

Year-end Report 2010

Record in order intake, sales and result

– First time dividend and reversed share split is proposed

Fourth quarter

- Order entry of SEK 144 M (94)
- Net sales of SEK 161.3 M (114.1)
- Gross margin of 33 percent (36)
- Operating profit of SEK 26.0 M (19.3)
- Net profit of SEK 25.6 M (19.0)
- Cash flow from operating activities of SEK 13.3 M (11.3)
- Earnings per share before dilution SEK 0.02 (0.02)

January – December

- Order entry of SEK 439 M (338)
- Net sales of SEK 447.2 M (327.3)
- Gross margin of 37 percent (39)
- Operating profit of SEK 60.8 M (25.2)
- Net profit of SEK 56.2 M (19.9)
- Cash flow from operating activities of SEK -15.3 M (56.1)
- Earnings per share before dilution SEK 0.05 (0.02)

- The largest installation so far for Pricer, done at Carrefour, began in the fourth quarter
- Cora invests in Pricer's Electronic Shelf Label (ESL) system in 50 hypermarkets
- Schiever in France installs Pricer solution in all 74 hypermarkets
- Castorama deploys Pricer solution in 30 additional stores

- Higher net sales and result is expected for 2011
- The Board proposed that the company declares its first dividend of 0.02 SEK
- A reversed share split of 10:1, that is one new share for ten old, is proposed

Subsequent events

- Additional order from one of North America's top 50 grocers
- Pricer enters into strategic cooperation with Coop – Signs a framework agreement in the Nordic countries
- A large French retailer signs 85 discount retail stores for deployment with Pricer

Comments from the CEO Fredrik Berglund

"Our orders and sales continued to increase during the fourth quarter. Year 2010 was the best year so far for Pricer, and we show profit for the fourth consecutive year. We are in a growth phase and have since September been able to present seven major agreements. The agreement in the United States strengthens our presence in North America and the agreement with Coop is a breakthrough in the Nordic countries, while the contracts in France show our strength on the single largest market. Our ambition for territorial expansion and development of new customer segments continues. An improved market environment and a strong market position lead to that we expect a higher net sales and better result in 2011 than in 2010."



Market development

Store installations totalled 905 (775) for the year, and 299 (203) stores during the quarter.

Order intake and sales improved for Pricer over last year. This is reflected by several new ESL deployment programs being initiated or accelerated in both food and non-food retail.

Europe

France is Pricer's single largest market. During the year, several significant and multi-year framework agreements were signed with French customers. Although the Nordic countries did not show a positive trend in 2010, through new agreements, prospects have improved. Pricer has signed a framework agreement with Coop for the implementation of ESL in a first phase at 15-20 stores. The initial order value is estimated to SEK 15 M however, a total greater order value is expected over the next few years.

A large supermarket retailer in France has signed an agreement to equip an additional 85 stores with the Pricer ESL solution with an expected order value of SEK 25 M. The customer started implementing the system already in 2005 and has up to the end of 2010 equipped a significant number of stores.

Carrefour, the second largest retailer worldwide, has chosen Pricer for upgrading the Electronic Shelf Labels in its hypermarkets. As a first step about 15 hypermarkets were installed in 2010. Pricer estimates that the total value of this project is close to SEK 300 M.

Cora has decided to roll out Pricer Electronic Shelf Label system in all its remaining 50 hypermarkets. The project value is about SEK 50 M. Cora has installed 20 stores during 2010 and the remaining are planned for 2011–2012.

Groupe Schiever, a French retail group and affiliate of the Auchan group, rolls out Pricer system in all 74 Atac hypermarkets. The first 20 stores were installed in 2010. The roll out will be completed by the end of 2011 and the total project value is SEK 45 M.

Growth opportunities in other segments of retail are also improving. One such example is Castorama, part of the Kingfisher Group and the second largest retailer in the French DIY industry, has begun a significant implementation of Pricer system in stores throughout France. The first 20 stores are completed and an agreement has been signed for an additional 30 stores.

