Lund, February 7, 2008

Year-end report

Precise Biometrics AB (publ), Corporate Identity No. 556545-6596
Year-end report for the period January – December 2007

- The group's net revenue for the financial year amounted to SEK 24.8 million (47.7) and for the fourth quarter to SEK 8.1 million (11.4).
- Losses for the financial year amounted to SEK -35.3 million (-90.9) and for the fourth quarter SEK -9.8 million (-60.1).
- Losses per share for the financial year amounted to SEK -0.35 (-1.22) and for the fourth quarter SEK -0.10 (-0.74).
- Liquid assets at the end of the financial year amounted to SEK 32.5 million (76.3).
- Cooperation with OKI Electric Industry Co. Ltd. has resulted in the launch of a completely new product, the production of which will start in April 2008. OKI estimates the production to approximately 200,000 chips a month.
- During the quarter Precise Biometrics received a follow-up order for hardware for the national ID card project in Portugal. The order was for 1,400 units of Precise Biometrics' fingerprint reader Precise 250 MC, and has been obtained in partnership with Zetes Burótica. The order has been delivered.
- Precise Biometrics also received a follow-up order during the quarter for hardware for the Swiss group, Swisscom. The order is worth around SEK 2.4 million and will be delivered during the first quarter 2008.
- Precise Biometrics also won the procurement process for national ID cards for a small country. The Company won the tender together with a partner and the solution is based on Precise Match-on-Card™ technology.

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President's comments on the year-end report

During the year the Company has undergone the strategic change I plotted out when I took up the post as President in the autumn of 2006. We have focused on achieving the organizational structure controlled by customers and profitability that was communicated one year ago.

In terms of results I am quite pleased, we have achieved a definite improvement and in fact the best results the Company has had since the year 2000. We are still in the red, but I continue to stand by my conviction that Precise Biometrics will be a profitable company in 2009. I am not satisfied with the development of sales we have seen during the year. The unsatisfactory sales development can partly be explained by the fact that we during 2007 have been in a phase of changing focus from hardware to license sales of software. It takes time to build up such a new sales organization when it comes to selling in new projects. But now we have a good foundationto stand on.

A concrete reason to the sales result can be ascribed the PIV market which has not fulfilled expectations. American authorities were given a directive to roll out so called Personal Identity Verification cards with fingerprint technology to all employees. But the authorities did not get any extendedbudgets to implement the new system which in return naturally had a negative effect on the expected sales.

During 2007 we have laid down a good foundation from which several interesting projects will evolve the coming year and it feels good that our efforts have paid off. It also proves that it has been strategically correct to focus our sales organization on license sales and it is with optimism we commence the new year.

From all the events that have taken place during the year, I would like to highlight the following;

- That we won the procurement process for Portugal's national ID card project, and then later on during the year received a follow-up order for hardware for the project. This follow-up order confirms our previous conception that there is an important aftermarket for this type of projects.

- The business transaction we reached in 2006 with OKI Electric Industry Co. Ltd. has resulted in a new chip with fingerprint technology that opens up the way for cost-efficient solutions in consumer electrical products . In terms of volume OKI estimates the production to about 200,000 chip a month as of April 2008.

- The fact that we finally reached a business transaction with Smart Unicorn Solutions (SUS) in China feels very encouraging. The Chinese market is expansive and there is a great deal of interest in biometrics, which creates the prerequisites for our core technology to be used in a wide range of future applications.

- Our establishment of a subsidiary in Hong Kong with staff on site means that we can reinforce our position on the Asian market.

- In December we informed the market that we have won yet another national ID card project. Nevertheless for reasons of business confidentiality we will not be able to name the actual country until some time during the first quarter of 2008.

We are now aware of interesting developments in new segments that were not even on the edge of our horizons a few years ago. One example is the banking sector, which is rapidly in the process of developing into an interesting market, and the fact that Precise Match-on-Card™ technology has gained respect and credence in this segment is very stimulating for us and gives us a confident perspective for the future.

