

INTERIM REPORT

January - September 2000

OPERATING RESULT -97,5 (-157,6) MSEK

SETTLEMENT WITH PREVIOUS OWNERS OF INTACTIX

STILL WEAK ESL MARKET

DISPOSABLE LIQUID FUNDS 158,9 MSEK

OPERATION The market for Pricer's ESL systems (ESL = Electronic Shelf Label) in the first nine months of the year was weak. The order inflow for Pricer's ESL systems increased to 33.7 (17.6) MSEK, primarily from the company's distributors in Japan and South Korea. For the third quarter, the order inflow was 4.0 (3.1) MSEK.

The order backlog amounted to 154 (148) MSEK as per September 30, 2000. As announced earlier, a major part of the order backlog, 80 per cent, is from Pricer's partners, including the Migros account in Turkey, where the time for call-off has not been determined. According to the agreement regarding the Migros order, call-off should be made no later than December 31, 2000. Pricer estimates that it is very uncertain whether there will be a call-off within the agreed time frame.

In October, an agreement was made with Knowledge Support Systems Limited (KSS) in England regarding marketing cooperation on a concept called "SmartPrice". The "SmartPrice" concept consists of the combined use of the KSS price optimizing software with Pricer's ESL systems for efficient implementation of price changes. Store environment studies have shown that the use of "SmartPrice" has led to increased profitability.

Settlement 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.

On September 7, the parties agreed on a settlement. This settlement means that the Plaintiffs dismiss all claims on Pricer and other parties. The settlement also includes a release of all potential future claims between all parties involved. Pricer's part of the settlement amounts to 1.6 MUSD. Net, after utilization of reserves for legal fees, this will have a negative effect on Pricer's result of approx 14 MSEK.

NET SALES AND RESULTS The Intactix operation is included in the net sales and result through March 31, and contains only the Pricer ESL business thereafter.

The net sales for the period amounted to 74.3 (251.9) MSEK, of which 21.3 (106.4) MSEK relate to Pricer ESL.

The net sales for the third quarter amounted to 9.5 (81.9) MSEK. Deliveries of ESL systems amounted to 36.9 MSEK for the equivalent period of 1999.

The operating costs for the period were reduced to 130.3 (270.6) MSEK and included once-off costs of approx 31 MSEK. In the third quarter operating cost amounted to 29.0 (69.2) MSEK, of which 14 MSEK is caused by the above-mentioned settlement. A comparison of the ESL operation expenses this year, excluding once-off costs, compared to the equivalent period in 1999, shows a reduction of approx 38 MSEK.

The Group operating result for the period amounted to -97.5 (-157.6) MSEK and for Pricer ESL to -93.6 (-29.2) MSEK including the above-mentioned once-off costs. The net result for the same period was -92,0 (-181.5) MSEK.

For the third quarter, the Group operating result was -32.6 (-63.1) MSEK and the net result was -28,4 (-67.8) MSEK.

FINANCIAL POSITION The cash-flow from operations was -72.5 (-92.2) MSEK. The corresponding figure for the third quarter was -26,5 (-22.5) MSEK. The Group's disposable liquid assets – liquid assets adjusted for blocked deposits and unutilized overdraft facility – amounted to 158.9 (20.0) MSEK as per September 30, 2000. In addition to this, there are liquid assets of 39.0 MSEK, which according to the agreement on the divestment of Intactix have been placed in a blocked bank account as security for potential contractual commitments.

The financial net was substantially improved in the third quarter, primarily due to unrealized translation differences related to the strengthened US dollar and a positive net interest income.

INTANGIBLE ASSETS The Group's intangible assets consist of market rights for ESL systems in North America (Pricer Inc.) and ESL patents. The valuation of the market rights is based on a forecast that supports the booked value.

INVESTMENTS The total investments during the period amounted to 1.5 (4.8) MSEK and pertained primarily to production tools, computers and office equipment. All product development has been expensed.

PERSONNEL For the first nine months, the average number of employees in the Group amounted to 57 (282), while the number of employees as per September 30, 2000 amounted to 44 (247, of which 87 in Pricer ESL).

PARENT COMPANY The parent company net sales for the period was 21.3 (105.7) MSEK and the operating result for the same period was -73.0 (-156.2) MSEK. The parent company's liquid assets amounted to 153.5 (3.7) MSEK as per September 30, 2000.

FORECAST The result for Pricer is dependent on the development of the ESL market. The negative operating result in the ongoing ESL business will be kept at the reduced level shown in the third quarter and will improve with increased sales.

NEXT REPORT DATE The preliminary report for the year 2000 will be published on February 23, 2001.

Uppsala, November 9, 2000
Pricer AB (publ)

Britt Sandberg
President and CEO

THIS REPORT HAS NOT BEEN SUBJECT TO A REVIEW BY THE COMPANY'S AUDITORS.

