



## Interim Report January – March 2009

### Improved margins

- Order entry in January – March 2009 amounted to SEK 68 M (98)
- Net sales for the first quarter amounted to SEK 63.1 M (75.4)
- Gross margin improved to 56 percent (36) due to favourable currency effects, improved market mix and reduced unit costs
- Operating profit amounted to SEK 6.3 M (6.2). 2008 included a license fee of SEK 6.2 M
- Operating margin was 10,0 percent (8.2)
- Net profit was SEK 7.7 M (-0.2) and result per share of SEK 0.01 (0.00)
- Liquid funds of SEK 105.4 M (88.6)
- The earlier reported outlook with earnings almost at par with the level reported in 2008, is considered challenging but still possible

- Two large European retailers chose Pricer ESL
- First major European DotMatrix™ ESL contract for Pricer and Toshiba TEC with Belgacom

### Subsequent events

- Pricer repaid SEK 22.5 M of convertible loans in April and extended remaining SEK 22.5 M until June 2010



## Comments from the CEO

“Orders and sales were weak relative to full year expectations. Although integrated retail IT investments are usually weak in Q1, large retailers are clearly deferring such investments. However, recent decisions on pilot programs in Europe and in other key markets give us confidence for the year.”

*Charles Jackson, CEO Pricer Group*

## Net sales and result

Order entry amounted to SEK 67.5 M (98.1) for the first quarter. At the end of March order backlog amounted to approximately SEK 69 M (95).

Net sales amounted to SEK 63.1 M (75.4) during the quarter, down approximately 16 percent as compared to first quarter 2008.

Gross profit increased to SEK 35.6 M (27.0) and the gross margin improved to 56 (36) percent for the quarter. The stronger gross margin was attributable to an improved market mix and reduced unit costs as well as favourable currency effects from the weak Swedish currency. Gross profit has improved by net SEK 6.4 M from positive currency effects, primarily from forward currency contracts. Without these positive currency effects the margin would have been 48 percent.

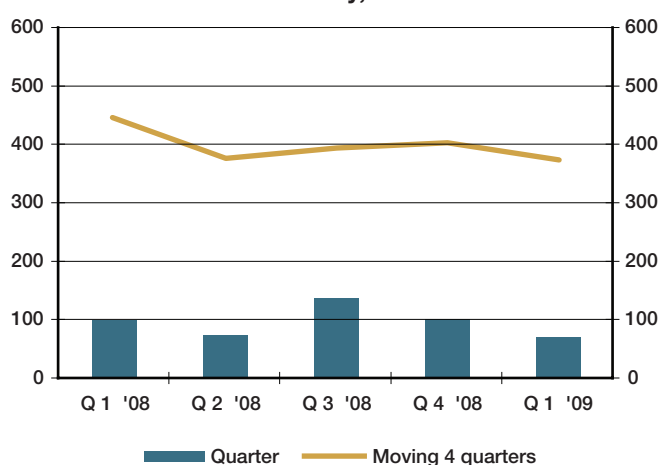
Operating expenses amounted to SEK 29.3 M (27.0) for the quarter. Expenses have been reduced in the quarter by SEK 0.3 M through capitalised product development costs.

The operating profit amounted to SEK 6.3 M (6.2) for the quarter. Accordingly, the operating margin amounted to 10.0 percent (8.2). First quarter 2008 included a license fee from Ishida of SEK 6.2 M reported as other operating income.