We have employed new staff during the year with competence that matches exactly what we need to become a cutting-edge company, and to achieve success on the market and increase our sales. We also put one of our core values in place during the year, and we communicate it as often as we can – Proven Identity.

It is therefore with great confidence that we enter 2008, with employees who have subscribed to options in the Company and who have demonstrated, just like me, that they share a positive belief in the future of the Company.

Sales and result

The financial year 2007

Sales during the financial year amounted to SEK 24.8 million (47.7). The gross margin was 36%, compared with 40% in the previous year. The group's net loss for the financial year amounted to SEK -35.3 million (-90.9). Operating costs for the financial year, excluding cost of goods sold and results from participations in associated companies, amounted to SEK -44.2 million (-91.1), including depreciation and write-downs of SEK 5.1 million (18.9) and capitalization of costs for development work of SEK 0.6 million (3.8). Earnings per share (average number of shares) for the period amounted to SEK -0.35 (-1.22).

Fourth quarter October - December 2007

Sales for the fourth quarter amounted to SEK 8.1 million (11.4). The gross margin, which in the corresponding period in the previous year was negative as a result of large write-downs of inventories, was 33 %. The group's net losses for the fourth quarter amounted to SEK -9.8 million (-60.1). Operating expenses excluding cost of goods sold and results from participations in associated companies, amounted to SEK -11.9 million (-38.5), including depreciation and write-downs of SEK 1.8 million (11.8) and capitalization development costs of SEK 0.2 million (0.5). Result per share (average number of shares) for the fourth quarter amounted to SEK -0.10 (-0.74).

Financing and liquidity

As of December 31, 2007 equity amounted to SEK 71.2 million (95.0) and equity/share to SEK 0.70 (0.98).

The cash flow from current operations during the year amounted to SEK -36.8 million (-34.1). Liquid assets at the end of the financial year amounted to SEK 32.5 million (76.3).

Geographic markets and future prospects

Precise Biometrics' marketing and sales policies are divided into the five geographic markets: Asia, Europe (including Scandinavia), the Middle East & Africa, North America and Latin America.

Our work with the analysis and qualification of existing and potential projects, customer relations, partners and distribution channels, has continued during the fourth quarter. To reinforce partner relations the Company held a two-day training course for one our largest partners, which produced a very positive response. The Company has continued to enhance its market presence and to take part in trade fairs, and has maintained a highly visible profile around the world.

In the fourth quarter Precise Biometrics won, together with a partner, the procurement process for a national ID card project for a small country. For reasons of business confidentiality the name of the country cannot be made public until a later date in 2008 but we consider the business deal to be of strategic importance. Delivery will take place during 2008.

Europe

During the last quarter Precise Biometrics has been successful on several fronts, and among other things has received a follow-up order concerning hardware for the Swiss company Swisscom. Another follow-up order has consisted of hardware for the national ID card project in Portugal, where together with the partner Zetes Burótica the Company has delivered 1,400 units of the fingerprint reader Precise 250 MC.

A large number of marketing activities are in progress throughout Scandinavia and Europe that are considered to be of great importance for Precise Biometrics' future sales.

Precise Biometric Solutions (Fyrplus Teknik AB) in Karlstad, Sweden, has continued to work towards and market the SAS solution to the aviation industry. The interest has been big and during 2008 several projects are expected to be initiated.

The Middle East & Africa

Precise Biometrics has worked very intensively during the year on the geographic market that constitutes the Middle East & Africa to monitor developments in the national ID card segment. Several countries in the region are planning for the introduction of smart card based ID cards and the work continues to encourage other countries in the region to prioritize ID cards based on smart cards with Precise Match-On-Card™ as their choice of technical solution. Other prioritized market segments on this geographic market are the banking, aviation and travel sectors, which have show increased interest in biometrics as a general concept and in particular the ability of Precise Biometrics to offer biometric solutions adapted to specific segments.

