

Year-end Report 2011

New record in sales and profit for the quarter and the year

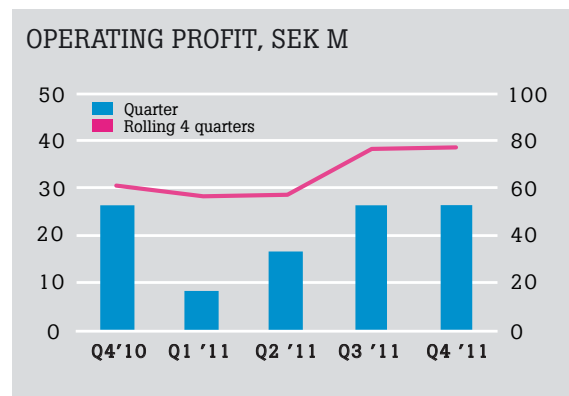
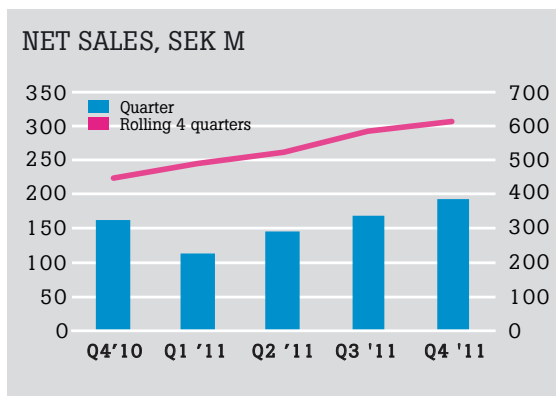
- During 2011 a number of agreements have been signed and an increased number of pilot projects were installed
- The arbitration against ProMargin ended and Pricer will pay SEK 1.9 M in damages. In total, the process has cost SEK 3.6 M during the quarter and SEK 5.8 M during the year
- The operating profit before these costs was SEK 30.1 M in the quarter and SEK 82.5 M for the year, equivalent to an operating margin of 15.7 percent and 13.5 percent respectively
- A new portion of the tax-loss carry forward has been capitalised, which improved the net profit and earnings per share
- The board of directors proposes an increased dividend of SEK 0.25 (0.20) per share
- Increased net sales and operating profit is expected for 2012 as compared to 2011

Fourth quarter

Order entry:	SEK 148,2 M (144.0)
Net sales:	SEK 191.9 M (161.3)
Gross margin:	32 percent (33)
Operating profit:	SEK 26.5 M (26.0)
Operating margin:	13.8 percent (16.1)
Net profit:	SEK 102.5 M (25.6)
Cash flow:	SEK 29.7 M (13.3)
Basic earnings per share:	SEK 0.95 (0.24)

Full year

Order entry:	SEK 648.1 M (439.0)
Net sales:	SEK 613.0 M (447.2)
Gross margin:	32 percent (37)
Operating profit:	SEK 76.7 M (60.8)
Operating margin:	12.5 percent (13.6)
Net profit:	SEK 150.3 M (56.2)
Cash flow:	SEK 5.9 M (-15.3)
Basic earnings per share:	SEK 1.40 (0.54)



Comments from the CEO Fredrik Berglund

It is gratifying that the strong development for Pricer continues also during the fourth quarter both with regards to net sales and profit. During the year a number of important agreements have been signed and the number of pilot projects has doubled as compared to last year. Furthermore, an increasing number of customers, also outside the traditional food retail, have discovered the advantages with the solution of Pricer. By geography, growth has increased during the quarter in the region of America. The uncertainty of the economic climate however, makes judgement about the company's development in 2012 more difficult. We are expecting a deferral of the revenue from Carrefour, which have informed that they will extend the project of upgrading of our system in their hypermarkets from earlier three to four years. In all, however, despite the above, our outlook is that we will reach a higher net sales and operating profit in 2012 as compared to 2011.