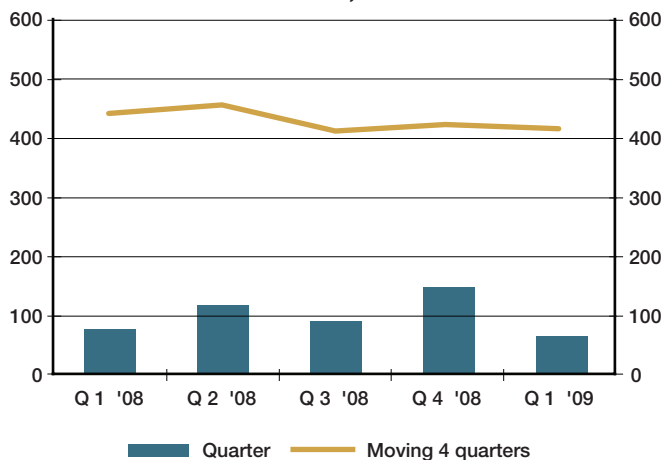
Net financial items amounted to income SEK 0.9 M (expense: 7.0) for the quarter and consisted of positive currency effects from revaluations of cash positions and loans to subsidiaries, partly offset by interest expense on convertible loans. No income tax was recorded in the quarter due to existing tax loss carry-forwards.

Net profit was SEK 7.7 M (-0.2) for the quarter.

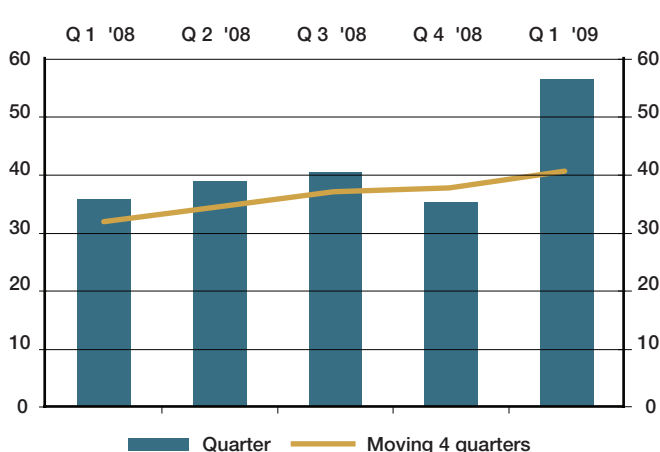
**Order entry, SEK M**



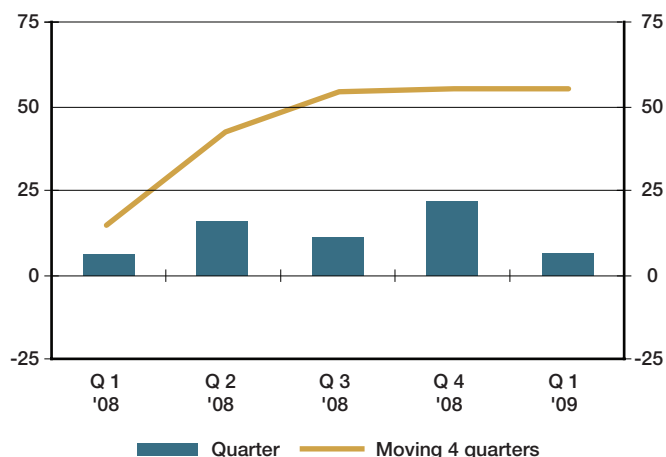
**Net Sales, SEK M**



**Gross margin, %**



**Operating Profit, SEK M**



## First quarter highlights

### Market development

At the end of the first quarter, Pricer had installed nearly 4,650 stores in over 34 countries. Sales and order intake worldwide were varied and came in weaker as generally experienced with integrated retailers, but further depressed by first quarter hesitations for the 2009 period.

However, the quarter gave promising signals for the year with some key successes in food and non-food. Two of Europe's largest tier 1 retailers, one Do-It-Yourself, the other Food, have placed significant initial orders for the Pricer ESL system after pilots and evaluation programs during 2007 and 2008. The French DIY retailer has opted to start with Continuum ESL and each store represents approximately 35,000 ESL. The tier 1 food retailer has hesitated for some years with ESL and finally decided to proceed with Pricer and has begun installing in three countries, France, Belgium and Luxembourg. Five supermarkets are installed to date. A further pilot evaluation has begun in one of its supermarket chains. The installations typify Pricer's clear advantage with the combination of segment based Continuum ESL with DotMatrix™ pixel based ESL.

