

THE LARGEST ORDER EVER AND A SIGNIFICANTLY OVER-SUBSCRIBED SHARE ISSUE

Precise Biometrics AB (publ), Corporate Identity No 556545-6596
Interim report for the period January – September 2009

- The group's net sales for the interim period amounted to SEK 36.5 million (34.4) and for the third quarter SEK 14.6 million (16.5).
- The group's income for the interim period amounted to SEK -24.6 million (-18.4) and for the third quarter SEK -13.0 million (0.1). The result includes a write-down of goodwill in the wholly owned subsidiary Precise Biometrics Solutions AB of SEK 5.0 million.
- Earnings per share for the interim period amounted to SEK -0.23 (-0.18) and for the third quarter SEK -0.12 (0.00).
- Liquid assets at the end of the interim period amounted to SEK 59.3 million (7.5). Liquid assets include SEK 54.0 million from the rights issue (before related costs).
- Precise Biometrics has been awarded an order worth approximately USD 6.0 million from the US government within the Cyber Security framework. Delivery has started and the order will be delivered and invoiced before end of 2009. Revenue from the large US order will primarily be visible in the financial statements for the fourth quarter.
- Precise Biometrics AB completed, during the quarter, a rights issue with preferential rights, which has supplied the Company with SEK 54.0 million before issue costs. The non-guaranteed rights issue was subscribed to 178% and is implemented to finance further expansion and increase market penetration in prioritized segments.
- Precise Biometrics has joined a partnership with the Nigerian company Interswitch aimed at developing bank application for the African market. A first project, worth 200 000 Euros in license sales, has already been initiated.
- As Aviation sales has not fulfilled expectations due to the general industry downturn it has been decided to restructure the wholly owned subsidiary Precise Biometrics Solutions AB. As an effect Precise Biometrics AB has written down the goodwill value of SEK 5.0 million in the subsidiary.

For further information

Thomas Marschall, President and CEO, Precise Biometrics AB
Tel. +46 (0)46 31 11 10 or +46 (0) 734 35 11 10
E-mail thomas.marschall@precisebiometrics.com

Patrik Norberg, CFO, Precise Biometrics AB
Tel. +46 (0)46 31 11 47 or +46 (0) 734 35 11 47
E-mail patrik.norberg@precisebiometrics.com

Precise Biometrics is a market-leading provider of products and solutions for fingerprint recognition. The technology proves people's identities in a fast and secure way, while it reduces costs related to password management, identity theft and fraud.

Precise Biometrics serves business and government organizations throughout the world and its technology is licensed to close to 100 million users. Precise Biometrics is listed on NASDAQ OMX Stockholm small cap list (PREC).

For more information, please visit www.precisebiometrics.com or view the [Company presentation](#).



The largest order ever and a significantly over-subscribed share issue

- Comments on the quarterly report by the CEO, Thomas Marschall

How would you sum up the quarter?

It has been a successful quarter where we, after focused work, have received the company's largest order ever. In addition, we have carried out a rights issue that was subscribed to 178 percent, which will give us strength for future market actions. The revenue from the large US order will primarily be visible in the financial statements for the fourth quarter.



Does this mean that you are holding on to the possibility of achieving break-even this year?

The goal of achieving break-even for the full year remains in effect, but is dependent on the results of several projects during the fourth quarter. Even if none of these projects are closed on the right side of the New Year, we will still show a strongly improved result. In the future, individual quarters will continue to vary depending on when we are able to invoice, and whether it is in regard to hardware or software. At the same time, we are seeing an increasingly more stable earning ability and several continuous follow-up orders.

What market segments are most active right now?

We have many projects underway where we are working with projects within all our market segments and in different geographic markets. The breakthrough order to the US government has generated a very large interest in IT security both from authorities and large companies, which has resulted in several concrete inquiries. Interest is also large within the banking sector where, for example we have a very interesting new cooperation with Interswitch in Nigeria.

When will the next large order be coming?

There are several projects that can be concluded during the current year. We are the market leader within our business, and it is rare that we lose projects or tenders. At the same time, the characteristics of procurement processes are such that it can take a long time for decisions to be made. I am convinced that the Match-on-Card procurements will take place at a faster rate as the technology is becoming more widespread and proven. To speed up the business process we are now to a larger extent focusing on Match-on-Card for companies and organizations since decisions there are made faster than within national ID-card projects. More and more organizations are seeing the major security benefits of a personalized access system– namely to ensure that login is made in a user-friendly way by a particular person and not only by someone who is able to give the right PIN.

