closing conditions.

Sokymat Automotive GmbH and the totality of its some 75 employees will continue their profitable activity in Reichshof-Wehrath under the new ownership.

The Swatch Group Ltd. separates from Sokymat Automotive GmbH to further focus its activities on its thriving and dynamically growing core business of watches and jewelry, with its 19 brands as well as its strategically important related production and technology companies.

The prospects of Sokymat Automotive GmbH in its traditional automotive domain remaining intact, The Swatch Group Ltd. agreed to the sale of Sokymat Automotive GmbH to SMARTRAC, a leading supplier of RFID components. Their activities complement each other perfectly.

For SMARTRAC, the acquisition will open up additional growth opportunities enabling access into the market of RFID components for the automotive industry where Sokymat Automotive holds a strong market position.

Sokymat also produces RFID inlays and discs that are applied in manufacturing industries, logistics, laundry, animal identification and science applications. As a result of the acquisition, a new platform will be created on which to accelerate the existing industrial and logistics business of SMARTRAC by combining it with the respective business lines of Sokymat Automotive.

Sokymat Automotive and SMARTRAC have very similar positions in the global RFID value chain. Thus, the acquisition will not create any channel conflicts. The long-term expertise of Sokymat Automotive in the low frequency RFID transponder production including own machinery building capabilities and proprietary know-how are expected to contribute to strengthening SMARTRAC's technology base. Synergies are also expected to come from joint research and development activities.

The Swatch Group Ltd. will, through its company EM Microelectronic-Marin SA, remain connected with Sokymat Automotive. EM Microelectronic-Marin SA is a leader in the development and production of ultra low-power integrated circuits. As a major player in



RFID integrated circuits, EM Microelectronic-Marin SA will remain a key supplier of Sokymat Automotive thus enhancing the position of EM Microelectronic-Marin SA in this field.

**If you have any questions, please contact:**

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**About Sokymat Automotive GmbH**

Sokymat Automotive GmbH based in Reichshof-Wehnrath near Cologne, Germany, is a supplier of RFID transponders for the automotive industry, traditionally with a strong focus on car immobilizers and car entry systems. In addition, the company produces RFID inlays and discs that are applied in industry, logistics and laundry as well as animal identification and science applications. The company operates a production plant in Germany and has representations in the U.S. and Japan.

**About The Swatch Group Ltd.**

The Swatch Group Ltd is the largest manufacturer and distributor of watches and jewelry in the world with over 160 factories in Switzerland and delivering movements apart from the own brands to the whole Swiss watch industry. In 2007, Swatch Group sales amounted to 6 billion Swiss Francs. It is a synonym for emotional and luxury products of high quality and has its own strong worldwide network of distribution organizations. Its watch brands are Breguet, Blancpain, Glashütte Original, Jaquet-Droz, Léon Hatot, Omega and Tiffany & Co. in the luxury and prestige segment; Rado, Longines, Union Glashütte in the high end range; Tissot, Calvin Klein, Certina, Mido, Hamilton, Pierre Balmain in the middle range; Swatch, Flik Flak in the basic segment, and Endura.

**About SMARTTRAC N.V.**

SMARTTRAC 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.

**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.