The strong market reception of DotMatrix™ products is impacted negatively by cost pressure from new display manufacturers. Improvement is expected in the near term enabling Pricer to exploit these opportunities to their fullest. DotMatrix™ devices are giving Pricer a clear lead in several key segments. The Belgacom 90 store mobile phone agreement is a representation of the opportunities that lie ahead in specialty retail, as well as food and non-food.

During the first quarter, strong sales in France, Belgium and Denmark compensated for weaker sales in southern Europe and large key account hesitation with budgets. First quarter indirect sales represented the majority of the new installations as large tier 1 retailers with which Pricer works directly have expectedly delayed investments into next quarters.

The French food franchise market continues to grow significantly and Pricer benefits from this continued strong market. A local provider has benefitted from supplier referencing since 2005, but Pricer continues to erode this leadership position with, for example, the new referencing with Intermarché, a leading French food franchise retailer and through direct and indirect sales networks.

Several new ESL markets show signs of entering into a growth phase and Pricer enjoys clear leadership in most of them.

While certain retailers are visibly delaying decisions on new IT investments, the tough retail environment did not seriously affect sales as ESL represents an enabling technology for the value shopping trend.

## Net sales and operating result

SEK M	Jan - Mar 2009	Jan - Mar 2008
Net sales	63.1	75.4
Cost of goods sold	-27.5	-48.4
Gross profit	35.6	27
Gross margin, %	56.0	35.8
Other operating items	-	6.2
Expenses	-29.3	-34.5
Operating profit	6.3	-3.2
Operating margin, %	10.0	8.2

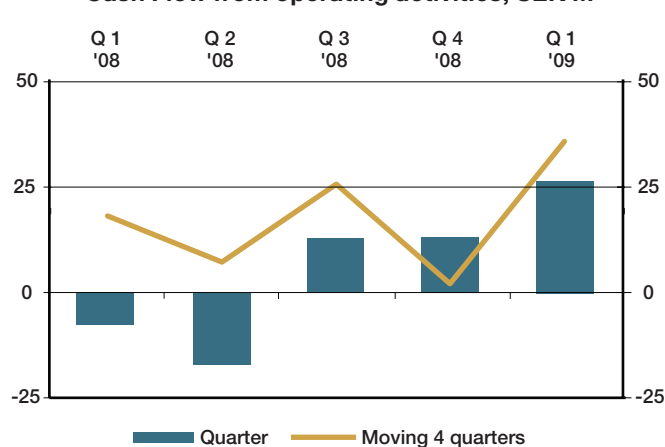
## Financial position

Cash flow from operating activities amounted to SEK 26.6 M (-7.5) for the quarter. Cash flow benefitted from reduced receivables partly offset by increased inventory levels. Working capital amounted to SEK 125.1 M (83.8) at the end of the quarter, the increase being explained mostly by increased inventory. Cash and cash equivalents at the end of March amounted to SEK 105.4 M (88.6).

In April 2007 Pricer raised convertible loans of SEK 74.9 M. The duration of the loans was two years until April 19, 2009. Pricer repaid SEK 30 M of the loans in November 2008 and another SEK 22.45 M at expiry in April 2009. The remaining SEK 22.45 M was extended until June 30, 2010 (subject to approval of the AGM) with 8 percent yearly interest. The loans can be converted into Pricer shares at an exercise price of SEK 0.57 leading to a dilution of the number of shares of 4 percent. In accordance with IFRS a part of the loans is recognised as equity and adjustments are made continuously to the interest expense during the term of the loans.

Bank facilities amounting to SEK 50 M, whereof SEK 25 M in the form of bank overdraft, are in place to ensure access to funds for Pricer's continued development. These facilities have yet to be utilised.