When will we see the results of the partnership with Gemalto?

When we went public about the cooperation, AXA Technology Services, was already a major customer for the product, Gemalto NET.Bio, and since then we have initiated a number of pilot projects. We have expectations on the cooperation with Gemalto for 2010 when we are expecting more and larger projects.

On the technical front, your leading position has been primarily confirmed by the result of a test program called Ongoing MINEX (The Minutiae Interoperability Exchange Test). What is significant about this?

This test shows that Precise Biometrics' algorithm – for extracting information from a fingerprint and creating a template – is the best of 43 competing entries and therefore, best in the world. The result is important for future procurements and shows that we are a leading player in the development of standards for interoperability, something that is of importance for the entire biometrics market. It confirms our technology leadership in the segment.

Why did you choose not to guarantee the share issue?

We had a great deal of self-confidence in regard to the issue being fully subscribed, and by not guaranteeing the issue we saved approximately 10% of the issue amount, which now instead can be used for future growth. A subscription of 178 percent confirms our shareholders strong and long-term confidence in the company.

Sales and net profitInterim period; January to September 2009

Sales for the interim period amounted to SEK 36.5 million (34.4). The gross margin amounted to 53 % compared to 48 % the same period the previous year. The group's net loss for the interim period amounted to SEK -24.6 million (-18.4). The net result is impacted by SEK -5.0 million due to a write-down of the goodwill value in the subsidiary Precise Biometrics Solutions AB in the third quarter. The result is further impacted by negative currency effects. Operating expenses for the interim period, excluding costs of goods sold, participations in associated companies and goodwill write-down, amounted to SEK 38.1 million (34.0), including depreciation and write-downs of SEK 2.1 million (2.1) and capitalization of development costs SEK 1.0 million (1.3). The change in operating expenses compared to previous year is largely explained by currency effects. Earnings per share (average number of shares) for the interim period amounted to SEK -0.23 (-0.18).

Third quarter; July-September 2009

Sales for the third quarter amounted to SEK 14.6 million (16.5). The gross margin was 36% compared with 53 % during the corresponding period in the previous year. The lower gross margin is explained by higher proportion of hardware sales, primarily to US government. The Group's net loss for the third quarter amounted to SEK -13.0 million (0.1). The net result is impacted by SEK -5.0 million due to a write-down of the goodwill value in the subsidiary Precise Biometrics Solutions AB in the third quarter. The result is further impacted by negative currency effects. Operating expenses, excluding cost of goods sold, participations in associated companies and goodwill write-down, amounted to SEK 12.5 million (8.5), including depreciation and write-downs of SEK 0.7 million (0.7) and capitalization development costs of SEK 0.3 million (0.2). The change in operating expenses compared to previous year is largely explained by currency effects. Earnings per share (average number of shares) for the third quarter amounted to SEK -0.12 (0.00).

Financing and liquidity

As of September 30, 2009, equity amounted to SEK 42.6 million (53.1) and equity per share to SEK 0.32 (0.52).

Cash flow from current operations amounted to SEK -1.5 million (-8.2) during the quarter. Liquid assets at the end of the interim period amounted to SEK 59.3 million (7.5).

Precise Biometrics AB completed, during the quarter, a rights issue with preferential rights, which has supplied the Company with SEK 54.0 million prior to issue costs. The non-guaranteed rights issue was subscribed to 178% and is implemented to finance further expansion and increase market penetration in prioritized segments.

During 2008 the company obtained a credit facility of SEK 15 million. During the third quarter 2009 this facility was increased to SEK 21 million, due to the need of financing the current hardware order to US. The net utilization of the facility was SEK 13.6 million per the end of the quarter. The facility will be fully amortized during the fourth quarter.

