

INTERIM REPORT JANUARY – MARCH 2011

Record order intake - Increased sales

– Currency impact affects the margin negatively

First quarter 2011

- Order entry: SEK 216 M (100)
- Net sales: SEK 111.1 M (69.7)
- Gross margin: 30 percent (52)
- Operating profit: SEK 7.6 M (12.0)
- Operating margin: 6.9 percent (17.2)
- Net profit: SEK 4.9 M (10.4)
- Cash flow from operations: SEK 29.9 M (10.8)
- Earnings per share: SEK 0.00 (0.01)

- A large French retailer signed 85 discount retail stores for deployment with Pricer
- Pricer entered into a strategic cooperation with Coop – Signed a framework agreement in the Nordic countries
- Additional order from one of North America's top 50 grocers
- Pricer altered the license agreement with Ishida – Received an order worth SEK 40 M
- Soriana, Mexico, signed a new contract with Pricer for additional 150 stores

Comments from the CEO Fredrik Berglund

“We note a significant increase in the order intake and sales in the first quarter. The higher growth rate during the autumn of 2010 has continued throughout the first part of 2011. The expansion has also a good mix of recurring and new customers and a wide geographical spread. We have taken important deals in America, Asia and Europe. Furthermore, the volume delivered to customers has never been so high during a first quarter. Our margin was, on the other hand, lower in this past quarter, mainly due to negative currency effects, however, the underlying margin is still favorable. In all, we expect to be able to generate higher net sales and profit for the full year 2011 as compared to 2010.”



Market development

Order intake and net sales increased significantly as compared to the comparable quarter in the past year. A number of frame agreements for deliveries this and coming years have been signed which is partly already reflected in the order position.

Europe, Middle East and Africa

During the quarter several installations have taken place at large customers with a dominant share to France, being the largest market for Pricer. The relation with Carrefour is significant with ongoing replacement of older systems for electronic shelf labels (ESL-systems) in hypermarkets and in parallel sales to other store formats.

A large supermarket retailer in France has decided to equip an additional 85 stores with Pricer at an expected value of SEK 25 M. Castorama continues its program to equip all stores in France with ESL-systems. Deliveries to the French retail group Schiever, an affiliate of the Auchan group, are continuing. This is particularly interesting as Auchan is a new customer to Pricer.

Also outside of France progress is being made. The agreement with Coop Nordic is beginning to generate results and discussions are ongoing with several Coop retailers mainly in Sweden and Norway. The development is also positive in other countries, notably in Italy.

Deliveries to South Africa continue and the interest for ESL-systems in the Middle East has increased even if volumes are still limited.

America

A North American retail chain with over 250 food stores continues its large installation of ESL-systems. Pricer has received additional orders for installations in 40 stores in 2011.

Soriana, a large supermarket chain in Mexico, is installing Pricer systems across the country. Soriana signed a new contract during the first quarter for the installation of 150 additional stores, to be delivered during 2011 and 2012. The value of the contract is estimated at SEK 50 M.

Asia and the Pacific

Pricer and Japanese Ishida have agreed to revise the license agreement signed in 2007. The agreement includes that Ishida has placed orders for ESL equipment, valued at SEK 40 M, to be delivered in 2011 – 2012.

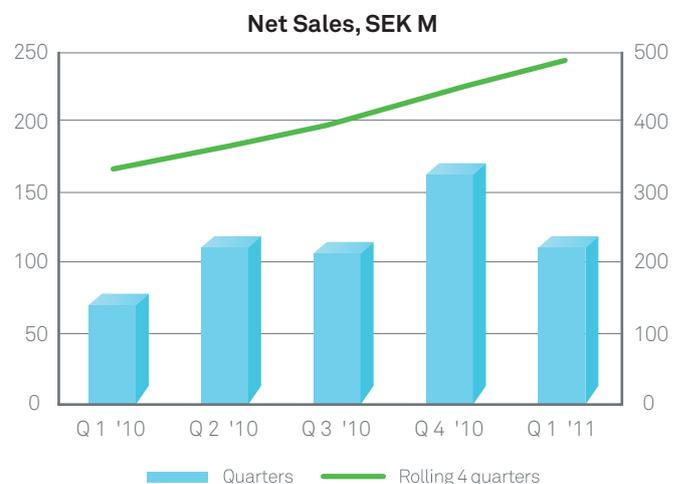
The earthquake in Japan has only had a limited impact on operations. Regarding component supply, alternative sources have been established for the relevant components in question.