## Cash Flow from operating activities, SEK M

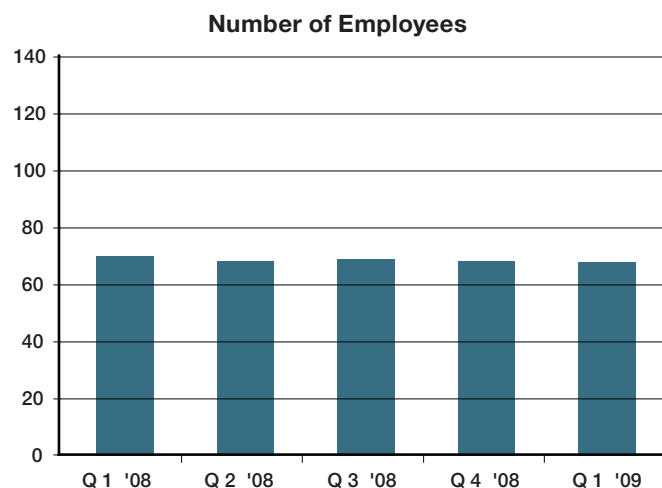


### Capital expenditure

Capital expenditure during the quarter was negligible, SEK 0.4 M (0.1), and includes capitalised development costs of SEK 0.3 M, in accordance with IAS 38.

### Employees

The average number of employees in the quarter was 67 (70). The number of employees at the end of the quarter was 67 (70).



### Parent Company

The Parent Company's net sales amounted to SEK 77.4 M (61.7) and net profit amounted to SEK 18.7 M (2.4) for the quarter. The company had cash and cash equivalents of SEK 93.7 M (77.1) at the end of March.

### 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 and the company's access to financing. 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. In addition to this, reference is made to a more elaborated description of risks and uncertainties in 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.

### Accounting principles

This interim report has been issued in accordance with the Swedish Annual Accounts Act (1995:1554) and the IAS 34 Interim reporting (regarding consolidated accounts) and the Swedish Financial Reporting Council's recommendation RFR 2.2 Accounting by Legal Entities (regarding Parent Company).

Accounting principles applied for the consolidated and the Parent Company accounts are coherent with the principles in the latest Annual Report.

Changes in IAS 1 have led to adjusted format of the income statement and some items earlier reported in change of equity are now reported in the report of total result.

IFRS 8 has not led to any changes. Pricer develops and markets one complete system consisting of various components. The system is sold in over 30 countries all over the world. Operations is not divided in various business segments but instead followed up in its entirety.

### Subsequent events

Pricer repaid SEK 22.45 M of convertible loans in April and extended remaining SEK 22.45 M until June 2010 (subject to approval of the AGM).

### Outlook

Due to the currently uncertain economic climate, it is difficult to provide a forecast for 2009. Pricer has earlier expected to achieve earnings almost at par with the level reported in 2008. This outlook is now considered challenging but still possible.

### Next reporting date

The Interim report for January - June 2009 will be published on August 21, 2009.

This report has not been subject to audit review

Sollentuna, April 24, 2009  
Pricer AB (publ)

Charles Jackson  
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 interim report for January – March 2009 in accordance with the Swedish Securities Exchange Act (2007:528). The information was distributed to the media for publication at 12.30 hrs CET on Friday April 24, 2009.

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**REPORT OF TOTAL RESULT**

	<b>Q 1</b>	<b>Q 1</b>	<b>Full year</b>
Amounts in SEK M	<b>2009</b>	<b>2008</b>	<b>2008</b>
<b>Net sales</b>	<b>63.1</b>	<b>75.4</b>	<b>427.0</b>
Cost of goods sold	-27.5	-48.4	-266.7
<b>Gross profit</b>	<b>35.6</b>	<b>27.0</b>	<b>160.3</b>
Other operating items, net	-	6.2	6.2
Selling and administrative expenses	-23.7	-22.2	-90.7
Research and development expenses	-5.6	-4.8	-20.4
<b>Operating profit</b>	<b>6.3</b>	<b>6.2</b>	<b>55.4</b>
Net financial items	0.9	-7.0	8.7
<b>Result before tax</b>	<b>7.2</b>	<b>-0.8</b>	<b>64.1</b>
Taxes	0.5	0.6	43.6
<b>Net profit</b>	<b>7.7</b>	<b>-0.2</b>	<b>107.7</b>
Translation differences and other adjustments	1.8	1.8	44.6
Additional interest on convertible	-	-	-0.4
<b>Net total profit</b>	<b>9.5</b>	<b>1.6</b>	<b>151.9</b>
Attributable to:			
Equity holders of the Parent Company	9.5	-0.2	151.9
Minority interest	0.0	0.0	0.0
<b>Net total profit</b>	<b>9.5</b>	<b>1.6</b>	<b>151.9</b>