North America

In spite of extensive market activities and projects with public authorities and in the private sector, sales on the geographic market that constitutes North America, and which since the fourth quarter also includes Mexico, have not reached the set target. The fact that the American authorities froze their acquisition budgets in the first quarter contributed to a poor start for sales. Weak sales have also led to a continuation of the work to adapt Precise Biometrics' organization, in terms of its resources, to the market conditions A new strategy was established for 2007 involving a greater focus on sales work from the headquarters in Lund, and therefore it has been possible to continue monitoring market developments during the year in spite of a significant reduction in staff.

The active participation of Precise Biometrics in consortiums, for example for future HSPD-12 projects where the objective of cooperation is to coordinate procurements at public authority level, is considered to be of especial importance in view of the reduction in manpower. Participation in consortiums secures that the trademark Precise Biometrics will have a strong position in future projects. It is also important that Precise Biometrics received GSA/APL certification during the year and has taken a decision to participate in a NIST MINEXII study.

Examples of orders during the second and third quarter include delivery of the combined fingerprint and smart card reader Precise 200 MC to the Federal Agency of Administration, an order for just over 200 units of Precise 250 MC from NASA, a follow-up order for a fingerprint reader from Bridgestone and Lockheed Martin, and the delivery of 2,100 readers from Precise Biometrics' 200 series to the Department of State (DOS). In the fourth quarter the Company also received a follow-up order from DOS for 2,300 fingerprint readers and an order for just over 1,000 readers from an American police authority.

There are expectations that sales will increase in 2008, even if it still remains very difficult to predict market developments and sales trends in the region. The growing interest in biometric solutions in the American finance and health care sectors is an interesting development on the market, and during the year Precise Biometrics has also been engaged in several pilot projects within these segments.

Latin America

Precise Biometrics has previously reported a growing interest in biometrics on the geographic market Latin America, and this interest continues to gain force. Several countries are approaching the introduction of national ID cards with biometrics and another positive factor is that leading international smart card companies who are partners of Precise Biometrics continue to intensify their market activities in the region.

Asia

In the fourth quarter OKI Electric Industry Co. Ltd. presented a completely new type of electronic chip in which Precise Biometrics' technology for fingerprint recognition has been integrated (a so-called Embedded Solution). Its introduction is a result of cooperation initiated in 2006. The new chip enables companies that manufacture consumer oriented electrical products such as payment terminals, door locks, satellite boxes and cars locks etc. to launch new products on the market more quickly, without first having to put a lot of time and effort into the development of their own biometric solutions.

OKI plans to produce approximately 200,000 chips per month, starting in April 2008, and this gives an indication of the significant potential that exists for Precise Biometrics for licensed sales in the market segment Embedded Solutions. Work continued in the fourth quarter to define other companies with a similar orientation to OKI, which could thereby generate additional licensed sales for Precise Biometrics.

Work intensified in the fourth quarter in China in the part-owned company Smart Unicorn Solutions (SUS), and there are expectations that a business agreement involving extensive sales potential will be presented in the first half of 2008.

The subsidiary Precise Biometrics established in Hong Kong during the third quarter simplified work towards the end of the year with the development of the national ID card project in Thailand. Monitoring of this project is especially important, since it involves considerable opportunities for additional sales for Precise Biometrics.

Parent company

Parent company sales for the financial year amounted to SEK 12.4 million (26.0). Operating loss before tax for the financial year amounted to SEK -32.7 million (-83.1).

Parent company sales for the fourth quarter amounted to SEK 4.7 million (6.9). Operating loss before tax for the fourth quarter amounted to SEK -7.9 million (-55.7).

At the end of the financial year there were 22 persons employed in the parent company.

Liquid assets at the end of the fourth quarter amounted to SEK 27.8 million (73.2). The parent company had no debts to credit institutions at the end of the fourth quarter. Investments in tangible fixed assets amounted to SEK 0.1 million (0.9).

During the financial year development costs of SEK 0.6 million (3.1) were capitalized, SEK 0.2 million (0.3) during the fourth quarter.

Organization and employees

The parent company of Precise Biometrics has its headquarters in Lund, Sweden. The organization also consists of Precise Biometrics Inc. in Washington DC, USA, Precise Biometrics Solutions AB with an office in Karlstad, and since the last quarter the newly establish subsidiary Precise Biometrics Asia Ltd. with its headquarters in Hong Kong, including the dormant companies Precise Biometrics UK Ltd., Precise Biometrics Services AB and Loqware Sweden AB (in the process of liquidation).