Orders, net sales and result for the first quarter 2011

Order entry in the first quarter more than doubled and amounted to SEK 215.6 M (100.1). Excluding the negative currency effect the increase was 137 percent as compared to the past year. The Swedish krona has strengthened as compared to Pricer's

main trading currencies, the euro and US dollar. The order backlog amounted to about SEK 188 M (103) at the end of March.

Net sales were SEK 111.1 M (69.7) during the quarter - an increase of 59 percent as compared to the first quarter of 2010. Excluding the negative currency effect the increase was 75 percent.



Currency effect Order & Sales

	Q 1 2011	Q 1 2010
% change in Orders	115%	48%
whereof currency effect	-22%	-15%
% change in Orders adjusted for currency effect	137%	63%
% change in Sales	59%	10%
whereof currency effect	-16%	-9%
% change in Sales adjusted for currency effect	75%	19%

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

Gross profit amounted to SEK 33.6 M (36.1) and the gross margin to 30 percent (52) for the quarter. The gross margin was not as high as it was in the first quarter of 2010, when it was especially high due to a generally favourable mix of products and services and positive effects from currency contracts. The gross profit during the first quarter has been effected with realised and unrealised currency effects from hedging contracts contributing with a net of SEK -6.2 M (2.9) during the quarter. Gross margin was 36 percent before this effect. Furthermore, the increased level of airfare, due to the intensified deliveries based on customer demands, has had a negative impact on the result.

Operating expenses amounted to SEK 26.0 M (24.1) during the quarter. Operating result was SEK 7.6 M (12.0) during the quarter leading to an operating margin of 6.8 percent (17.2).

Net financial items were SEK -3.2 M (-2.1) for the quarter and consisted mainly of negative currency revaluations of loan assets and cash positions. No tax is charged to profit in the quarter because of available tax loss carry-forwards.

Net profit was SEK 4.9 M (10.4) for the quarter. Translation differences in other comprehensive income consisted of negative currency revaluation of assets, notably goodwill and loans to a subsidiary, denominated in euro.

Adjusted Gross Margin

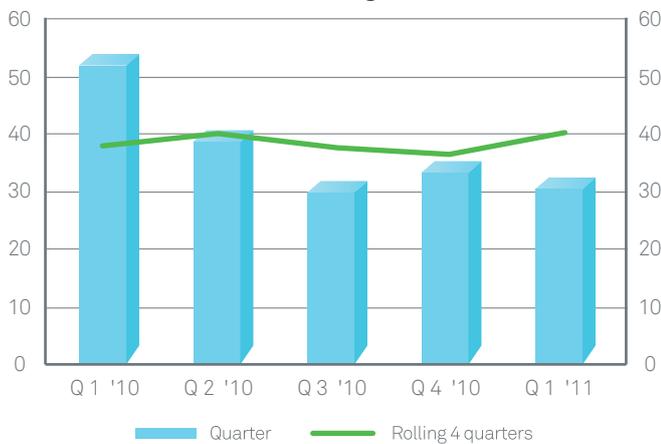
	Q 1 2011	Q 1 2010
% Gross Margin	30%	52%
whereof value changes in currency futures	-6%	4%
% Adjusted Gross Margin	36%	48%

The result in the first quarter has been affected negatively by revaluation of currency hedging contracts. The effect was positive in the preceding year.

