



PRESS RELEASE

from Pricer AB (publ) 24 April 2006

Pricer acquires ESL supplier Eldat

Joint company to deliver ESL industry standard

Pricer AB (publ) ("Pricer") has agreed to acquire Eldat Communication Ltd ("Eldat") to form the world's principal provider of advanced Electronic Shelf Label ("ESL") systems for retailers. This acquisition brings Pricer's global market share above 60 percent and further accelerates the company's ambitions in this industry. Pricer will acquire 100 percent of the shares in Eldat and in exchange issue 261.8 million Pricer shares giving the owners of Eldat close to 26 percent ownership of Pricer. The value of the transaction is about SEK 300M (equivalent to about USD 40M or EUR 32M). The completion of the transaction, expected in July 2006, is subject to approval at the AGM of Pricer. The joint companies' pro forma 2005 sales are SEK 454M with approximately 160 employees.

Background and motives for the acquisition

The acquisition combines the companies' market successes and technological resources with Pricer's unparalleled leadership in quality and state of the art software and infrastructure ensuring that retailers will have a supplier with the resources and technological strength to maintain and deliver greater value.

In Japan, Pricer and Eldat are the two principle ESL providers with the absolute majority of the market where Pricer through its partner Ishida is the largest ESL provider while Eldat with its partner Teraoka holds a very strong position. In France, Eldat has approximately 8 million ESL's installed while Pricer has approximately 6 million. The companies believe they are the only providers of bi-directional broadband ESL communication. The joint companies will have over 33 million ESL's installed with over 2,700 stores including many of the world's largest retailers.

"Pricer and Eldat are the only ESL providers that have been successful in large scale ESL deployments with integrated retailers in France and Japan, where ESL has found widespread market acceptance," says Jan Forssjö, President and CEO, Pricer. "We believe the acquisition of this leading ESL provider consolidates our efforts to offer better value, better scale and better expertise to the existing installed base and overall market."

"Our strategy is to now create one industry standard allowing retailers to confidently build their display solutions today and for the future," adds Jan Forssjö. "We plan on being at the centre of the coming ESL explosion, and this acquisition ensures that resources are spent building strength in the Pricer/Eldat backbone."

Eldat today is deploying a major French retailer and numerous stores in Japan with its partner Teraoka. The deployment with the French retailer started in 2002 and continues this year.

The Eldat solution uses infrared technology, as Pricer, to deliver fast and accurate pricing information to the shelf edge and is the only other scalable ESL solution available, from 100 m² to 25 000 m², from 500 ESL's to 100 000 ESL's. Eldat's clients, established in over 25 countries, range from Casino to Aeon, from Delhaize to Sonae. The Eldat offering will remain available for deployments to its customer base with no disruption, and Eldat partners will continue to have access to a world class solution. Furthermore, the joint companies will strive to combine their similar technologies into an advanced software and infrastructure platform to create a comprehensive backbone that will provide customers

with a clear product roadmap based on a joint industry standard. In a world where technology platforms compete, delivering a strong display standard will enhance Pricer's ability to deliver more innovative devices faster, as well as advanced services and added value partnerships.

"We are looking forward to joining our strengths with the Pricer experience and leveraging our strong R&D history and commercial successes with the industry leader," says Rami Sharon, President and CEO, Eldat. "The customer support and development teams will continue to offer their respective product support and releases while working to integrate the processes worldwide during the transaction period."

"Together, the two companies will provide a more compelling access to a complete ESL solution building on Pricer's traditional strength in software and infrastructure, and remove any industry uncertainties," says Jan Forssjö. "We can jointly focus on what is most important, delivering scalable and cost effective ESL solutions to the food retailers and beyond."

Terms and conditions of the transaction

Pricer will acquire all of Eldat's shares and in exchange issue 261.8 million Pricer shares (Class B) to the owners of the acquired company. The Board of Pricer has today decided on this issue and it will be completed subject to shareholders' approval. The new shares represent close to 26 percent of the total number of shares in Pricer. The shareholders of Eldat consist of some 50 institutions and private individuals and, as they are becoming owners of Pricer shares, they have asked for two seats on the Board.

At current share price of SEK 1.16 the transaction value is about SEK 300M.

Pricer expects to obtain shareholder approval for the acquisition through the issuance of new shares to the owners of Eldat as well as the election of two new members of the Board. Salvatore Grimaldi, owner of Sagri Development AB owning 14 percent of the shares in Pricer will vote in favor of the transaction. Mr Grimaldi is also Chairman of the Board of Pricer. While subject to Eldat shareholder approval, the agreement has already been signed by the principal Eldat shareholders representing the majority of the capital.

Time plan

The Annual General Meeting of Pricer, originally planned for May 11 will hereby be deferred to mid June (final date yet to be determined). Additional information to the shareholders about the transaction will be available on the Pricer web site latest two weeks prior to the AGM.

After the AGM the transaction will be completed through the exchange of shares and the new shares will be available for trading in July.

The combined companies

Eldat had sales of USD 17.2M in 2005, gross profit of 32 percent and a net result of USD 0.2M (after adjusting for non-recurring items). Eldat employs about 45 people in offices in Tel Aviv and Paris. The combined companies' pro forma 2005 sales are SEK 454M with approximately 160 employees.

The Board of Pricer confirms the earlier cash projection forecast of reaching positive cash flow during 2006 taking into account the effects of the above mentioned transaction.

For further information, please contact:
Jan Forssjö, President and CEO, Pricer AB: +46 8 505 582 00

Pricer, founded in 1991 in Sweden, is a leading supplier of electronic display and information systems to the retail industry. Pricer offers electronic information systems that significantly improve customer profitability and productivity.

With the widest product range on the market, Pricer's ESL systems are installed in more than 1 300 stores on three continents. Customers include the second largest retail chain in the world 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 the O list of the Stockholm Stock Exchange. For further information, please visit Pricer's website. A subscription service for online news releases via e-mail is available on the website.

Pricer AB (publ)
Bergkällavägen 20-22
SE-192 79 Sollentuna
Sweden

Website: www.pricer.com
Telephone: +46 8 505 582 00
Corporate Identity number: 556427-7993

Eldat, is a leading vendor of Electronic Shelf Labels (ESL) in the retail market. With about 13 million labels installed in about 1 400 stores worldwide, Eldat maintains its position as one of the fastest growing companies in the retail market.

Eldat Communication Ltd is a privately held Israeli based company, dedicated to providing advanced communication solutions to the retail industry. Established in 1994, Eldat has developed unique capabilities in the infrared communication field, based on experience in the development of Electronic Defense Systems and Integrated Circuit design (ASIC). For further information, please visit Eldat's website.

Eldat Communication Ltd
7 Rival Street
Tel Aviv 67778
Israel

Website: www.eldat.com
Telephone: +972 3 6887879