**EARNINGS PER SHARE, NUMBER OF SHARES**

	<b>Q 1</b>	<b>Q 1</b>	<b>Full year</b>
	<b>2009</b>	<b>2008</b>	<b>2008</b>
Earnings per share before dilution, SEK	0.01	0.00	0.15
Earnings per share after dilution, SEK	0.01	0.00	0.14
Number of shares, millions	1,016	1,016	1,016
Number of shares after dilution, millions	1,048	1,153	1,116

**NET SALES BY GEOGRAPHICAL MARKET**

	<b>Q 1</b>	<b>Q 1</b>	<b>Full year</b>
Amounts in SEK M	<b>2009</b>	<b>2008</b>	<b>2008</b>
Nordic Countries	8.4	3.4	27.1
Rest of Europe	30.9	48.8	317.8
Asia	18.7	20.1	61.7
Rest of the world	5.1	3.1	20.4
<b>Total net sales</b>	<b>63.1</b>	<b>75.4</b>	<b>427.0</b>

**REPORT OF FINANCIAL POSITION**

Amounts in SEK M	31/03/2009	31/03/2008	31/12/2008
Intangible fixed assets	297.2	263.0	298.0
Tangible fixed assets	3.4	4.6	3.7
Financial assets	41.1	0.1	41.1
<b>Total fixed assets</b>	<b>341.7</b>	<b>267.7</b>	<b>342.8</b>
Inventories	102.3	45.5	65.7
Other receivables	124.1	128.9	174.6
Cash and cash equivalents	105.4	88.6	75.8
<b>Total current assets</b>	<b>331.8</b>	<b>263.0</b>	<b>316.1</b>
<b>TOTAL ASSETS</b>	<b>673.5</b>	<b>530.7</b>	<b>658.9</b>
Shareholders' equity	520.5	358.4	509.9
Equity, minority interest	0.1	0.1	0.1
<b>Total equity</b>	<b>520.6</b>	<b>358.5</b>	<b>510.0</b>
Long-term liabilities	51.6	81.6	52.8
Short-term liabilities	101.3	90.6	96.1
<b>Total liabilities</b>	<b>152.9</b>	<b>172.2</b>	<b>148.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>673.5</b>	<b>530.7</b>	<b>658.9</b>
Pledged assets	164.2	293.6	166.6
Contingent liabilities	1.4	1.2	1.3
Shareholders' equity per share, SEK	0.51	0.35	0.50
Shareholders' equity, SEK, after dilution	0.52	0.39	0.50

**REPORT OF CHANGE IN EQUITY**

Amounts in SEK M	Q 1 2009	Q 1 2008	Full year 2008
<b>Equity at beginning of period</b>	510.0	356.5	356.5
Net total result for the period	9.5	1.6	151.9
Change due to employee stock options	1.1	0.4	1.6
<b>Equity at end of period</b>	<b>520.6</b>	<b>358.5</b>	<b>510.0</b>

**REPORT OF CASH FLOWS - SUMMARY**

	<b>Q 1</b>	<b>Q 1</b>	<b>Full year</b>
Amounts in SEK M	<b>2009</b>	<b>2008</b>	<b>2008</b>
Net result after financial items	7.2	-0.8	64.1
Adjustment for non-cash items	-0.5	6.7	-1.6
Paid tax	-	-	-
Change in working capital	19.9	-13.4	-60.4
<b>Cash flow from operating activities</b>	<b>26.6</b>	<b>-7.5</b>	<b>2.1</b>
<b>Cash flow from investing activities</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-2.4</b>
<b>Cash flow from financing activities</b>	<b>0,0</b>	<b>-0.6</b>	<b>-32.1</b>
<b>Cash flow for the period</b>	<b>26.2</b>	<b>-8.2</b>	<b>-32.4</b>
Cash and cash equivalents at start of period	75.8	100.1	100.1
Exchange rate difference in cash and cash equivalents	3.4	-3.3	8.1
<b>Cash and cash equivalents at end of period <sup>1)</sup></b>	<b>105.4</b>	<b>88.6</b>	<b>75.8</b>
Unutilised bank overdraft facilities	25,0	-	-
<b>Disposable funds at end of period</b>	<b>130.4</b>	<b>88.6</b>	<b>75.8</b>
<sup>1)</sup> Whereof blocked accounts	1.2	1.2	1.3