Asia Pacific, Oceania & other markets

Sales improved in the fourth quarter through deliveries to Pricer's partner in Japan. A number of markets in the region has continued to grow and contributed significantly to Pricer's results for the year. Continued positive development in South Africa is a good example of this.

America

A North American retail chain with over 250 food stores does a large installation of Pricer solution. Pricer has received additional orders for installations in 40 stores in 2011.

Soriana, a large supermarket chain in Mexico, installs Pricer system across the country. Soriana installation leads to new opportunities in the region by the attention that this project received.

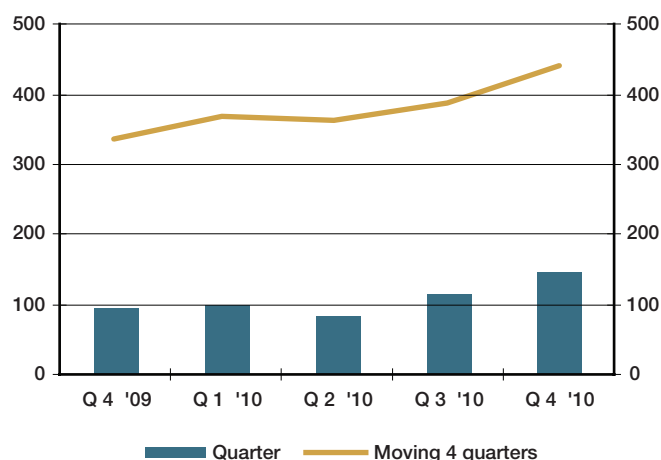
Pricer work with new retail segments has resulted in the Cellular Connection, a major retailer of Verizon Wireless installing Pricer graphic ESL in all its 215 stores

Orders, net sales and result for the fourth quarter 2010

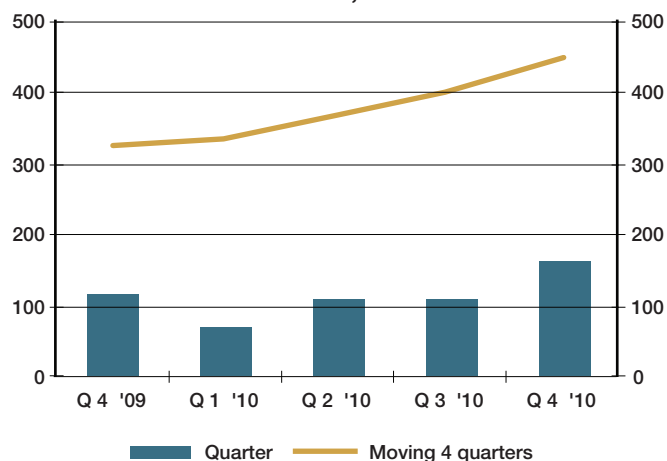
Order entry amounted to SEK 144 M (94) in the fourth quarter, an increase of 53 percent. Excluding the negative currency effect the increase was 70 percent over last year. Euro and dollar, Pricer's main trading currencies, have weakened compared to the Swedish krona since the same period previous year. Net sales were SEK 161.3 M (114.1), an increase of 41 percent. Excluding the negative currency effect the increase was 48 percent. During the fourth quarter gross profit amounted to SEK 53.3 M (40.8) and the gross margin decreased to 33 percent (36). The gross margin was impacted positively with SEK 3.4 M in the quarter from currency hedging contracts and without this effect, the margin was 31 percent.

Operating expenses amounted to SEK 27.3 M (21.5). Operating result was SEK 26.0 M (19.3) leading to an operating margin of 16.1 percent (16.9). Net financial items were SEK -0.3 M (-1.3) for the quarter and consisted primarily of negative currency revaluations of loan assets and cash positions. Net profit was SEK 25.6 M (19.0) for the quarter.

Order Entry, SEK M



Net Sales, SEK M



Orders, net sales and result for the year 2010

Order entry amounted to SEK 439 M (338) for the year, up 30 percent as compared to last year. Excluding the negative currency effect the increase was 43 percent. At the end of the year order backlog amounted to SEK 80 M (78).

