

PRELIMINARY FINANCIAL STATEMENT

For the Financial Year 2000

OPERATING RESULT

- **-318.5 (-209.4) MSEK INCLUDING ONCE-OFF COSTS OF 233.6 (56.6) MSEK**

RESTRUCTURING

- **GOODWILL CONCERNING MARKET RIGHTS FOR THE AMERICAN MARKET WRITTEN OFF AND RESTRUCTURING OF THE US OPERATION**
- **DIVESTMENT OF INTACTIX**
- **SETTLEMENT WITH FORMER OWNERS OF INTACTIX**
- **RE-EVALUATION OF ORDER BACKLOG**
- **A 50 % REDUCTION OF THE ESL BUSINESS OPERATING EXPENSES**

FOCUS ON THE CORE BUSINESS

- **ORDER INFLOW FULL YEAR 40,2 (20,9) MSEK, MAINLY FROM DISTRIBUTORS IN JAPAN AND SOUTH KOREA**
- **ORDER INFLOW FOURTH QUARTER 6,5 (3,2) MSEK**
- **ORDER BACKLOG AMOUNTED TO 26 (125) MSEK**
- **PARTNER AGREEMENT WITH PASOLINI LUIGI S.P.A FOR THE ITALIAN MARKET**
- **LIQUID FUNDS 169,2 MSEK**

NET SALES AND RESULTS The Intactix operation is included in the net sales and result through March 31, 2000 and contains thereafter the Pricer ESL (ESL = Electronic Shelf Label) business only.

The net sales for the year 2000 amounted to 82.8 (309.3) MSEK, of which 29.9 (113.2) MSEK relate to Pricer ESL.

The net sales for the fourth quarter amounted to 8.5 (57.4) MSEK. Deliveries of ESL systems amounted to 6.8 MSEK for the equivalent period of 1999.

The gross result for the year amounted to 45.8 (177.7) MSEK. The reduction is due to the divestment of the Intactix software sales with high gross margins. Despite a reduced turnover to allocate fixed production costs on, the gross margin for the ESL business has remained at the same level. After adjustment for these fixed costs, product sales have shown higher margins in 2000 compared to 1999.

The operating costs for the year were reduced to 147.3 (306.2) MSEK and included once-off costs of around 33 MSEK. In the fourth quarter, the operating cost amounted to 17,0 (70,9) MSEK, of which around 2 MSEK were once-off costs.

For the full year, the operating result amounted to -318.5 (-209.4) MSEK and for Pricer ESL to -314.6 (-179.4) MSEK including once-off costs of 233.6 (56.6) MSEK. The net result for the same period was -307.6 (-238.9) MSEK.

For the fourth quarter, the operating result was -221.0 (-51.8) MSEK and the net result was -215.6 (-57.4) MSEK. Both these result figures include once-off costs of 202.2 (21.3) MSEK.

RESTRUCTURING

Goodwill concerning the market rights for the American market written off The market rights for the North and South American markets were included in the purchase of Pricer Inc. in 1995. The Board of Directors estimate that the value of a future yield from these markets, after a commercial breakthrough, would be substantially higher than the booked value of 200.2 MSEK. Due to the below mentioned restructuring of Pricer operations in the US and the low order inflow for ESL systems on this market the Board has deemed that the valuation of the market rights is incompatible with the requirement for reliability of the underlying forecasts required by present accounting standards. Hence, the Board has decided to write off the market rights by their total booked value of 200.2 MSEK.

Restructuring of the US Operation The present model with local representation to penetrate the American market has not shown the expected success, hence this operation will be restructured. The restructuring results in the local representation being reduced, and that the marketing and sales activities are handled by active partners with increased support from the Swedish organization. This approach is used today for the European and Asian markets, where Pricer has shown better sales results.

Divestment of Intactix The divestment of the Intactix operation to the American company JDA Software Group, Inc. was completed in April 2000 and yielded liquid funds of 137 MSEK in the year 2000. However, costs of around 15 MSEK remain, and are included in the liabilities as per December 31.

Settlement with former owners of Intactix Pricer AB and others were sued in July 1999 by the former main owners of the subsidiary Intactix International, Inc. in USA. The claims pertained to Pricer's acquisition of Intactix in June 1997. In September 2000, all parties agreed on a settlement. This settlement means that the plaintiffs dismiss all claims on Pricer.

Re-evaluation of order backlog During the last year, Pricer has on several occasions reported an uncertainty about if and when a significant part of the company's order backlog would be called off. The majority of these uncertain orders is the order from the Turkish retail chain Migros. As a consequence of the lack of call-offs on these orders, amounting to a total of 126 MSEK, these orders are not included in the order backlog as per December 31, 2000. The order backlog as per December 31, 2000 amounts to 26 (125) MSEK.