Market development

Pricer had a continued strong order intake in the fourth quarter. The company has entered in to new markets and at the same time strengthened its position in existing markets.

During the quarter an increased number of pilot installations can also be noted, which usually is an indication of future deals.

Europe, Middle East and Africa

In Europe, which is the most important region for Pricer, the company has continued to strengthen its position both with new and existing customers. Net sales to several of Pricer's existing customers have increased during 2011. This includes among others continued strong sales to the important retail chains Carrefour and Metro of both new sales and upgrades of existing systems. For both these two large chains Pricer has gained the confidence to expand by installing the Pricer solution also outside of respective home market. For Metro deliveries are taking place in close to ten various countries. The increase in sales and volume has occurred in line with the customer experiencing the increased profitability and efficiency that the Pricer solution brings.

In 2010 Pricer signed a frame agreement with Carrefour regarding the upgrading of systems valued at SEK 300 M over three years. Current estimate is that the project will be deferred and take one more year to complete, primarily as a consequence of the economic climate and the effect this has on the operations of the customer.

Sales volumes have also continued to grow to the French retail chain Casino and the Do-It-Yourself retailer Castorama.

Pricer has succeeded in winning a number of important orders, leading to increased presence in southern Europa and the Nordic countries. The company is gaining a stronger position in the Nordic home market and noteworthy is the agreement with Coop Nordic. Net sales have increased by a factor of three in 2011, although from a low level.

Installations in southern Africa have continued during the year and took place to an increasing number of retail chains which increased the base and the presence of Pricer systems in this market.

In important source of revenue in the Pricer operations is upgrading of older systems. The value of this revenue has more than doubled in 2011 and Pricer has more than 80 million labels installed with customers which, over time will have to be replaced.

America

The development of Pricer in North- and Latin America was good during both the quarter and the year. A North American retail chain with over 250

food stores continued its large installation of the Pricer system. Installations have taken place in close to 50 stores in 2011 and the project continues at the same rate in 2012.

The growing interest in the North American market has led to projects and pilot installations with retail chains for both grocery products as well as for mobile telephony, electronics and Do-It-Yourself-stores.

Soriana, the second largest retail chain in Mexico, has since inception installed over 200 stores with the Pricer system out of which half in 2011 and the project continues. This has created an increased interest among other retail chains in the country which in its turn has also led to a number of pilot and other smaller installations, also outside food retail.

In order to strengthen presence in Brazil Pricer has through a local partner, started assembly of electronic shelf labels in the country. Through local assembly, price to customers can be reduced which improves the competitiveness.

Asia and the Pacific

In the region of Asia and the Pacific the development has been more mixed. Pricer has maintained its leading position on the Japanese market, although the region has been affected by the economic climate. Pricer reached in 2011 an agreement with its longstanding Japanese partner, Ishida as the license agreement from 2007 was revised.

Orders, net sales and result for the quarter

Order entry in the fourth quarter amounted to SEK 148.2M (144.0), an increase of 3 percent as compared to last year. The currency effect was neutral on order intake as compared between the quarters. The order backlog amounted to SEK 123 M (80) at the end of December, equivalent of an increase by 54 percent.

Net sales amounted to SEK 191.9 M (161.3) during the quarter being again the highest net sales for a single quarter for Pricer. The increase in net sales amounted to 19 percent as compared to the fourth quarter of 2010. Excluding negative currency effect the increase was 22 percent.

Gross profit amounted to SEK 61.8 M (53.3) and the gross margin to 32 percent (33) for the quarter. The gross profit has been positively affected by realised and unrealised currency hedging effects of SEK 0.5 M (3.4) in the quarter. Gross margin was unaffected, 32 percent, before this impact.