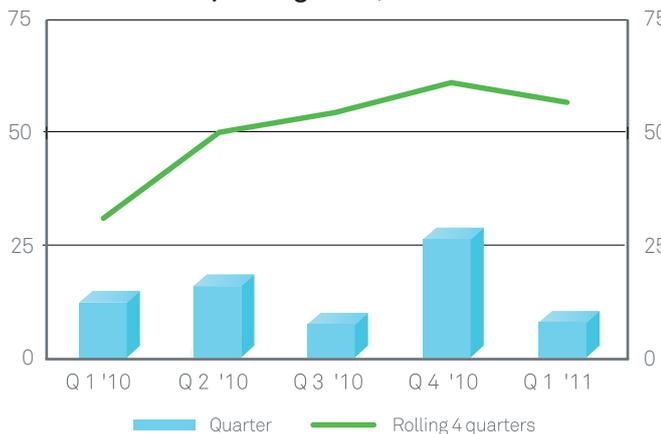
Net sales and operating profit, SEK M

SEK M	Jan - Mar 2011	Jan - Mar 2010
Net sales	111.1	69.7
Cost of goods sold	-77.5	-33.6
Gross profit	33.6	36.1
Gross margin, %	30.2	51.8
Expenses	-26.0	-24.1
Operating profit	7.6	12.0
Operating margin, %	6.8	17.2

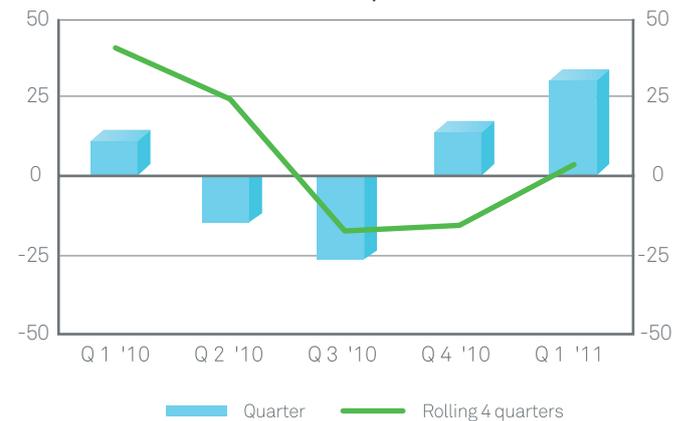
Gross Margin, %



Operating Profit, SEK M



Cash Flow from operating activities, SEK M



Capital expenditure

Capital expenditures amounted to SEK 1.3 M (2.6) during the first quarter, and included mainly capitalised development costs of SEK 1.1 M (1.8).

Employees

The average number of employees in the quarter was 59 (54) and the number of employees at the end of the quarter was 61 (53). Complementing recruitments to strengthen the position of the company on the market has taken place during the quarter and a few additional recruitments are planned for during the year.

Parent Company

The Parent Company's net sales amounted to SEK 98.7 M (61.6) and net profit amounted to SEK 5.5 M (12.8) for the quarter. The company had cash and cash equivalents of SEK 87.2 M (102.3) at March 31, 2011.

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. The new or amended IFRS standards and IFRIC interpretations, which became effective January 1, 2011, have had no material effect on the consolidated financial statements.

Legal disputes

As Pricer announced in 2009, the company is party to an arbitration proceeding against ProMargin. An interlocutory has been awarded to Pricer's detriment and the size of potential damages will be determined in continuing arbitration. The defendant has presented a significant claim. In line with earlier Pricer has not made any provisions in the matter.

Outlook

Expectations of higher net sales and result in 2011 than in 2010 remain.

Next reporting date

The interim report for January – June 2011 will be published on August 24, 2011.

Sollentuna, May 4, 2011
Pricer AB (publ)

Fredrik Berglund
CEO

This report has not been subject to audit review

(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 interim report for January - March 2011 in accordance with the Swedish Securities Exchange Act (2007:528). The information was distributed to the media for publication at 14.00 AM CEST on Wednesday May 4, 2011.