Deleted:

Patrik Lindeberg has taken up his post as Director, Development and Technical Sales during the quarter. He is also part of the management group where he has taken over after Ola Svedin who left the Company on December 31.

As of December 31, 2007 the group had 38 (49) employees, 35 in Sweden, 2 in the US, and 1 in Hong Kong. Of these employees, 28 (35) were men and 10 (14) were women.

Investments in tangible fixed assets

During the financial year the group has invested SEK 0.1 million (1.3) in tangible fixed assets.

In the fourth quarter the group invested SEK 0.1 million (0.3) in tangible fixed assets.

Capitalization and depreciation of development work

Costs for development work of SEK 0.6 million (3.8) were capitalized during the financial year. Depreciation and write-downs of capitalized costs for development work amounted in the financial year to SEK 2.7 million (9.6), of which write-downs accounted for SEK 1.1 million (5.7).

During the fourth quarter development costs of SEK 0.2 million (0.5) were capitalized. Depreciation and write-downs of capitalized costs for development work amounted in the quarter to SEK 1.4 million (6.7), of which write-downs accounted for SEK 1.1 million (5.7).

Patents

The group's long-term patent strategy focuses on establishing strong protection round the Precise Match-on-Card™ technology. The patents portfolio has been successively expanded since 2001 and at the end of the financial year included 67 registered and 50 applications for patents in 23 different product families. Precise Biometrics has twelve different patent families for the Match-on-Card technology alone.

The share

The Company's shares have been listed on the O-list of the Stockholm Stock Exchange since October 3, 2000, which after October 2, 2006 was replaced by the Nordic Stock Exchange where the Company is now listed on the Small Cap list.

The total number of registered shares at the end of the fourth quarter was 101,220,600. During the financial year the average turnover per day was SEK 1,503 thousand and the share price ranged from SEK 4.05 to 1.31. During the fourth quarter the average turnover per day was SEK 1,494 thousand and the share price has ranged from SEK 2.59 to 1.31.

The main shareholders as of December 31, 2007

Name	Percentage of capital stock	No. of shares
Storebrand fonder	4.9%	4,992,666
Fjärde AP-fonden	4.4%	4,500,000
Smart Unicorn Group Ltd	4.2%	4,300,000
Banco fonder	3.3%	3,344,199
Odin fonder	2.3%	2,314,480
Folksam fonder	1.9%	1,900,000

Source: SIS Ägarservice

Warrants

There are a total of 2,355,000 warrants.

Nomination committee

Following a decision at the Annual General Meeting on April 27, 2005 a nomination committee has been organized. The nomination committee consists of Öyvind Fjell (Storebrand fonder) and Stefan Johnson (Fjärde AP-fonden), who represent the two largest shareholders, and Nils Bernhard, one of the founders of the Company. The chairman Lars Grönberg also sits on thecommittee, and is the convenor.

Risk factors

Technological development

The market on which the Company operates is subject to rapid change. New technology and new players are constantly emerging. The Company's technology must therefore to a large extent be accepted by the leading players on the market, both by suppliers and customers. The market must be mature enough to understand and accept the new technology supplied by the Company. This can mean that major investments in marketing and sales may be required to achieve the expected sales volumes.

Employees

There are a number of key persons in the Company who are important for operations, and who possess unique competence. If one or more of these key persons should leave the Company it could, in the short term, have a negative impact on operations. There is also the risk that the recruitment of new employees for these positions can take time and result is additional costs for the Company.

Partners

Today the Company cooperates with several different partners. They include systems integrators, smart card manufacturers, chip manufacturers and suppliers of applications. The Company relies on this cooperation in order to be able to offer end-users complete security solutions. There is a risk that one or more of these partners could end their cooperation or fail to achieve the expected results, which would result in a loss of expected future earnings.