Operating expenses amounted to SEK 35.3 M (27.3) during the quarter and have increased due to costs from the process against ProMargin of SEK 3.6 M for the quarter as well as increased bonus

provisions and increased market activities. Operating profit amounted to SEK 26.5 M (26.0) during the quarter, the highest result in a single quarter in the history of the company. This resulted in an operating margin of 13.8 percent (16.1). The operating margin was 15.7 percent, excluding the costs from the case against ProMargin.

Net financial items were SEK -3.0 M (-0.3) for the quarter and consisted mainly of negative currency revaluations of current financial assets and cash positions. The tax credit in the quarter of SEK 79.0 M is derived from additionally capitalised tax-losses carry forward.

Net profit amounted to SEK 102.5 M (25.6) for the quarter. Translation differences in other comprehensive income consisted of negative currency revaluation of net assets in foreign subsidiaries in euro, notably goodwill. The euro has weakened by almost 4 percent during the fourth quarter.

Orders, net sales and result for the full year

Order entry amounted to SEK 648.1 M (439.0) for the year, equivalent of an increase of 48 percent as compared to last year. Excluding negative currency effect the increase was 57 percent. The Swedish krona has strengthened as compared to Pricer's

main trading currencies, the euro and US dollar.

Net sales amounted to SEK 613.0 M (447.2) during the year, an increase of 37 percent as compared to 2010. Excluding negative currency effect the increase was 45 percent.

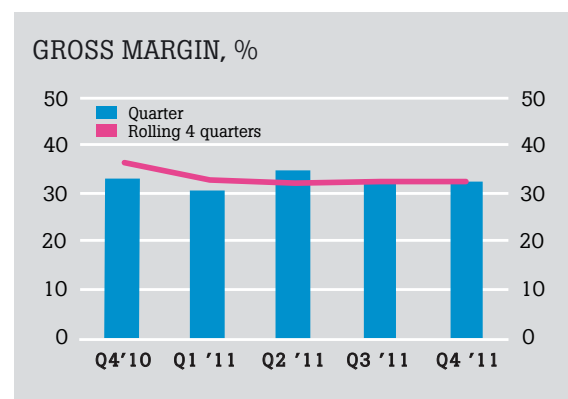
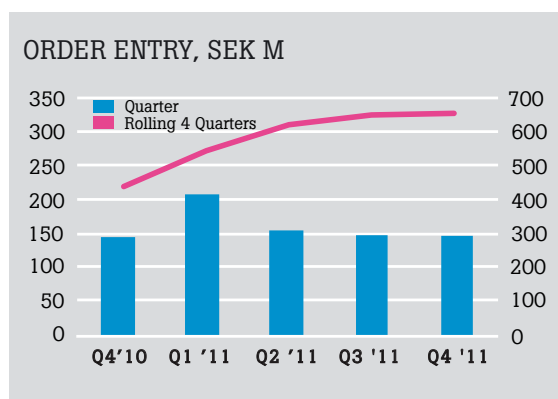
Gross profit amounted to SEK 198.5 M (163.3) and the gross margin to 32 percent (37) for the year. The gross profit during 2011 has been affected negatively by realised and unrealised currency hedging effects of SEK -4.5 M (2.6). Gross margin was 33 percent before this impact. The gross margin was not as high as in 2010 as it was affected by currency and mix of products and customers.

Operating expenses amounted to SEK 121.8 M (102.5) during the year and increased due to costs for the arbitration against ProMargin of SEK 5.8 M and among other things increased market activities and number of employees.

Operating profit was SEK 76.7 M (60.8) during the year leading to an operating margin of 12.5 percent (13.6). Operating margin was 13.5 percent excluding costs for ProMargin.

Net financial items were SEK -2.2 M (-6.3) for the year and consisted mainly of negative currency revaluations of current financial assets and cash positions. The tax credit of SEK 75.8 M consisted primarily of additionally capitalised tax-losses carry forward.