Geographical markets and sales – events during the third quarter

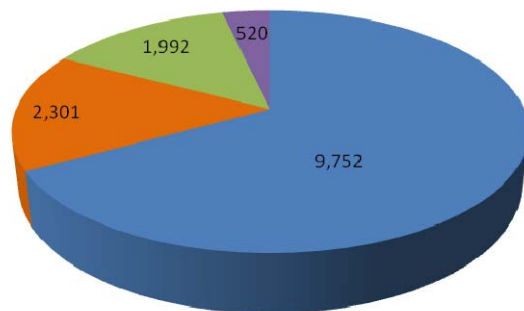
The year's third quarter started with a major order from US government within the framework of the Cyber Security-program, which is being introduced to prevent hostile infiltration of government systems within critical infrastructure. The order value is over USD 6 million and is the company's largest order ever. Deliveries have started and the majority of the fingerprint readers will be delivered during the fourth quarter.

During the quarter, a cooperation agreement has been signed with Interswitch, a solution provider within the bank segment in West Africa. Interswitch is, like Precise Biometrics, an established Gemalto partner and they are also a supplier of the Nigerian national ID card. The bank market in Africa is a very interesting potential market where biometrics can play an important role. One market driver is that Nigeria recently decided to replace magstripe bank cards with more secure chip cards in accordance with EMV. By using fingerprints instead of a PIN, persons that suffer from illiteracy or innumeracy could also given the possibility to get access to a bank card and bank account in a secure and easy way. Interswitch and Precise Biometrics are involved in a joint project that will generate licenses for more than SEK 2 million in 2009.

Today, Precise Biometrics has five countries contracted for Match-on-Card for national ID cards, which corresponds to nearly 100 million licenses. During the quarter, sales have been made to Portuguese ID card in the form of licenses and fingerprint readers. The latest country, which was previously referred to as non-European, is Venezuela. With references in Latin America, it is expected that Precise Biometrics' market position is being strengthened prior to other card projects in the region. The deliveries of licenses to Venezuela started during the fourth quarter of 2008 and have continued during 2009.

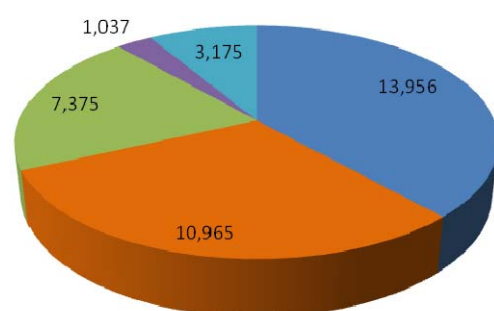
Sales Regions Q3 2009 (Thousand SEK)

■ North America ■ Europe ■ Middle East & Africa ■ Asia



Sales Regions Q1-Q3 2009 (Thousand SEK)

■ North America ■ Europe ■ Middle East & Africa ■ Asia ■ Latin America



Parent company

Parent company sales for the interim period amounted to SEK 26.3 million (22.9). Operating loss before tax for the interim period amounted to SEK -27.8 million (-23.5). The net result is impacted by SEK -5.5 million due to a write-down of the value in the subsidiary Precise Biometrics Solutions AB in the third quarter.

Parent company sales for the third quarter amounted to SEK 9.6 million (10.3). Operating loss before tax for the third quarter amounted to SEK -18.4 million (0.7).

At the end of the interim period 25 persons were employed in the parent company.

Liquid assets at the end of the third quarter amounted to SEK 58.3 million (4.5). Liquid assets includes SEK 54.0 million from the rights issue (before related costs).

During the interim period development costs of SEK 0.8 million (1.3) were capitalized, SEK 0.3 million (0.2) during the third quarter.

Organization and staff

The parent company of Precise Biometrics has its head office in Lund, Sweden. The organization also consists of the subsidiaries Precise Biometrics Inc. in Washington DC, USA, Precise Biometrics Asia Ltd. in Hong Kong and Precise Biometrics Solutions AB with offices in Karlstad. The dormant companies Precise Biometrics Services AB and Loqware Sweden AB (bankruptcy proceeding initiated) are also part of the group.

As of September 30, 2009, the group had 35 (45) employees, 33 in Sweden, 1 in the US and 1 in Hong Kong. Of these employees, 26 (35) were men and 9 (10) were women.

Investments in tangible fixed assets

During the interim period, the group invested SEK 0.0 million (0.2) in tangible fixed assets.