**KEY RATIOS, GROUP**

	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
Amounts in SEK M	<b>2009</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2008</b>
Order entry	67.5	98.5	135.0	74.5	98.1
Order entry - moving 4 quarters	375.5	406.1	396.9	376.9	447.7
Net sales	63.1	147.7	88.7	115.2	75.4
Net sales - moving 4 quarters	414.7	427.0	412.7	455.9	443.6
Operating profit	6.3	21.8	11.2	16.2	6.2
Operating profit - moving 4 quarters	55.5	55.4	54.3	42.3	15.4
Result for the period	7.7	75.7	17.6	14.6	-0.2
Cash flow from operating activities	26.6	13.5	13.1	-17.0	-7.5
Cash flow from operating activities - moving 4 quarters	36.2	2.1	25.9	6.9	18.3
Number of employees, end of period	67	68	69	68	70
Equity ratio	77%	77%	68%	71%	68%

**PARENT COMPANY INCOME STATEMENT - SUMMARY**

Amounts in SEK M	Q1 2009	Q1 2008	Full year 2008
<b>Net sales</b>	<b>77.4</b>	<b>61.7</b>	<b>355.5</b>
Cost of goods sold	-46.2	-46.7	-261.3
<b>Gross profit</b>	<b>31.2</b>	15.0	<b>94.2</b>
Other operating income	-	6.1	6.2
Selling and administrative expenses	-8.3	-8.8	-32.4
Research and development expenses	-5.6	-4.3	-18.4
<b>Operating profit</b>	<b>17.3</b>	<b>8.0</b>	<b>49.6</b>
Result from participations in group companies	-	-	-65.1
Net financial items	1.4	-5.6	12.6
<b>Result before tax</b>	<b>18.7</b>	<b>2.4</b>	<b>-2.9</b>
Tax on result for the period	-	-	39.5
<b>Net profit</b>	<b>18.7</b>	<b>2.4</b>	<b>36.6</b>

**PARENT COMPANY BALANCE SHEET - SUMMARY**

Amounts in SEK M	31/03/2009	31/03/2008	31/12/2008
Intangible fixed assets	1.2	1.7	0.9
Tangible fixed assets	1.7	2.9	2.1
Financial assets	357.9	345.9	379.4
<b>Total fixed assets</b>	<b>360.8</b>	<b>350.5</b>	<b>382.4</b>
Inventories	73.4	37.3	46.0
Current receivables	46.8	70.9	52.6
Cash and cash equivalents	93.7	77.1	61.8
<b>Total current assets</b>	<b>213.9</b>	<b>185.3</b>	<b>160.4</b>
<b>TOTAL ASSETS</b>	<b>574.7</b>	<b>535.8</b>	<b>542.8</b>
Shareholders' equity	454.6	399.6	434.6
<b>Total equity</b>	<b>454.6</b>	<b>399.6</b>	<b>434.6</b>
Long-term liabilities	46.0	73.6	46.6
Current liabilities	74.1	62.6	61.6
<b>Total liabilities</b>	<b>120.1</b>	<b>136.2</b>	<b>108.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>574.7</b>	<b>535.8</b>	<b>542.8</b>
Pledged assets	51.9	131.9	51.9
Contingent liabilities	0.2	0.2	0.2





## 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 4,600 installations in over 30 countries 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 [www.pricer.com](http://www.pricer.com)

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**PRICER**