Net profit amounted to SEK 150.3 M (56.2) for



	Q 4 2011	Q 4 2010	Full year 2011	Full year 2010
Change in Orders	3%	53%	48%	30%
whereof currency effect	0%	-17%	-9%	-13%
Change in Orders adjusted for currency effect	3%	70%	57%	43%
Change in Sales	19%	41%	37%	37%
whereof currency effect	-3%	-7%	-8%	-10%
Change in Sales adjusted for currency effect	22%	48%	45%	47%

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

	Q 4 2011	Q 4 2010	Full year 2011	Full year 2010
Gross Margin	32%	33%	32%	37%
whereof value changes in currency futures	0%	2%	-1%	1%
Adjusted Gross Margin	32%	31%	33%	36%

Gross margin is stable

the year. Translation differences in other comprehensive income consisted of negative currency revaluation of net assets in foreign subsidiaries in euro, notably goodwill.

Financial position

Quarter

Cash flow from operating activities amounted to SEK 29.7 M (13.3) and has improved in the fourth quarter through increased customer payments.

Full year

Cash flow from operating activities amounted to SEK 5.9 M (-15.3) in the year. Working capital amounted to SEK 260.4 M (187.4) at the end of the year, equivalent of an increase of 39 percent from the level at the beginning of the year. This is also slightly higher than growth in net sales of 37 percent. Both accounts receivable and inventory have increased as an effect of the increased volumes. Credit terms on the markets where Pricer is primarily active are usually more extended than what is the case in, for example, the Nordic countries.

Cash and cash equivalents at the end of the year amounted to SEK 58.8 M (69.9). In addition to available cash, Pricer has bank facilities in place amounting to SEK 50 M in the form of bank

overdraft and additionally SEK 50 M in promissory credit granted after the end of the financial year.

Total assets amounted to SEK 845 M (642) at the end of the year and consisted of intangible assets of SEK 247.4 M (249.1) primarily from the acquisition of Eldat in 2006. The largest item is the goodwill of SEK 225.7 M (227.2).

Equity

In May 2011 Pricer completed a reversed split of shares whereby ten old became one new share. The dividend decided at the Annual General Meeting of SEK 0.20 per share (after the reversed split) or SEK 21.4 M total was also paid in May.

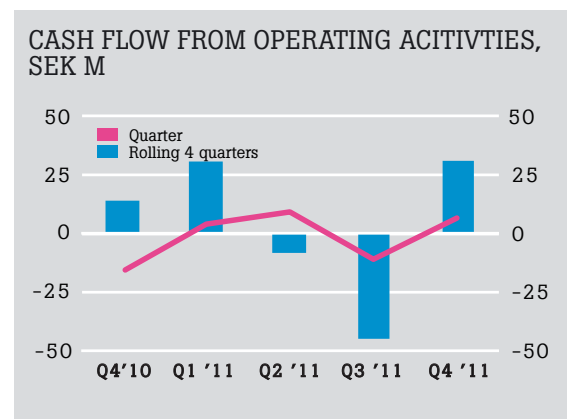
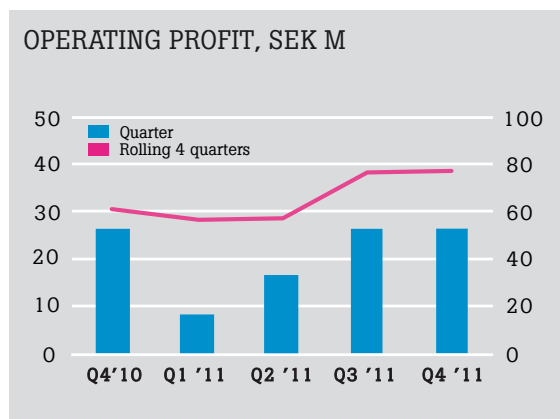
ISSUED AND OUTSTANDING SHARES

Stated in thousand of shares	Serie A	Serie B	Total
At the beginning of the year, 2011-01-01	2 260	1 053 257	1 055 517
Issues from options to employees	-	11 510	11 510
Conversion from class A to B	-2	2	0
Reverse split 10:1	-2 032	-958 293	-960 325
Issues from options to employees	-	1 763	1 763
As at the end of year, 2011-12-31	226	108 239	108 465

Class A share holds five votes and class B share one vote.