Net sales amounted to SEK 447.2 M (327.3) during the year, up 37 percent as compared to 2009. The increase was 47 percent excluding the negative currency effect.

Gross profit amounted to SEK 163.3 M (126.3) and the gross margin was 37 percent (39) for the year. Gross profit has been positively affected by currency effects from hedging contracts contributing SEK 2.6 M.

Operating expenses amounted to SEK 102.5 M (101.1) for the year, up 1 percent. Expenses have been reduced in the year by SEK 7.2 M (6.4) through capitalised product development expenses, net of depreciations. It is noted that expenses include SEK 8.0 M (8.0) for depreciations of intangible assets from the acquisition of Eldat in 2006, excluding goodwill, depreciated over five years until August 2011.

The operating profit amounted to SEK 60.8 M (25.2) for the year. Accordingly, the operating margin improved to 13.6 percent (7.7).

Net financial items amounted to expenses of SEK -6.3 M (-7.8) for the year and consisted primarily of negative currency revaluation of loan assets and cash positions. No tax is charged to profit in the year because of available tax loss carry-forwards.

Net profit was SEK 56.2 M (19.9) for the year. Translation differences in other comprehensive result consisted of negative currency revaluation of assets, notably goodwill and loans to a subsidiary, denominated in euro.

Currency effect Order & Sales

	Q 4 2010	Full year 2010
% change in Orders	53%	30%
whereof currency effect	-17%	-13%
% change in Orders adjusted for currency effect	70%	43%
% change in Sales	41%	37%
whereof currency effect	-7%	-10%
% change in Sales adjusted for currency effect	48%	47%

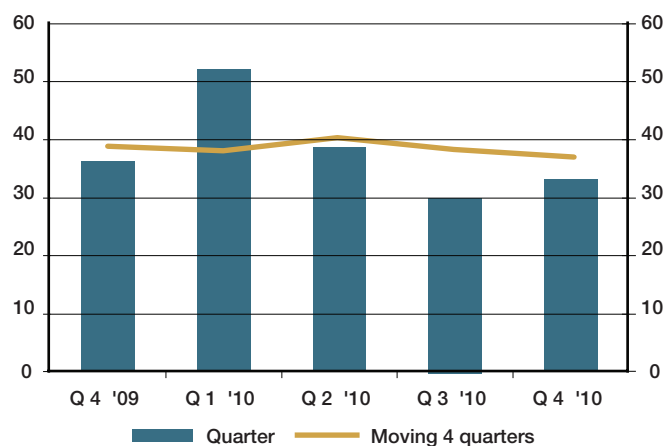
Growth would have been higher with currency rates prevailing last year as both the dollar and the euro were stronger

Adjusted Gross Margin

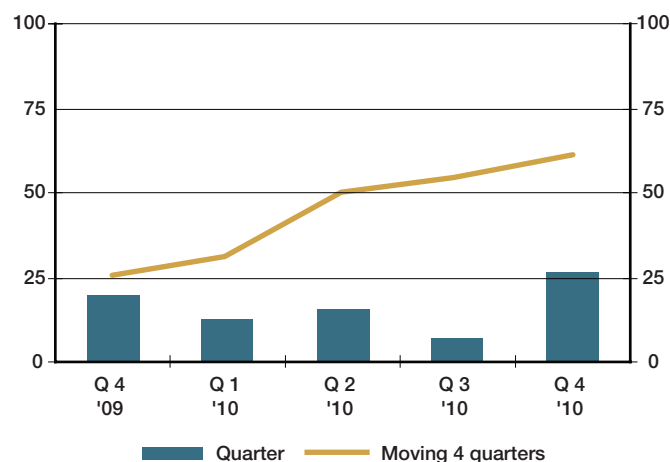
	Q 4 2010	Full year 2010
% Gross Margin	33%	37%
where of value changes in currency futures	2%	1%
% Adjusted Gross Margin	31%	36%

The result in the fourth quarter has been affected positively by revaluation of currency hedging contracts

Gross Margin, %



Operating Profit, SEK M



Financial position Fourth quarter 2010

Cash flow from operating activities amounted to SEK 13.3 M (11.3) for the quarter.