A 50% reduction of the running costs of the ESL business As a consequence of the restructuring and focusing on the core business which was initiated during the autumn 1999, the ESL business running costs, excluding once-off costs, have been reduced by half in year 2000.

FOCUS ON THE CORE BUSINESS

Increased order inflow The order inflow for Pricer's ESL systems increased to 40.2 (20.9) MSEK, primarily from the company's distributors in Japan and South Korea. For the fourth quarter, the order inflow was 6.5 (3.2) MSEK. The Norwegian market has shown an increased interest during the second half of the year, where Pricer, through the Norwegian partner PSI, received orders for a total of 9 systems. The global ESL-market has not yet reached its expected level.

Partner agreement for the Italian market In the fourth quarter, a partner agreement was signed for the Italian market with Pasolini Luigi S.p.A., an Italian company that delivers a wide range of products that support sales activities in the store environment.

FINANCIAL POSITION The cash flow from operations was -93.7 (-117.9) MSEK. The corresponding figure for the fourth quarter was -21.2 (-25.8) MSEK. The disposable liquid funds – liquid funds adjusted for blocked deposits and unutilized overdraft – amounted to 147.3 (158.9) MSEK as per December 31 2000. In addition to this, there are liquid funds of 25.1 MSEK, which according to the agreement on the divestment of Intactix have been placed in a blocked bank account until April 2002 as security for potential contractual commitments.

The company's financial position was strengthened during the year due to the capital infusion from the divestment of the Intactix operation. This infusion and the decreased negative cash flow from the operation have given the company a stable financial platform. With the present cash flow the existing liquid funds will last till the second half of 2002, provided that the Annual General Meeting authorizes the Board to issue shares in order to reimburse parts of the debt to Telxon Corp, Inc.

The financial net was substantially improved during the year, primarily due to a positive interest net resulting from an improvement of net interest-bearing liabilities.

INVESTMENTS The total investments during the period amounted to 2.3 (7.1) MSEK and pertained primarily to production tools, computers and office equipment. All product development has been expensed.

PERSONNEL For the year 2000, the average number of employees amounted to 89 (277), while the number of employees as per December 31, 2000 amounted to 46 (223, of which 50 in Pricer ESL).

PARENT COMPANY The parent company net sales for the period was 29.7 (112.4) MSEK and the operating result for the same period was -222.3 (-215.9) MSEK. The parent company's liquid funds amounted to 128.7 (54.4) MSEK as per December 31, 2000.

As per December 31, 2000 the equity stated in Pricer AB amounted to 102.3 MSEK, which is less than half the company's share capital of 238.6 MSEK. Therefore, a reduction of the share capital will be proposed for the Annual General Meeting. In a special balance sheet for liquidation purposes, which has been audited by the company's auditors, the Board of Directors have identified surplus values at the company's disposal giving that the company's equity exceeds half of the share capital.

IMPORTANT EVENTS AFTER THE END OF THE REPORT PERIOD A partner agreement has been signed with RimpexChile S.A., a Chilean company that sells and integrates systems to, among others, the retail market.

FORECAST The negative operating result in the running ESL business will be kept at the reduced level shown in the second half of the year and will improve with increased sales.

ANNUAL GENERAL MEETING AND DIVIDEND The Annual General Meeting 2000 will be held on May 15, 2001 at 5 p.m. in Uppsala. Except the above mentioned proposition of authorization to issue shares and reduce the share capital the Board will propose that no dividend is to be paid.

NEXT REPORT DATE The interim report for the first quarter 2001 will be published on May 15, 2001.

Uppsala, February 23, 2001
Pricer AB (publ)

The Board of Directors

THIS REPORT IS BASED ON AUDITED FINANCIAL STATEMENTS

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***Pricer AB (publ)** was founded in 1991 in the city of Uppsala, Sweden and has built a leading position on the world market for electronic display- and information systems to the retail industry. Pricer offers electronic information systems with the purpose to considerably improve the customer benefit and improve the profitability of the retail market. Through the competent partners that Pricer cooperates with, the customer is offered a totally integrated solution together with the complementary products, applications and services offered by our partners. The share of Pricer is listed on the Attract40-list of OM Stockholm Stock Exchange. For further information please visit Pricer's website at www.pricer.se. It is also possible to register and automatically receive press releases via e-mail.*