Patents and industrial and intellectual property rights

It is important for the Company to protect its technology through patents or other industrial and intellectual property rights, and thereby retain its technological lead and create the opportunity for license earnings in the future. The company therefore pursues an active patent strategy, which involves applying for patents for strategically important inventions in the countries where this is considered to be appropriate.

Competitors

The company operates on the biometrics market where competition is intense. The competing companies can have substantially larger financial and industrial resources at their disposal than the Company, and it cannot be excluded that competition from this type of player can lead to diminished market shares and/or a reduction in profitability for Precise Biometrics.

Forecasting reliability

The Company operates on a market that is in an early stage of growth and is characterized by long sales promotion periods, which leads to a certain degree of inaccurate forecasts. Earlier or later submissions of orders can have a significant effect on annual sales and earnings.

Cash flow

The Company endeavors to minimize the time capital is tied up, for example in stocks and accounts receivable. To reduce the risks of tied-up capital the Company works actively to improve the internal process for forecasting and production planning. The Company also endeavors to ensure that the long ID card projects are not an excessive burden in terms of the cash flow.

For a full account of identified risks, please refer to the Annual Report for 2006.

Future report dates

Interim report Q1	April 22, 2008
Interim report Q2	July 22, 2008
Interim report Q3	October 23, 2008
Year-end report	February 5, 2009

Accounting principles

This year-end report has been prepared in accordance with IAS 34, Interim reporting and the Swedish Company Accounts Act.

The accounting principles remain unchanged in comparison with the previous year. For information on the applied accounting policies, please refer to the Annual Report for 2006.

The Board of Directors proposes that there will be no dividends paid out

Lund, February 7, 2008

The Board of Precise Biometrics AB (publ)

The annual general meeting for Precise Biometrics AB (publ) will be held on Tuesday April 22, 2008 at 16.00 at the Scandic Hotel Star, Glimmervägen 5 (Gastelyckans industrial estate) in Lund.

The Annual Report will be available and distributed by post to shareholders in the beginning of April, and can also be ordered from Precise Biometrics, tel. +46(0)46 31 11 00, fax. +46(0)46 31 11 01 or via e-mail investor@precisebiometrics.com.

Review report

We have conducted a general review of the year-end report for Precise Biometrics AB (publ) for the period January 1, 2007 to December 31, 2007. It is the responsibility of the Board and the President to prepare and present this year-end report in accordance with the Annual Accounts Act and IAS 34. Our responsibility is to express an opinion on this year-end report based on our general review.

We have conducted our general review in accordance with the Swedish Standard for general reviews SÖG 2410 *General review of financial interim information conducted by the company's auditors*. A general review consists of making enquiries, in the first instance to persons who are responsible for financial issues and accounting issues, to conduct an analytic review and to take other general review measures. A general review has a different focus and is of a significantly smaller scope in comparison with the focus and scope of an audit in accordance with the Standards on Auditing in Sweden (RS) and otherwise generally accepted auditing standards. The review measures taken during a general review do not allow us to acquire a sufficient degree of certainty so as to be aware of all the important circumstances we would have identified if an audit was conducted. The opinion we have expressed on the basis of a general review therefore does not have the degree of certainty that an opinion based on an audit has.

On the basis of our general review we have not found any circumstances that have given us reason to believe that the interim report has not in all essential respects been prepared in accordance with the Annual Accounting Act and IAS 34.

Lund, February 7, 2008

Öhrlings PricewaterhouseCoopers AB

Dan Andersson	Åke Christiansson
Authorized public accountant	Authorized public accountant
Senior auditor	

Income statement, Group

(Figures in thousands SEK)	Q4 2007	Q4 2006	Full year 2007	Full year 2006
Net sales	8,111	11,435	24,815	47,733
Cost of goods sold	-5,432	-11,949	-15,928	-28,814
Gross profit / loss	**2,679**	**-514**	**8,887**	**18,919**
Selling expenses	-4,910	-25,072	-21,357	-55,795
Administrative expenses	-2,648	-4,067	-9,608	-14,981
R&D costs	-3,080	-8,330	-13,762	-18,304
Other operating income and changes in value	-1,300	-1,043	542	-2,045
Result from participations in associated companies	-953	-20,607	-1,448	-18,266
	-12,891	-59,119	-45,633	-109,391
Operating profit / loss	**-10,212**	**-59,633**	**-36,746**	**-90,472**
Financial costs	392	-431	1,457	-326
Profit / loss after financial items	**-9,820**	**-60,064**	**-35,289**	**-90,798**
Tax	-	-76	-	-77
Profit / loss for the period	**-9,820**	**-60,140**	**-35,289**	**-90,875**
Results per share, SEK	*-0.10*	*-0.74*	*-0.35*	*-1.22*