Year 2010

Cash flow from operating activities amounted to SEK -15.3 M (56.1) for the year. Working capital amounted to SEK 186.1 M (112.0) at the end of the year, the increase being explained by increased receivables from sales to direct customers. Cash and cash equivalents at the end of the year amounted to SEK 69.9 M (102.8).

The convertible loans issued in 2007 were converted to equity on June 30 and the share capital increase was registered in July. The number of shares increased by approximately 39 million shares or by 4 percent.

In addition to available cash of SEK 69.9 M there are bank facilities in place amounting to SEK 50 M, of which SEK 25 M in the form of bank overdraft.

Total assets amounted to SEK 642 (615) at the end of the year and consisted of intangible assets of SEK 249.1 M (282.3) primarily from the acquisition of Eldat in 2006. The largest component is a goodwill item amounting to SEK 227 M. The acquisition of Eldat gave Pricer the market leadership position in the ESL industry and Pricer became the sole supplier of infrared wireless technology. The value of the goodwill is based on the expected future cash flow of Pricer as a whole as the business of Eldat has been absorbed within Pricer. The value has decreased during 2010 due to currency effects.

Capital expenditure

Capital expenditures during the fourth quarter amounted to SEK 2.6 M (1.9), and included capitalised development costs of SEK 1.3 M.

For the year capital expenditures amounted to SEK 12.0 M (8.2), and included capitalised development costs of SEK 7.7 M.

Employees

The average number of employees in the quarter was 55 (61) and in the year 54 (66). The number of employees at the end of the year was 55 (56).

Parent Company

The Parent Company's net sales amounted to SEK 356.4 M (253.0) and net profit amounted to SEK 27.5 M (24.6) for the year. The company had cash and cash equivalents of SEK 49.1 M (91.0) at the end of the year.

Risks and uncertainties

Pricer's results and financial position are affected by a number of risk factors that should be taken into consideration when assessing the company and its future potential. These risks are primarily related to development of the ESL market. Given the customer structure and the large size of the contracts any delay in the installations may have a significant impact on any given quarter. For additional risks reference is made to the annual report.

Related parties

There have been no significant transactions involving related parties that could have a material impact on Pricer's financial position and earnings other than the conversion of loans in June 2010.

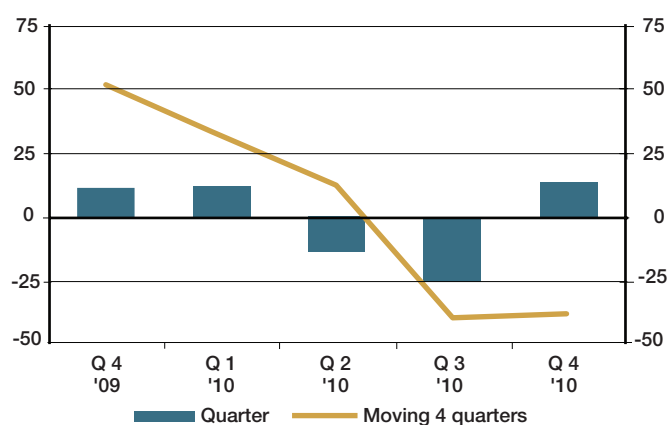
Accounting principles

This interim report has for the consolidated accounts been issued in accordance with the IAS 34 Interim reporting and relevant regulations in the Swedish Annual Accounts Act. This interim report for the Parent Company has been issued in accordance with the Swedish Annual Accounts Act, chapter 9. Accounting principles applied for the consolidated and the Parent Company accounts are coherent with the principles in the latest annual report.