In the third quarter the group invested SEK 0.0 million (0.0) in tangible fixed assets

Capitalization and depreciation of development work

Development work costs of SEK 1.0 million (1.3) were capitalized during the interim period. Depreciation of capitalized costs for development work amounted to SEK 1.0 million (1.5) during the interim period.

During the third quarter development costs of SEK 0.3 million (0.2) were capitalized. Depreciation of capitalized development costs amounted to SEK 0.4 million (0.5) during the quarter.

Patents

The group's long-term patent strategy focuses on rigidly safeguarding the Precise Match-on-Card™ core technology. The patents portfolio has been gradually expanded since 2001 and at the end of the third quarter of 2009 included 73 registered patents and 33 applications for patents in 22 different product families. Precise Biometrics has 13 different patent families for the Match-on-Card technology alone.

The stock

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 Nasdaq OMX Nordic where the company is now listed on the Small Cap list.

The total number of registered shares at the end of the quarter was 101,220,600. After the end of the quarter the shares related to the rights issue have been registered, total number of shares would then amount to 134,960,840. During the interim period the average turnover per day was SEK 3,563 thousand and the share price ranged from SEK 0.50 to 3.72. During the third quarter the average turnover was SEK 7,118 thousand per day, and the share price ranged from SEK 2.06 to 3.72.

The main stockholders as at September 30, 2009

Name	Percentage of stock capital	No. of shares
Avanza Pension Försäkring AB	5.5%	5,528,745
Storebrand fonder	4.2%	4,272,415
Swedbank Robur fonder	3.6%	3,645,000
Smart Unicorn Group	2.2 %	2,254,645

Source: SIS Ägarservice

Note: The above list excludes the impact of the rights issue

Nomination committee

Following a decision at the Annual General Meeting on April 22, 2008 a Nomination Committee shall be organized. The Nomination Committee shall as a minimum consist of one representative from each of the three major shareholders per August 31, 2009 as well as the Chairman of the Board.

Accordingly the Nomination Committee consists of Öyvind Fjell (Storebrand fonder), Kerstin Stenberg (Swedbank Robur fonder) and a third representative will be appointed shortly. The Chairman of the Board, Lisa Thorsted, is also represented in the Nomination Committee, and is the convener.

Risk factorsTechnological development

The market in which the company operates is subject to rapid change. New technology and new players are constantly appearing. 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 investment in marketing and sales may be required to achieve the expected sales volumes.

Technological and market development and production

As the market in which the Company operates grows and the number of players increases, there is a risk that alternative technologies will be developed and that the price of comparable products will thereby be reduced. The Company depends on external production capacity. If the demand for components and production capacity should increase, the manufacturing costs for the Company's products will also increase. An increase in the demand for components could also lead to delayed deliveries, which could result in income displacement.

Key Personnel

There are a number of key persons in Precise Biometrics who are important for operations and they possess unique competence. If one or more of these key persons should leave the company this could, in the short term, have a negative impact on operations. It is also a risk that recruiting will take time and lead to costs for the company.

Partners

Today the company cooperates with several different partners. They include smart card manufacturers, chip manufacturers and suppliers of applications. The company relies on this cooperation in order to be able to offer end customers 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 intellectual property rights

It is important to protect one's technology through patents and other intellectual property rights in order to maintain one's technological advantage and open up opportunities for future license earnings. Therefore the company pursues an active patenting policy which involves applying for patents for strategically important inventions in the countries assessed as relevant.

Competitors

The company operates in the biometry market where competition is intense. The competing companies might 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.

Forecast reliability

The company operates in a market which is in an early stage of growth and which is characterized by time-consuming initial sales levels, which implies considerable problems with accurate forecasts. Earlier or later submissions of orders can have a significant effect on annual sales and income.

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 tying 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.

During the present financial crisis the Company has focused on cash flows and prevailing payment terms. This has resulted in Precise Biometrics increasing the stringency of its payment terms for customers.

Currency exposure risks

A large part of the Company's expenses is in Swedish kronor (SEK), while a significant part of earnings and production costs are generated in foreign currency (mainly USD), which increases the Company's currency exposure risks. The Company has adopted a currency exposure risk policy for the purpose of minimizing the risks in operations.

Credit risk

The Company has guidelines for awarding credit to its clients. The Company believes that there is no significant concentration of credit risks in relation to any individual client or other party.