For further information, please contact:
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

Amounts in SEK M	Q 1 2011	Q 1 2010	Full year 2010
Net Sales	111.1	69.7	447.2
Cost of goods sold	-77.5	-33.6	-283.9
Gross profit	33.6	36.1	163.3
Selling and administrative expenses	-21.1	-20.2	-86.4
Research and development costs	-4.9	-3.9	-16.1
Operating profit	7.6	12.0	60.8
Net financial items	-3.2	-2.1	-6.3
Profit before tax	4.4	9.9	54.5
Income tax	0.5	0.5	1.7
Profit for the period	4.9	10.4	56.2

OTHER COMPREHENSIVE INCOME

Translation differences	-2.3	-19.4	-45.6
Net comprehensive income for the period	2.6	- 9.0	10.6

Profit for the periods attributable to:

Owners of the Parent Company	4.9	10.4	56.2
Non-controlling interest	0.0	0.0	0.0

Net comprehensive income for the period attributable to:

Owners of the Parent Company	2.6	-9,0	10.6
Non-controlling interest	0.0	0,0	0.0

EARNINGS PER SHARE

	Q 1 2011	Q 1 2010	Full year 2010
Basic earnings per share, SEK	0.00	0.01	0.05
Diluted earnings per share, SEK	0.00	0.01	0.05
Number of shares, millions	1 058	1 016	1 036
Diluted number of shares, millions	1 076	1 055	1 088

NET SALES BY GEOGRAPHICAL MARKET

Amounts in SEK M	Q 1 2011	Q 1 2010	Full year 2010
Europe, Middle East and Africa	82.6	45.8	350.8
America	23.8	19.9	57.0
Asia & the Pacific	4.7	4.0	39.4
Total net sales	111.1	69.7	447.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

Amounts in SEK M	2011-03-31	2010-03-31	2010-12-31
Intangible fixed assets	244.3	267.3	249.1
Tangible fixed assets	2.6	2.1	2.8
Deferred tax assets	41.4	41.5	41.4
Total fixed assets	288.3	310.9	293.3
Inventories	88.8	72.2	78.0
Current receivables	195.2	111.2	200.8
Cash and cash equivalents	97.5	109.1	69.9
Total current assets	381.5	292.5	348.7
TOTAL ASSETS	669.8	603.4	642.0
Shareholders' equity	550.6	504.3	546.5
Non-controlling interest	0.1	0.1	0.1
Total equity	550.7	504.4	546.6
Long-term liabilities	1.7	4.2	4.0
Short-term liabilities	117.4	94.8	91.4
Total liabilities	119.1	99.0	95.4
TOTAL EQUITY AND LIABILITIES	669.8	603.4	642.0
Pledged assets	35.6	164.2	35.6
Contingent liabilities	1.0	1.4	1.0
Basic shareholders' equity per share, SEK	0.52	0.50	0.53
Diluted shareholders' equity per share, SEK	0.51	0.50	0.50

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	3 months 2011	3 months 2010	Full year 2010
Equity at beginning of period	546.6	513.2	513.2
Other comprehensive income			
Profit for the period	4.9	10.4	56.2
Other comprehensive income	-2.3	-19.4	-45.6
<i>Net comprehensive income for the period</i>	<i>2.6</i>	<i>-9.0</i>	<i>10.6</i>
Transaction with owners of the Group			
Conversion/Share issue	1.4	0.0	22.4
Share based payments, equity settled	0.1	0.2	0.4
<i>Total transaction with owners of the Group</i>	<i>1.5</i>	<i>0.2</i>	<i>22.8</i>
Equity at end of period	550.7	504.4	546.6
Attributable to:			
- Owners of the Parent Company	550.6	504.3	546.5
- Non-controlling interest	0.1	0.1	0.1
Total	550.7	504.4	546.6