Net sales and operating profit, SEK M

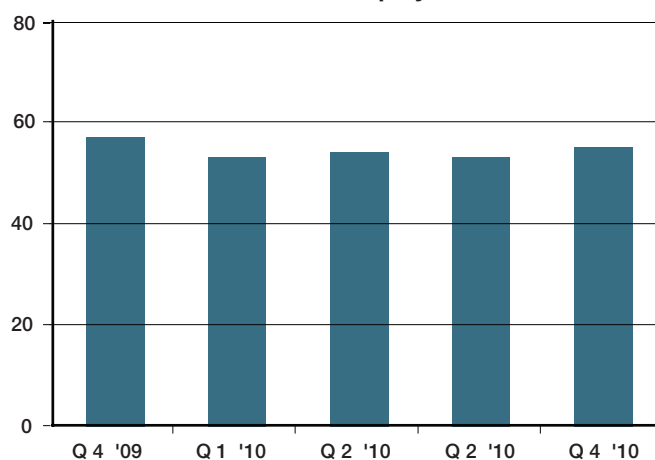
SEK M	Oct - Dec 2010	Oct - Dec 2009	Jan - Dec 2010	Jan - Dec 2009
Net sales	161.3	114.1	447.2	327.3
Cost of goods sold	-108.0	-73.3	-283.9	-201.0
Gross profit	53.3	40.8	163.3	126.3
Gross margin, %	33	36	37	39
Expenses	-27.3	-21.5	-102.5	-101.1
Operating profit	26.0	19.3	60.8	25.2
Operating margin, %	16.1	16.9	13.6	7.7

Cash Flow from operating activities, SEK M



Cash flow was positive in the fourth quarter

Number of Employees



Subsequent events

Pricer has received additional orders for the installation in 40 stores in 2011 from one of North America's 50 largest retail chains.

Pricer has entered into strategic cooperation with Coop – Signed a framework agreement for shelf labels in the Nordic countries.

A large French retailer signs 85 discount retail stores for deployment with Pricer ESL.

Legal disputes

As Pricer announced in 2009, the company is party to arbitration against ProMargin. An interlocutory award has been rendered to Pricer's disadvantage and the dispute will be determined in continued arbitration. The counterparty has not yet raised any claims and Pricer has not made any provisions in the matter.

Outlook

Higher net sales and result are expected for 2011.

Annual General Meeting and dividend

The Annual General Meeting is planned for May 4, 2011 at 3 pm at Scandic Infra City, Upplands Väsby. The last day to request items to be addressed at the AGM is March 28. The Board of Directors will for the first time propose to the AGM a dividend of SEK 0.02 (0.00) per share, representing SEK 21.1 M (0.0), and May 9, 2011 as record day for payment of dividend. The Board will furthermore propose to the AGM a reversed split of shares of 10:1, one new share per 10 old.

It is expected that the Annual Report will be published in April, 2011 at Pricer's web-site and be sent to the largest shareholders as well as to those who so require.

Next reporting date

The interim report for January – March 2011 will be published on May 4, 2011.

Sollentuna, February 16, 2011

Pricer AB (publ)

Fredrik Berglund
CEO

(The interim report is a translation of the Swedish original only for convenience)

In its capacity as issuer, Pricer AB is releasing the information in this year-end report for 2010 in accordance with the Swedish Securities Exchange Act (2007:528). The information was distributed to the media for publication at 08:30 AM CEST on Wednesday February 16, 2011.

For further information, please contact:

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STATEMENT OF COMPREHENSIVE INCOME

	Q 4	Q 4	Full year	Full year
Amounts in SEK M	2010	2009	2010	2009
Net sales	161.3	114.1	447.2	327.3
Cost of goods sold	-108.0	-73.3	-283.9	-201.0
Gross profit	53.3	40.8	163.3	126.3
Selling and administrative expenses	-22.9	-18.5	-86.4	-85.5
Research and development expenses	-4.4	-3.0	-16.1	-15.6
Operating profit	26.0	19.3	60.8	25.2
Net financial items	-0.3	-1.3	-6.3	-7.8
Result before tax	25.7	18.0	54.5	17.4
Taxes	-0.1	1.0	1.7	2.5
Net profit for the period	25.6	19.0	56.2	19.9

