

PRECISE BIOMETRICS IS INCREASING ITS HOLDING IN SMART UNICORN SOLUTIONS

Precise Biometrics AB (publ), a Swedish company that develops and sells world-leading and user-friendly biometric security solutions based on fingerprints and smart cards, is increasing its holding in the previously partly owned company Smart Unicorn Solutions (SUS) to 38 per cent. This will enable Precise Biometrics to further strengthen its position in the Chinese market.

In the first quarter of 2006, Precise Biometrics embarked upon a joint venture with Smart Unicorn Group in Shanghai in China. The agreement gave Precise Biometrics a 30 per cent holding in the jointly owned company Smart Unicorn Solutions (SUS).

The initial acquisition was made to meet the demands of the Chinese market for security solutions using biometrics. Bringing the transaction to final completion suffered delays and last year the project was written down by almost SEK 25 million. At that stage opportunities for final completion of the deal were assessed as poor. However, now a deal is finally made. The solution means that Precise Biometrics, through an issue of 4,000,000 shares, is increasing its holding in Smart Unicorn Solutions by an additional 8 per cent.

"There is enormous interest in biometrics in the Chinese market, and as a result in the near future our core technology can be incorporated in a large number of applications, such as mobile phones, entrance control systems, security solutions for IT applications, and even mobile fingerprint readers. The Chinese market is exciting. It is expanding explosively, and thus it is a matter of great satisfaction that we now have a definitive deal on the table. I look forward to seeing how our jointly owned company develops in the future," says Thomas Marschall, President and CEO of Precise Biometrics.

Thomas Marschall mentions four specific projects for which Smart Unicorn Solutions has signed agreements in 2007 or started biometrics tests. The energy company China Southern Power Grid Ltd, which has some 130,000 employees has chosen SUS as sole supplier of biometric security solutions to protect its technical management system, information systems, its buildings and other systems. Together with the Chinese authorities SUS will develop a mobile fingerprint reader for police work in the field. Biometrics tests have started

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Precise Biometrics AB (publ.) is an innovative security company that supplies world-leading systems for fingerprint and smart card-based authentication. The company's solutions replace keys, PIN codes and passwords and enhance the integrity of ID cards and passports. With its Precise Match-on-Card™ technology, the company is a market leader within smart ID cards. The product line includes systems for access control to buildings, computers and networks and for integration into ID cards and passports. The Precise Biometrics group has subsidiaries in Sweden, Great Britain, USA and a joint venture agreement in China. The group headquarters are in Lund, Sweden. Precise Biometrics is listed on the small cap list at the Nordic Exchange in Sweden (symbol: PREC). For more information, please visit <http://www.precisebiometrics.com/>





Lund, Sweden, June 27, 2007

Press release

with China Mobile and UMPay as part of a new mobile payment services initiative, and an agreement has been signed with Beijing Hanwang Technology Co. Ltd, which is one of China's largest companies in the entrance control system area.

"We are extremely pleased that we now have made the deal with the Swedish company Precise Biometrics, which has sound experience within smart card based security systems. The combination of our knowledge of the Chinese market and Precise Biometrics' in-depth knowledge within the biometrics area makes us a winning team in the Chinese market," says Jason Yuan, President & COO of Smart Unicorn Solutions.

The increased holding of Precise Biometrics in Smart Unicorn Solutions will be financed by a non-cash issue of 4,000,000 shares (PREC). With that the received authorization at the Annual General Meeting of 4,000,000 shares (PREC) is exercised. In addition, a loan of SEK 7 million has been granted for the continued running of Smart Unicorn Solutions.

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