CONSOLIDATED STATEMENT OF CASH FLOWS IN SUMMARY

Amounts in SEK M	Q 1 2011	Q 1 2010	Full year 2010
Profit before tax	4.4	9.9	54.5
Adjustment for non-cash items	-2.3	0.6	27.4
Paid income tax	-	-	-
Change in working capital	27.8	0.3	-96.8
Cash flow from operating activities	29.9	10.8	-15.3
Cash flow from investing activities	-1.3	-2.6	-12.0
Cash flow from financing activities	-	-	-
Cash flow for the period	30.0	8.2	-27.3
Cash and cash equivalents at beginning of period	69.9	102.8	102.8
Exchange-rate difference in cash and cash equivalents	-2.4	-1.9	-5.6
Cash and cash equivalents at end of period	97.5	109.1	69.9
Unutilised bank overdraft facilities	25.0	25.0	25.0
Disposable funds at end of period	122.5	134.1	94.9

KEY RATIOS, GROUP

Amounts in SEK M	Q 1 2011	Q 4 2010	Q 3 2010	Q 2 2010	Q 1 2010
Order entry	215.6	144.0	112.6	82.3	100.1
Order entry - moving 4 quarters	554.5	439.0	388.9	365.7	370.3
Net sales	111.1	161.3	106.7	109.5	69.7
Net sales - moving 4 quarters	488.6	447.2	400.0	365.7	333.9
Operating profit	7.6	26.0	7.1	15.7	12.0
Operating profit - moving 4 quarters	56.4	60.8	54.2	49.8	30.9
Profit for the period	4.9	25.6	2.3	17.9	10.4
Cash flow from operating activities	29.9	13.3	-25.4	-14.0	10.8
Cash flow from op.activities - moving 4 quarters	3.8	-15.3	-17.1	24.4	40.5
Number of employees, end of period	61	55	53	54	53
Equity ratio	82%	85%	83%	82%	84%

PARENT COMPANY STATEMENT OF INCOME AND STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

INCOME STATEMENT	3 months	3 months	Full year
Amounts in SEK M	2011	2010	2010
Net sales	98.7	61.6	356.4
Cost of goods sold	-78.6	-36.5	-262.5
Gross profit	20.1	25.1	93.9
Selling and administrative expenses	-8.3	-6.4	-31.2
Research and development costs	-4.9	-3.9	-16.1
Operating profit	6.9	14.8	46.6
Result from participations in group companies	-	-	-13.3
Net financials items	-1.4	-2.0	-5.4
Profit before tax	5.5	12.8	27.9
Income tax	-	-	-0.4
Result of the period	5.5	12.8	27.5