OTHER COMPREHENSIVE INCOME

Translation differences	-5.5	4.8	-45.6	-19.1
Net comprehensive income for the period	20.1	23.8	10.6	0.8
Net profit for the period attributable to:				
Equity holders of the Parent Company	25.6	19.0	56.2	19.9
Non-controlling interest	0.0	0.0	0.0	0.0
Net comprehensive income for the period attributable to:				
Equity holders of the Parent Company	20.1	23.8	10.6	0.8
Non-controlling interest	0.0	0.0	0.0	0.0

EARNINGS PER SHARE

	Q 4	Q 4	Full year	Full year
	2010	2009	2010	2009
Earnings per share before dilution, SEK	0.02	0.02	0.05	0.02
Earnings per share after dilution, SEK	0.02	0.02	0.05	0.02
Number of shares, millions	1,056	1,016	1,036	1,016
Number of shares after dilution, millions	1,106	1,055	1,088	1,055

NET SALES BY GEOGRAPHICAL MARKET

	Q 4	Q 4	Full year	Full year
Amounts in SEK M	2010	2009	2010	2009
Nordic Countries	4.8	5.5	16.5	32.6
Rest of Europe	120.0	85.6	301.2	215.7
Asia	21.1	8.0	29.4	38.5
Rest of the world	15.4	15.0	100.1	40.6
Total net sales	161.3	114.1	447.2	327.3

STATEMENT OF FINANCIAL POSITION

Amounts in SEK M	31/12/2010	31/12/2009
Goodwill and other intangible assets	249.1	282.3
Tangible fixed assets	2.8	2.6
Financial assets	41.4	41.5
Total fixed assets	293.3	326.4
Inventories	78.0	57.5
Receivables	200.8	128.5
Cash and cash equivalents	69.9	102.8
Total current assets	348.7	288.8
TOTAL ASSETS	642.0	615.2
Shareholders' equity	546.5	513.1
Non-controlling interest	0.1	0.1
Total equity	546.6	513.2
Long-term liabilities	2.7	5.9
Short-term liabilities	92.7	96.1
Total liabilities	95.4	102.0
TOTAL EQUITY AND LIABILITIES	642.0	615.2
Pledged assets	35.6	154.6
Contingent liabilities	1.0	1.3
Shareholders' equity per share, SEK	0.53	0.51
Shareholders' equity, SEK, after dilution	0.50	0.52

STATEMENT OF CHANGES IN EQUITY

Amounts in SEK M	Full year 2010	Full year 2009
Equity at beginning of period	513.2	510.0
Net comprehensive income for the year	10.6	0.8
Effect of raising convertible loans	0.0	0.8
Share issue/conversion	22.4	0.0
Change due to employee stock options	0.4	1.6
Equity at end of period	546.6	513.2
Attributable to:		
- Equity holders of the Parent Company	546.5	513.1
- Non-controlling interest	0.1	0.1
Total	546.6	513.2

STATEMENT OF CASH FLOWS - SUMMARY

	Q 4	Q 4	Full year	Full year
Amounts in SEK M	2010	2009	2010	2009
Net result after financial items	25.7	18.0	54.5	17.4
Adjustment for non-cash items	18.8	-2.5	27.4	13.5
Paid tax	-	-	-0.4	-
Change in working capital	-31.2	-4.2	-96.8	25.2
Cash flow from operating activities	13.3	11.3	-15.3	56.1
Cash flow from investing activities	-2.6	-1.9	-12.0	-8.2
Cash flow from financing activities	-	-	-	-22.6
Cash flow for the period	10.7	9.4	-27.3	25.3
Cash and cash equivalents at start of period	59.4	88.0	102.8	75.8
Exchange rate difference in cash and cash equivalents	-0.2	5.4	-5.6	1.7
Cash and cash equivalents at end of period	69.9	102.8	69.9	102.8
Unutilised bank overdraft facilities	25.0	25.0	25.0	25.0
Disposable funds at end of period	94.9	127.8	94.9	127.8