NET SALES AND OPERATING PROFIT, SEK M

	Oct - Dec 2011	Oct - Dec 2010	Jan - Dec 2011	Jan - Dec 2010
Net sales	191.9	161.3	613.0	447.2
Cost of goods sold	-130.1	-108.0	-414.5	-283.9
Gross profit	61.8	53.3	198.5	163.3
Gross margin, %	32	33	32	37
Expenses	-35.3	-27.3	-121.8	-102.5
Operating profit	26.5	26.0	76.7	60.8
Operating margin, %	13.8	16.1	12.5	13.6



An option program to employees from 2007 expired on June 30, 2011 and new class B shares were issued, representing about 3 percent dilution of the number of shares. Pricer obtained SEK 16.9 M in new funds.

Capital expenditure

Quarter

Capital expenditures amounted to SEK 5.8 M (2.6) during the fourth quarter, and included mainly capitalised development costs of SEK 2.7 M (1.3).

Full year

For the year capital expenditures amounted to SEK 12.3 M (12.0) and included mainly capitalised development costs of SEK 10.2 M (7.7).

Other

Parent Company

The Parent Company's net sales amounted to SEK 507.2 M (356.4) and net profit amounted to SEK 143.3 M (27.5) for the year. The company had cash and cash equivalents of SEK 12.7 M (49.1) at the end of the year.

Employees

The average number of employees in the quarter amounted to 72 (55) and to 66 (54) for the year. The number of employees at the end of the year amounted to 72 (55).

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 Group and the Parent Company and their 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 the financial position and earnings of the Group or the Parent Company.

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 and RFR 2. 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

Pricer has earlier published that the company has been party to arbitration proceedings against ProMargin AB. A final award was rendered in February 2012 according to which Pricer was ordered to pay damages with a total amount of SEK 1.9 M plus interest. Each party shall according to the award carry its own costs for the arbitration proceedings. The damage amount has been accounted for in 2011. All other costs have been accounted for as incurred.

Outlook

Expectations for 2012 are for higher net sales and operating profit compared to 2011.

Annual General Meeting and dividend

The Annual General Meeting is planned for April 25, 2012 at 3 pm at Scandic Infra City, Upplands Väsby. The last day to request items to be addressed at the AGM is March 18. The Board of Directors will propose to the AGM a dividend of SEK 0.25 (0.20) per share, representing SEK 27.1 M (21.1), and April 30, 2012 as record day for payment of dividend.

It is expected that the Annual Report for 2011 will be published in April, 2012 at Pricer's web-site and be sent to those who so require.

Next reporting date

The interim report for January – March 2012 will be published on April 25, 2012.

Sollentuna, February 17, 2012

Pricer AB (publ)

Fredrik Berglund
CEO

(The year-end 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 2011 in accordance with the Swedish Securities Exchange Act (2007:528). The information was distributed to the media for publication at 07:40 AM CEST on Friday February 17, 2012.

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STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME IN SUMMARY

Amounts in SEK M	Q 4 2011	Q 4 2010	Full year 2011	Full year 2010
Net sales	191,9	161,3	613,0	447,2
Cost of goods sold	-130,1	-108,0	-414,5	-283,9
Gross profit	61,8	53,3	198,5	163,3
Selling and administrative expenses	-30,9	-22,9	-103,4	-86,4
Research and development costs	-4,4	-4,4	-18,4	-16,1
Operating profit	26,5	26,0	76,7	60,8
Net financial items	-3,0	-0,3	-2,2	-6,3
Profit before tax	23,5	25,7	74,5	54,5
Income tax	79,0	-0,1	75,8	1,7
Profit for the period	102,5	25,6	150,3	56,2