For a full report on identified risks please refer to the 2008 annual report.

Future report dates

Year-end report February 4, 2010

General Annual Meeting

The annual general meeting for Precise Biometrics AB (publ) will be held on Wednesday April 21, 2010 at 16.00 at Precise Biometrics headquarters in Lund, Scheelevägen 30.

The annual report for 2009 will be published by the latest two weeks before the annual general meeting.

Accounting principles

This interim report has been prepared in accordance with IAS 34, Interim reporting and the Swedish Company Accounts Act. The interim report also has been prepared in accordance with IFRS 8, Business Segments and IAS 1, Structure of financial reports that came into force as of January 1, 2009. Adaptation to IFRS 8 has so far not affected the presentation of the financial information compared to previous years.

For information on the applied accounting principles please refer to the Annual Report for 2008.

This report has not been reviewed by the company's auditors.

Lund, October 21, 2009

The board of directors

Lisa Thorsted, chairman

Marc Chatel

Lena Klasén

Eva Maria Matell

Torbjörn Clementz

Thomas Marschall, President and CEO

Precise Biometrics AB (publ) may be required to disclose the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 09.00 on October 22, 2009.

Income statement, Group

(Figures in thousands SEK)

	Q3 2009	Q3 2008	Q1-Q3 2009	Q1-Q3 2008	Full year 2008
Net sales	14,565	16,484	36,508	34,373	45,868
Cost of goods sold	-9,344	-7,668	-17,007	-17,719	-23,324
Gross profit/loss	5,221	8,816	19,501	16,654	22,544
Selling expenses	-10,158	-5,649	-22,725	-17,190	-26,416
Administrative expenses	-2,749	-2,542	-9,549	-8,234	-11,096
R&D costs	-2,580	-3,514	-9,076	-9,775	-14,444
Other operating income and changes in value	-1,977	3,164	-1,711	1,138	5,598
Result from participations in associated companies	-	-352	-	-1,477	-30,738
	-17,464	-8,893	-43,061	-35,538	-77,096
Operating profit/loss	-12,243	-77	-23,560	-18,884	-54,552
Financial costs	-707	139	-1,016	532	403
Profit/loss after financial items	-12,950	62	-24,576	-18,352	-54,149
Tax	-	-	-	-	-31
Profit/loss for the period	-12,950	62	-24,576	-18,352	-54,180
Profit/loss attributable to:					
Owners of the parent	-12,950	62	-24,576	-18,352	-54,180
<i>Results per share, SEK</i>	<i>-0.12</i>	<i>0.00</i>	<i>-0.23</i>	<i>-0.18</i>	<i>-0.54</i>

Other profit/loss, Group *(according to IAS 1)*
Other revenues and costs directly accounted for in equity
(Figures in thousands SEK)

	Q3	Q3	Q1-Q3	Q1-Q3	Full year
	2009	2008	2009	2008	2008
Change in accumulated exchange rate differences	440	-846	505	-234	-1,471
Other profit/loss for the period, net of tax	440	-846	505	-234	-1,471
Profit/loss for the period	-12,950	62	-24,576	-18,352	-54,180
Total profit/loss for the period	-12,510	-784	-24,071	-18,586	-55,651
Total profit/loss attributable to:					
Owners of the parent	-12,510	-784	-24,071	-18,586	-55,651

Balance Sheet, Group
(Figures in thousands SEK)

	9/30/2009	9/30/2008	12/31/2008
Assets			
Intangible fixed assets	3,959	10,038	9,683
Tangible fixed assets	939	1,349	1,303
Participations in associated companies	-	20,919	-
Receivables from associated companies	-	7,208	-
Inventories	1,933	2,644	2,618
Accounts receivable - trade	8,755	21,444	6,859
Other current receivables	4,486	2,419	2,206
Cash and bank balances	59,321	7,516	11,343
Total assets	79,393	73,537	34,012
Equity and liabilities			
Equity	42,557	53,069	16,004
Current liabilities	36,836	20,468	18,008
Total equity and liabilities	79,393	73,537	34,012
Pledged assets	26,400	4,115	12,400
Contingent liabilities	-	-	-

Cash Flow Statement, Group

(Figures in thousands SEK)