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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 and its suppliers. 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 O-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	Q3 2000	Q3 1999	9 months 2000	9 months 1999	Full year 1999
Net sales	9,5	81,9	74,3	251,9	309,3
Cost of goods sold	-9,4	-39,9	-28,3	-120,8	-131,6
Gross result	0,1	42,0	46,0	131,1	177,7
Sales and administrative expenses	-25,5	-55,3	-113,8	-191,1	-250,6
Research and development costs	-3,5	-13,9	-16,5	-44,2	-55,6
Items affecting comparability, operational	-	-29,9	-	-35,3	-56,6
Amortization of goodwill, market and industrial rights	-3,7	-6,0	-13,2	-18,1	-24,3
Operating result	-32,6	-63,1	-97,5	-157,6	-209,4
Financial net	4,2	-4,7	5,2	-24,0	-29,1
Result after financial items	-28,4	-67,8	-92,3	-181,6	-238,5
Taxes	0,0	0,0	0,3	0,1	-0,4
Net result for the period	-28,4	-67,8	-92,0	-181,5	-238,9

CONSOLIDATED BALANCE SHEET - SUMMARY

Amounts in MSEK	Sep 30'00	Sep 30'99	Dec 31'99
Intangible fixed assets	228,9	384,2	346,2
Tangible fixed assets	3,8	23,5	20,3
Financial fixed assets	-	0,7	-
Total fixed assets	232,7	408,4	366,5
Inventories	6,2	10,4	9,7
Current receivables	15,9	86,3	59,5
Cash and bank balances	195,0	13,1	124,9
Total current assets	217,1	109,8	194,1
TOTAL ASSETS	449,8	518,2	560,6
Shareholders' equity	310,6	182,6	384,4
Allocations	14,7	16,3	17,1
Long-term loans	57,3	0,0	50,6
Other long-term non interest-bearing liabilities	17,2	0,4	12,1
Short-term loans	0,8	192,0	0,8
Other current non interest-bearing liabilities	49,2	126,9	95,6
Total liabilities	124,5	319,3	159,1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	449,8	518,2	560,6

CONSOLIDATED CASH FLOW STATEMENT - SUMMARY

	Q3 2000	Q3 1999	9 months 2000	9 months 1999	Full year 1999
Amounts in MSEK					
Result after financial items	-28,4	-67,7	-92,3	-181,6	-238,9
Adjustments for items not affecting the cash flow	4,3	27,5	22,3	61,2	92,4
Change in working capital	-2,4	17,7	-2,5	28,2	28,6
Cash flow from operations	-26,5	-22,5	-72,5	-92,2	-117,9
Cash flow from investments	-4,2	0,0	142,6	-4,8	-7,1
Rights issue	-	-5,0	-	96,7	257,3
Change in other financing	-	10,0	-	-28,0	-49,1
Cash flow from financing	-	5,0	-	68,7	208,2
Cash flow in the period	-30,7	-17,5	70,1	-28,3	83,2

KEY RATIOS

Amounts in MSEK	Q 3 '00	Q 2 '00	Q 1 '99	Q 4 '99	Q 3 '99
Net revenue	9,5	7,8	57,0	57,4	81,9
Operating result	-32,6	-33,1	-31,8	-51,8	-63,1
Net result for the period	-28,4	-33,2	-30,4	-57,4	-67,8
Net change in liquid funds generated from operations	-26,5	-21,7	-24,3	-25,8	-22,5
Net change in liquid funds generated from operations, moving 4 quarters	-98,3	-94,3	-110,5	-117,9	-120,2
Number of employees, end of period	44	45	212	223	259
Equity/assets ratio	69%	71%	65%	69%	35%
Debt/equity ratio	-0,44	-0,53	-0,13	-0,19	0,98

KEY RATIOS by line of business

Amounts in MSEK	Q3 '00	Q 2 '00	Q 1 '00	Q 4 '99	Q 3 '99
Pricer ESL					
Order backlog	154	145	149	125	148
Net sales	9,5	7,8	4,0	6,8	36,9
Net revenue - moving 4 quarters	28,1	55,5	96,5	113,2	122,7
Operating result	-32,6	-33,2	-27,8	-50,2	-55,6
Operating result - moving 4 quarters	-143,8	-166,8	-166,7	-179,4	-166,7
Intactix					
Net sales	-	-	53	50,6	45,0
Operating result	-	-	-4	-1,6	-7,5

DATA PER SHARE

	Q 3 '00	Q 2 '00	Q 1 '99	Q 4 '99	Q 3 '99
Net result per share 1)	-0,12	-0,14	-0,13	-0,93	-1,54
Shareholder equity per share 2)	1,30	1,36	1,50	1,61	4,13
Number of shares, million	238,6	238,6	238,6	238,6	44,2

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.