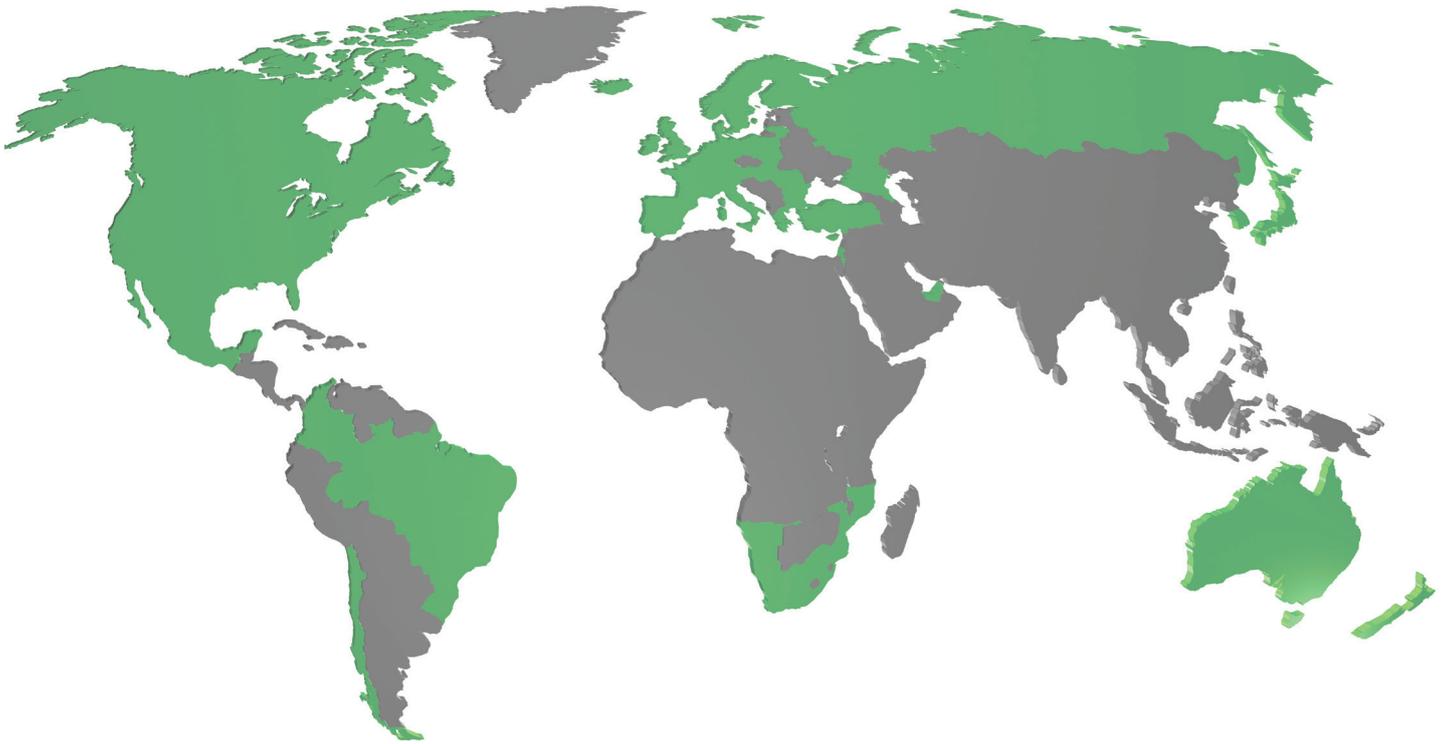
OTHER COMPREHENSIVE INCOME	3 months	3 months	Full year
Amounts in SEK M	2011	2010	2010
Result of the period	5.5	12.8	27.5
Translation differences	-0.6	-4.9	-12.5
Net comprehensive income for the period	4.9	7.9	15.0

BALANCE SHEET OF THE PARENT COMPANY IN SUMMARY

Amounts in SEK M	2011-03-31	2010-03-31	2010-12-31
Intangible fixed assets	15.7	10.5	16.9
Tangible fixed assets	1.3	1.0	1.3
Financial fixed assets	313.8	317.7	315.8
Total fixed assets	330.8	329.2	334.0
Inventories	55.0	43.7	52.3
Current receivables	122.2	64.5	124.5
Cash and cash equivalents	87.2	102.3	49.1
Total current assets	264.4	210.5	225.9
TOTAL ASSETS	595.2	539.7	559.9
Shareholders' equity	501.2	464.8	494.8
Total equity	501.2	464.8	494.8
Provisions	10.7	16.2	11.2
Long-term liabilities	0.1	0.1	0.1
Current liabilities	83.2	58.6	53.8
Total liabilities	94.0	74.9	65.1
TOTAL EQUITY AND LIABILITIES	595.2	539.7	559.9
Pledged assets	34.8	51.9	34.8
Contingent liabilities	0.2	0.2	0.2

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY IN SUMMARY

Amounts in SEK M	3 months 2011	3 months 2010	Full year 2010
Equity at beginning of period	494.8	456.9	456.9
Net comprehensive income for the period	4.9	7.9	15.0
Conversion/Share issue	1.4	0.0	22.4
Share based payments, equity settled	0.1	0.2	0.4
Equity at end of period	501.2	465.0	494.8



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 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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