KEY RATIOS, GROUP

	Q 4	Q 3	Q 2	Q 1	Q 4
Amounts in SEK M	2010	2010	2010	2010	2009
Order entry	144.0	112.6	82.3	100.1	93.9
Order entry - moving 4 quarters	439.0	388.9	365.7	370.3	337.7
Net sales	161.3	106.7	109.5	69.7	114.1
Net sales - moving 4 quarters	447.2	400.0	365.7	333.9	327.3
Operating profit	26.0	7.1	15.7	12.0	19.3
Operating profit - moving 4 quarters	60.8	54.2	49.8	30.9	25.2
Profit for the period	25.6	2.3	17.9	10.4	19.0
Cash flow from operating activities	13.3	-25.4	-14.0	10.8	11.5
Cash flow from op.activities - moving 4 quarters	-15.3	-17.1	24.4	40.5	56.3
Number of employees, end of period	55	53	54	53	57
Equity ratio	85%	83%	82%	84%	83%

STATEMENT OF PARENT COMPANY COMPREHENSIVE INCOME

	Full year	Full year
Amounts in SEK M	2010	2009
Net sales	356.4	253.0
Cost of goods sold	-262.5	-190.4
Gross profit	93.9	62.6
Selling and administrative expenses	-31.2	-25.2
Research and development expenses	-16.1	-15.6
Operating profit	46.6	21.8
Result from participations in group companies	-13.3	9.3
Net financial items	-5.4	-6.5
Result before tax	27.9	24.6
Tax on result for the period	-0.4	-
Net profit for the period	27.5	24.6

OTHER COMPREHENSIVE INCOME	Full year	Full year
Amounts in SEK M	2010	2009
Net profit for the period	27.5	24.6
Translation differences	-12.5	-5.0
Net comprehensive income for the period	15.0	19.6

STATEMENT OF PARENT COMPANY FINANCIAL POSITION

Amounts in SEK M	31/12/2010	31/12/2009
Intangible fixed assets	16.9	8.1
Tangible fixed assets	1.3	1.2
Financial assets	315.8	339.2
Total fixed assets	334.0	348.5
Inventories	52.3	35.3
Current receivables	124.5	60.3
Cash and cash equivalents	49.1	91.0
Total current assets	225.9	186.6
TOTAL ASSETS	559.9	535.1
Shareholders' equity	494.8	456.9
Total equity	494.8	456.9
Long-term liabilities	2.4	2.1
Current liabilities	62.7	76.1
Total liabilities	65.1	78.2
TOTAL EQUITY AND LIABILITIES	559.9	535.1
Pledged assets	34.8	52.3
Contingent liabilities	0.2	0.2

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY

Amounts in SEK M	Full year 2010	Full year 2009
Equity at beginning of period	456.9	434.6
Net comprehensive income for the year	15.0	19.6
Effect of raising convertible loans	0.0	0.8
Share issue/conversion	22.4	0.0
Change due to employee stock options	0.4	1.9
Equity at end of period	494.8	456.9



About Pricer

Pricer provides the retail industry's leading electronic display and Electronic Shelf Label (ESL) platform, solutions, and services for intelligently communicating, managing, and optimizing price and product information on the retail floor. Pricer is the only company today offering a communication platform that supports both segment based ESL and pixel-based ESL. The platform is based on a two-way communication protocol to ensure a complete traceability and effective management of resources. The Pricer system significantly improves consumer benefit and store productivity by simplifying work in the store.

Pricer, founded in 1991 in Uppsala, Sweden, offers the most complete and scalable ESL solution. Pricer has over 6,000 installations in more than 40 countries with the largest ESL world market share. Customers include many of the world's top retailers and some of the foremost retail chains in Europe, Japan and the USA. Pricer, in co-operation with qualified partners, offers a totally integrated solution together with supplementary products, applications and services.

Pricer AB (publ.) is quoted on Nasdaq OMX Nordic Small Cap.
For further information, please visit www.pricer.com

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