Balance Sheet, Group

(Figures in thousands SEK)	12/31/2007	12/31/2006
Assets		
Intangible fi xed assets	10,316	14,018
Tangible fixed assets	1,602	2,424
Financial fixed assets	-	151
Participations in associated companies	22,396	13,124
Receivables from associated companies	6,470	-
Inventories	1,865	4,034
Accounts receivable - trade	8,391	13,537
Other current receivables	2,594	3,089
Cash and bank balances	32,516	76,302
Total assets	**86,150**	**126,679**
Equity and liabilities		
Equity	71,201	95,016
Current liabilities	14,949	31,663
Total equity and liabilities	**86,150**	**126,679**
Pledged assets	**9,115**	**9,115**
Contingent liabilities	**-**	**-**

Cash Flow Statement, Group

(Figures in thousands SEK)	Q4 2007	Q4 2006	Full year 2007	Full year 2006
Cash flow from operating activities before changes in working capital	-7,532	-24,773	-29,224	-54,097
Cash flow from changes in working capital	2,551	16,042	-7,549	20,006
Cash flow from operating activities	-4,981	-8,731	-36,773	-34,091
Cash flow from investing activities	158	-2,954	-7,095	-22,484
Cash flow from financing activities	0	73,647	82	73,647
Cash flow for the period	**-4,823**	**61,962**	**-43,786**	**17,072**
Liquid funds at the beginning of the period	37,339	14,340	76,302	59,230
Liquid funds at the end of the period	32,516	76,302	32,516	76,302

Lund, February 7, 2008

Key Figures, Group

	12/31/2007	12/31/2006	12/31/2005
Working capital (thousands SEK)	30,417	65,299	76,369
Liquid ratio	291%	293%	377%
Equity/assets ratio	83%	75%	83%
Return on average equity	neg	neg	neg
Capital employed (thousands SEK)	71,201	98,040	104,404
Return on capital employed	neg	neg	neg
Profit/loss per share (SEK)	-0.35	-1.22	-0.63
EBITDA (thousands SEK)	-31,679	-71,545	-32,222
Equity per share (SEK)	0.70	0.98	1.45
Number of shares	101,220,600	97,220,600	71,790,450
Number of employees at the end of the period	38	49	69
Average number of employees during the period	45	66	65

Definitions - Key Figures

Working capital: Current assets less current liabilities

Liquid ratio: Current assets less inventories divided by current liabilities

Equity/assets ratio: Equity as of the balance sheet date divided by total assets as of the balance sheet date

Return on equity: Profit/loss for the period divided by average equity

Capital employed: Balance sheet total minus non-interest-bearing liabilities and provisions

Return on capital employed: Profit/loss after financial items plus financial expenses divided by the average capital employed

Profi/loss per share: Profit/loss after tax divided by the average number of shares. The options are not included in the calculation since the subscription price is higher than the market rate at the 31th of December 2007

EBITDA: Profit/loss before net financial items, depreciations, write-downs and tax

Equity per share: Equity at the end of the period divided by the number of shares at the end of the period

Changes in Equity, Group

(Figures in thousands SEK)

	Full year 2007	Full year 2006
Initial Equity	**95,016**	**104,404**
New share issue	10,496	81,534
Options[1)]	306	-
Translation difference	672	-47
Profit/loss for the period	-35,289	-90,875
Equity at the end of the period	**71,201**	**95,016**

[1)] Relates to 2,355,000 subscription options to employees at a rate of SEK 0.13.