	Q3 2009	Q3 2008	Q1-Q3 2009	Q1-Q3 2008	Full year 2008
Cash flow from operating activities					
before changes in working capital	-7,015	452	-17,535	-14,896	-24,778
Cash flow from changes in working capital	5,546	-8,662	977	-8,997	4,945
Cash flow from operating activities	-1,469	-8,210	-16,558	-23,893	-19,833
Cash flow from investing activities	-333	-274	-990	-1,561	-1,794
Cash flow from financing activities	59,603	324	65,526	454	454
Cash flow for the period	57,801	-8,160	47,978	-25,000	-21,173
Liquid funds at the beginning of the period	1,520	15,676	11,343	32,516	32,516
Liquid funds at the end of the period	59,321	7,516	59,321	7,516	11,343

Key Figures, Group

	9/30/2009	9/30/2008	12/31/2008
Working capital (thousands SEK)	37,659	13,555	5,018
Liquid ratio	197%	153%	113%
Equity/assets ratio	54%	72%	47%
Return on average equity	-	-	neg
Capital employed (thousands SEK)	57,459	53,069	16,004
Return on capital employed	-	-	neg
Profit/loss per share (SEK)	-0.23	-0.18	-0.54
EBITDA (thousands SEK)	-16,482	-16,791	-22,132
Equity per share (SEK)	0.32	0.52	0.16
Number of shares	134,960,800	101,220,600	101,220,600
Number of employees at the end of the period	35	45	44
Average number of employees during the period	39	40	41

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

Profit/loss per share: Profit/loss after tax divided by the average number of shares. The options are not included in the calculation due to calculation of potential shares would result in an improvement in loss per share which is not permitted to according to IAS33

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

Quarterly earnings ratios are not disclosed

Changes in equity, Group

(Figures in thousands SEK)

	Capital stock	Other paid in capital	Reserves	Balanced profit/year's profit	Total equity
Opening balance of January 1, 2008	40,488	499,701	1,005	-469,993	71,201
Optionsprogram ¹⁾	-	454	-	-	454
Total Other profit/loss for the period	-	-	-1,471	-54,180	-55,651
Closing balance as of December 31, 2008	40,488	500,155	-466	-524,173	16,004
Opening balance as of January 1, 2008	40,488	499,701	1,005	-469,993	71,201
Optionsprogram ¹⁾	-	454	-	-	454
Total Other profit/loss for the period	-	-	-234	-18,352	-18,586
Closing balance as of September 30, 2008	40,488	500,155	771	-488,345	53,069
Opening balance as of January 1, 2009	40,488	500,155	-466	-524,173	16,004
Optionsprogram ²⁾	-	-77	-	-	-77
New share issue in progress ³⁾		50,701			50,701
Total Other profit/loss for the period	-	-	505	-24,576	-24,071
Closing balance as of September 30, 2009	40,488	550,779	39	-548,749	42,557

¹⁾ Relates to 2,300,000 share options to Management at a rate of SEK 0.19 and 210,000 share options to other employees at a rate of SEK 0.08.

²⁾ Repurchase of 450,000 share options.

³⁾ New share issue in progress totalling 33 740 200 new shares at a rate of SEK 1.60 with deductions for issue costs

Turnover and profitability by Regions Q3 2009

(Figures in thousands SEK)	North America		Europe		Middle East & Africa		Asia	
	2009	2008	2009	2008	2009	2008	2009	2008
Net sales	9,752	5,791	2,301	5,693	1,992	4,882	520	135
Expenses ¹⁾	<u>-7,321</u>	<u>-1,320</u>	<u>-2,128</u>	<u>-4,050</u>	<u>-1,885</u>	<u>-4,644</u>	<u>-1,124</u>	<u>-699</u>
Operating profit/loss	2,431	4,471	173	1,643	107	238	-604	-564
	Latin America		Other					
	2009	2008	2009	2008				
Net sales	-	-	-1	-17				
Expenses ¹⁾	<u>-7</u>	<u>-1</u>	<u>-188</u>	<u>349</u>				
Operating profit/loss	-7	-1	-189	332				