CONSOLIDATED INCOME STATEMENT - SUMMARY

Amounts in MSEK	Q4 2000	Q4 1999	Full year 2000	Full year 1999
Net sales	8,5	57,4	82,8	309,3
Cost of goods sold	-8,7	-10,8	-37,0	-131,6
Gross result	-0,2	46,6	45,8	177,7
Sales and administrative expenses	-13,9	-59,5	-127,7	-250,6
Research and development costs	-3,1	-11,4	-19,6	-55,6
Items affecting comparability, operational	-200,2	-21,3	-200,2	-56,6
Amortization of goodwill, market and industrial rights	-3,6	-6,2	-16,8	-24,3
Operating result	-221,0	-51,8	-318,5	-209,4
Financial net	5,4	-5,1	10,6	-29,1
Result after financial items	-215,6	-56,9	-307,9	-238,5
Taxes	0,0	-0,5	0,3	-0,4
Net result for the period	-215,6	-57,4	-307,6	-238,9

CONSOLIDATED BALANCE SHEET - SUMMARY

Amounts in MSEK	Dec 31 00	Dec 31 99
Intangible fixed assets	21,7	346,2
Tangible fixed assets	3,9	20,3
Total fixed assets	25,6	366,5
Inventories	6,5	9,7
Current receivables	13,7	59,5
Cash and bank balances	169,2	124,9
Total current assets	189,4	194,1
TOTAL ASSETS	215,0	560,6
Shareholders' equity	89,6	384,4
Allocations	13,7	17,1
Long-term loans	56,5	50,6
Other long-term non interest-bearing liabilities	18,2	12,1
Short-term loans	0,2	0,8
Other current non interest-bearing liabilities	36,8	95,6
Total liabilities	111,7	159,1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	215,0	560,6

CONSOLIDATED CASH FLOW STATEMENT - SUMMARY

Amounts in MSEK	Q4 2000	Q4 1999	Full year 2000	Full year 1999
Result after financial items	-215,6	-56,9	-307,9	-238,5
Adjustments for items not affecting the cash flow	202,3	31,5	224,6	92,0
Change in working capital	-7,9	-0,4	-10,4	28,6
Cash flow from operations	-21,2	-25,8	-93,7	-117,9
Cash flow from investments	-7,9	-2,3	134,7	-7,1
Rights issue	-	160,7	-	257,3
Change in other financing	-	-21,1	-	-49,1
Cash flow from financing	-	139,6	-	208,2
Cash flow in the period	-29,1	111,5	41,0	83,2

KEY RATIOS

Amounts in MSEK	Q 4 '00	Q 3 '00	Q 2 '00	Q 1 '00	Q 4 '99
Net revenue	8,5	9,5	7,8	57,0	57,4
Operating result	-221,0	-32,6	-33,1	-31,8	-51,8
Net result for the period	-215,6	-28,4	-33,2	-30,4	-57,4
Net change in liquid funds generated from operations	-21,2	-26,5	-21,7	-24,3	-25,8
Net change in liquid funds generated from operations, moving 4 quarters	-93,7	-98,3	-94,3	-110,5	-117,9
Number of employees, end of period	44	44	45	212	223
Equity/assets ratio	42%	69%	71%	65%	69%
Debt/equity ratio	-1,26	-0,44	-0,53	-0,13	-0,19

KEY RATIOS by line of business

Amounts in MSEK	Q4 '00	Q3 '00	Q 2 '00	Q 1 '00	Q 4 '99
Pricer ESL					
Order Entry	6,5	4,0	2,7	27,0	3,2
Order Entry moving 4 quarters	40,2	36,9	36,0	37,0	20,9
Net sales	8,6	9,5	7,8	4,0	6,8
Net revenue - moving 4 quarters	29,9	28,1	55,5	96,5	113,2
Operating result	-221,0	-32,6	-33,2	-27,8	-50,2
Operating result - moving 4 quarters	-314,6	-143,8	-166,8	-166,7	-179,4
Intactix					
Net sales	-	-	-	53,0	50,6
Operating result	-	-	-	-4,0	-1,6

DATA PER SHARE

	Q 4 '00	Q 3 '00	Q 2 '00	Q 1 '00	Q 4 '99
Net result per share 1)	-0,90	-0,12	-0,14	-0,13	-0,93
Shareholder equity per share 2)	0,38	1,30	1,36	1,50	1,61
Number of shares, million	238,6	238,6	238,6	238,6	238,6

1) Calculated on average number of shares in each quarter.

2) Calculated on the number of shares at the end of each quarter.

The calculation of the number of shares above is without considering dilution from outstanding options.

With full dilution the number of shares will increase by 4 332 769 shares of serie B

with conversion rates between SEK 4,40 and SEK 90,90.