Turnover and profitability by Regions Q4 2007[1)]

(Figures in thousands SEK)	North America		Europe		Middle East & Africa	
	2007	2006	2007	2006	2007	2006
Net sales	2,005	3,948	5,954	7,538	235	-
Expenses[2)]	-2,422	-5,507	-5,368	-7,922	-491	-
Operating profit/loss	-417	-1,559	586	-384	-256	-

	Asia		Latin America		Other	
	2007	2006	2007	2006	2007	2006
Net sales	-83	323	-	-	-	-374
Expenses[2)]	-989	-10,677	-	-	-444	-3,244
Operating profit/loss	-1,072	-10,354	-	-	-444	-3,618

Turnover and profitability by Regions Full year 2007[1)]

(Figures in thousands SEK)	North America		Europe		Middle East & Africa	
	2007	2006	2007	2006	2007	2006
Net sales	4,952	8,568	17,216	28,205	2,047	-
Expenses[2)]	-6,853	-14,663	-17,513	-29,204	-2,686	-
Operating profit/loss	-1,901	-6,095	-297	-999	-639	-

	Asia		Latin America		Other	
	2007	2006	2007	2006	2007	2006
Net sales	499	14,375	102	-	-	-3,415
Expenses[2)]	-3,135	-17,341	-157	-	-400	-4,047
Operating profit/loss	-2,636	-2,966	-55	-	-400	-7,462

1) Since January 2007 the Group has a regional sales organization with geographic markets. The marketing in the respective geographic markets takes place through the new business areas.

2) The above expenses in Regions include Cost of goods sold as well as operation expenses for each region.

Income statement, Parent company

(Figures in thousands SEK)	Full year 2007	Full year 2006
Net sales	12,425	25,992
Cost of goods sold	-7,788	-18,523
Gross profit / loss	**4,637**	**7,469**
Selling expenses	-15,993	-31,764
Administrative expenses	-7,993	-13,054
R&D costs	-13,762	-18,091
Other operating income and changes in value	-1,513	4,784
Result from participations in group companies	-	-9,176
Result from participations in associated companies	-	-24,037
	-39,261	-91,338
Operating profit / loss	**-34,624**	**-83,869**
Financial costs	1,910	740
Profit / loss after financial items	**-32,714**	**-83,129**
Tax	-	-
Profit / loss for the period	**-32,714**	**-83,129**
Results per share, SEK	*-0.33*	*-1.11*

Balance Sheet, Parent company

(Figures in thousands SEK)	**12/31/2007**	**12/31/2006**
Assets		
Intangible fixed assets	5,385	8,408
Tangible fixed assets	1,048	1,617
Participations in group companies	6,540	7,219
Participations in associated companies	21,320	10,600
Receivables from associated companies	6,470	-
Inventories	1,788	3,797
Accounts receivable - trade	4,471	7,380
Other current receivables	47,711	42,380
Cash and bank balances	27,813	73,236
Total assets	**122,546**	**154,637**
Equity and liabilities		
Equity	112,843	135,061
Other provisions	240	464
Current liabilities	9,463	19,112
Total equity and liabilities	**122,546**	**154,637**
Pledged assets	**1,715**	**1,715**
Contingent liabilities	**2,000**	**2,000**

Lund, February 7, 2008

On the occasion of today's year - end report we have the pleasure to invite investors and journalists to the following informative meetings during the day

Telephone conference in Swedish

- The conference starts at 11:00 (CET)
- To participate, please call + 46 (0)8 566 363 30
- Password: Precise Biometrics

An operator will note your name and connect you to the conference. She/he will also provide you with information about what to do if you have any questions.

Telephone conference in English

- The conference starts at 12:00 (CET)
- To participate, please call + 46 (0)8 566 363 30
- Password: Precise Biometrics

An operator will note your name and connect you to the conference. She/he will also provide you with information about what to do if you have any questions.

Participating on behalf of Precise Biometrics

- Thomas Marschall, President and CEO
- Niklas Andersson, CFO

Please visit www.precisebiometrics.com/presentationer where a presentation can be downloaded.

For further information

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