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

Turnover and profitability by Regions Q1-Q3 2009

(Figures in thousands SEK)	North America		Europe		Middle East & Africa		Asia	
	2009	2008	2009	2008	2009	2008	2009	2008
Net sales	13,956	10,270	10,965	16,924	7,375	6,643	1,037	536
Expenses ¹⁾	<u>-9,895</u>	<u>-4,367</u>	<u>-10,448</u>	<u>-13,465</u>	<u>-5,353</u>	<u>-6,724</u>	<u>-2,377</u>	<u>-2,340</u>
Operating profit/loss	4,061	5,903	517	3,459	2,022	-81	-1,340	-1,804
	Latin America		Other					
	2009	2008	2009	2008				
Net sales	3,175	-	-	-				
Expenses ¹⁾	<u>-7</u>	<u>-26</u>	<u>-188</u>	<u>-50</u>				
Operating profit/loss	3,168	-26	-188	-50				

1) 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)

	Q1-Q3 2009	Q1-Q3 2008	Full year 2008
Net sales	26,338	22,863	30,849
Cost of goods sold	-14,271	-11,859	-14,681
Gross profit/loss	12,067	11,004	16,168
Selling expenses	-11,884	-16,418	-24,010
Administrative expenses	-7,989	-9,029	-11,747
R&D costs	-9,076	-12,204	-16,872
Other operating income and changes in value	-4,743	2,378	10,726
Result from participation in associated companies	-	-	-29,662
	-33,692	-35,273	-71,565
Operating profit/loss	-21,625	-24,269	-55,397
Financial costs	-6,143	795	762
Profit/loss after financial items	-27,768	-23,474	-54,635
Tax	-	-	-
Profit/loss for the period	-27,768	-23,474	-54,635

Balance Sheet, Parent company

(Figures in thousands SEK)

	<u>9/30/2009</u>	<u>9/30/2008</u>	<u>12/31/2008</u>
Assets			
Intangible fixed assets	3,804	5,107	4,751
Tangible fixed assets	531	916	824
Participations in group companies	1,058	6,540	6,540
Participations in associated companies	-	21,320	-
Receivables from associated companies	-	7,208	-
Inventories	1,933	2,615	2,618
Accounts receivable - trade	2,523	11,516	4,196
Other current receivables	40,520	44,489	41,866
Cash and bank balances	58,324	4,452	9,329
Total assets	108,693	104,163	70,124
Equity and liabilities			
Equity	77,755	88,889	57,728
Other provisions	541	267	594
Current liabilities	30,397	15,007	11,802
Total equity and liabilities	108,693	104,163	70,124
Pledged assets	24,000	1,715	10,000
Contingent liabilities	2,000	2,000	2,000

Lund, October 22, 2009

In view of today's interim report we have the pleasure of inviting investors and journalists to the following information meeting during the day.

Telephone conference

- The conference starts at 11:00 (CET)
- To participate, please call +46 (0)8 506 269 30

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. The conference will be held in English, but there will be an opportunity to ask questions in Swedish. You are also welcome to send your questions in advance to investor@precisebiometrics.com

Participating on behalf of Precise Biometrics

- Thomas Marschall, President and CEO
- Patrik Norberg, CFO

A recording of the information provided will be available for following three days after the conference. To listen to the conference, dial +46 (0)8 506 269 49 and when you are asked to state a reference PIN please dial 236675 and finish with (#).

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

For further information

Thomas Marschall, President and CEO, Precise Biometrics AB
Tel. +46 (0)46 31 11 10 or +46 (0) 734 35 11 10
E-mail thomas.marschall@precisebiometrics.com

Patrik Norberg, CFO, Precise Biometrics AB
Tel. +46 (0)46 31 11 47 or +46 (0) 734 35 11 47
E-mail patrik.norberg@precisebiometrics.com

Precise Biometrics AB (Headquarters)
Box 798
SE-220 07 Lund
Tel.: +46 (0) 46 31 11 00
Fax: +46 (0) 46 31 11 01
E-mail: info@precisebiometrics.com

Precise Biometrics is a market-leading provider of products and solutions for fingerprint recognition. The technology proves people's identities in a fast and secure way, while it reduces costs related to password management, identity theft and fraud.

Precise Biometrics serves business and government organizations throughout the world and its technology is licensed to close to 100 million users. Precise Biometrics is listed on NASDAQ OMX Stockholm small cap list (PREC).

For more information, please visit www.precisebiometrics.com or view the [Company presentation](#).