OTHER COMPREHENSIVE INCOME

Translation differences	-11,3	-5,5	-1,9	-45,6
Net comprehensive income for the period	91,2	20,1	148,4	10,6
Profit for the period attributable to:				
Owners of the Parent Company	102,5	25,6	150,3	56,2
Non-controlling interest	0,0	0,0	0,0	0,0
Net comprehensive income for the period attributable to:				
Owners of the Parent Company	91,2	20,1	148,4	10,6
Non-controlling interest	0,0	0,0	0,0	0,0

EARNINGS PER SHARE

	Q 4 2011	Q4 2010	Full year 2011	Full year 2010
Basic earnings per share, SEK	0,95	0,24	1,40	0,54
Diluted earnings per share, SEK	0,94	0,23	1,39	0,52
Number of shares, millions	108	106	107	104
Diluted number of shares, millions	109	111	108	109

Historical values are recalculated due to the reverse split of shares in May 2011

NET SALES BY GEOGRAPHICAL MARKET

Amounts in SEK M	Q 4 2011	Q 4 2010	Full year 2011	Full year 2010
Europe, Middle East and Africa	152,8	132,2	497,5	350,8
America	18,9	5,8	79,1	57,0
Asia & the Pacific	20,2	23,3	36,4	39,4
Total net sales	191,9	161,3	613,0	447,2

The geographical markets have been changed as of January 1, 2011 and historical values have therefore been recalculated

STATEMENT OF CONSOLIDATED FINANCIAL POSITION IN SUMMARY

Amounts in SEK M	2011-12-31	2010-12-31
Intangible fixed assets	247,4	249,1
Tangible fixed assets	4,4	2,8
Deferred tax assets	124,5	41,4
Total fixed assets	376,3	293,3
Inventories	114,6	78,0
Current receivables	294,9	200,8
Cash and cash equivalents	58,8	69,9
Total current assets	468,3	348,7
TOTAL ASSETS	844,6	642,0
Shareholders' equity	691,5	546,5
Non-controlling interest	0,1	0,1
Total equity	691,6	546,6
Long-term liabilities	3,9	4,0
Short-term liabilities	149,1	91,4
Total liabilities	153,0	95,4
TOTAL EQUITY AND LIABILITIES	844,6	642,0
Pledged assets	60,4	35,6
Contingent liabilities	1,0	1,0
Basic shareholders' equity per share, SEK	6,45	5,28
Diluted shareholders' equity per share, SEK	6,38	5,02

Historical values are recalculated due to the reverse split of shares in May 2011

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	Full year 2011	Full year 2010
Equity at beginning of period	546,6	513,2
Result for the period	150,3	56,2
Other comprehensive result for the period	-1,9	-45,6
<i>Net comprehensive income for the period</i>	<i>148,4</i>	<i>10,6</i>
Share issue	16,9	-
Dividend	-21,4	-
Share based payments, equity settled	1,1	0,4
<i>Total transactions with owners of the Group</i>	<i>-3,4</i>	<i>0,4</i>
Equity at end of period	691,6	546,6
Attributable to:		
- Owners of the Parent Company	691,5	546,5
- Non-controlling interest	0,1	0,1
Total	691,6	546,6

STATEMENT OF CONSOLIDATED CASH FLOWS IN SUMMARY

Amounts in SEK M	Q 4 2011	Q 4 2010	Full year 2011	Full year 2010
Profit before tax	23,5	25,7	74,5	54,5
Adjustment for non-cash items	5,1	18,8	10,8	27,4
Paid income tax	-	-	-	-0,4
Change in working capital	1,1	-31,2	-79,4	-96,8
Cash flow from operating activities	29,7	13,3	5,9	-15,3
Cash flow from investing activities	-5,8	-2,6	-12,3	-12,0
Cash flow from financing activities	0,1	-	-4,4	-
Cash flow for the period	24,0	10,7	-10,8	-27,3
Cash and cash equivalents at beginning of period	35,8	59,4	69,9	102,8
Exchange-rate difference in cash and cash equivalents	-1,0	-0,2	-0,3	-5,6
Cash and cash equivalents at end of period	58,8	69,9	58,8	69,9
Unutilised bank overdraft facilities	50,0	25,0	50,0	25,0
Disposable funds at end of period	108,8	94,9	108,8	94,9

KEY RATIOS

Amounts in SEK M	Q 4 2011	Q 3 2011	Q 2 2011	Q 1 2011	Q 4 2010
Order entry	148,2	143,6	152,1	204,2	144,0
Order entry - rolling 4 quarters	648,1	643,9	612,9	543,1	439,0
Net sales	191,9	166,1	143,9	111,1	161,3
Net sales - rolling 4 quarters	613,0	582,4	527,4	488,6	447,2
Operating profit	26,5	26,1	16,5	7,6	26,0
Operating profit - rolling 4 quarters	76,7	76,2	57,7	56,4	60,8
Profit for the period	102,5	26,6	16,3	4,9	25,6
Cash flow from operating activities	29,7	-45,3	-8,4	29,9	13,3
Cash flow from op.activities - rolling 4 quarters	5,9	-10,5	64,7	3,8	-15,3
Number of employees, end of period	72	70	66	61	55
Equity ratio	82%	83%	79%	82%	85%

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

STATEMENT OF INCOME

Amounts in SEK M	Full year 2011	Full year 2010
Net sales	507,2	356,4
Cost of goods sold	-382,2	-262,5
Gross profit	125,0	93,9
Selling and administrative expenses	-47,4	-33,2
Research and development costs	-17,0	-14,1
Operating profit	60,6	46,6
Result from participations in group companies	-	-13,3
Income and expenses from financial items	0,9	-5,4
Profit before tax	61,5	27,9
Income tax	81,8	-0,4
Result of the period	143,3	27,5

STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Full year 2011	Full year 2010
Result of the period	143,3	27,5
Translation differences	-0,5	-12,5
Net comprehensive income for the period	142,8	15,0

BBALANCE SHEET AND STATEMENT OF CHANGES IN
PARENT COMPANY EQUITY IN SUMMARY

BALANCE SHEET OF THE PARENT COMPANY

Amounts in SEK M	2011-12-31	2010-12-31
Intangible fixed assets	21,7	16,9
Tangible fixed assets	2,2	1,3
Financial fixed assets	399,4	315,8
Total fixed assets	423,3	334,0
Inventories	82,2	52,3
Current receivables	224,2	124,5
Cash and cash equivalents	12,7	49,1
Total current assets	319,1	225,9
TOTAL ASSETS	742,4	559,9
Shareholders' equity	634,2	494,8
Total equity	634,2	494,8
Provisions	11,4	11,2
Long-term liabilities	0,1	0,1
Current liabilities	96,7	53,8
Total liabilities	108,2	65,1
TOTAL EQUITY AND LIABILITIES	742,4	559,9
Pledged assets	59,6	34,8
Contingent liabilities	-	0,2

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY

Amounts in SEK M	Full year 2011	Full year 2010
Equity at beginning of period	494,8	456,9
Net comprehensive income for the period	142,8	15,0
Share issue	16,9	22,4
Dividend	-21,4	-
Share based payments, equity settled	1,1	0,4
Equity at end of period	634,2	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 product information on the shop floor. The platform is based on a two-way communication protocol to ensure a complete traceability and management of resources. The Pricer system significantly improves consumer benefit and store productivity.

Pricer, founded in 1991 in Uppsala, Sweden, offers the most complete and scalable ESL solution. Pricer has over 6,000 installations across three continents with approximately 60 percent 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 the Nordic Small Cap list of OMX. For further information, please visit

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