ANNUAL REPORT:
2010

PRICER
Creating smart stores

Contents

All values are expressed in Swedish kronor, SEK. Thousands are abbreviated as SEK 000s and millions as SEK M. The figures in brackets refer to 2009 or the corresponding period of the previous year, unless otherwise specified. Information about the market data and competitive situation is based on Pricer's own assessments, unless a specific source is named.

This annual report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish annual report and the English translation the former shall have precedence.

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About Pricer

With over 6,000 installations in more than 40 countries, Pricer is the leading supplier of Electronic Shelf Label (ESL) solutions. Pricer's customers include several of the top retailers in Europe, North America and Latin America, Japan and Africa. Pricer's solutions enhance profitability for its customers by affording them price optimisation and margin control tools while also helping to reduce personnel and printing costs. Consumers in stores fitted with Pricer equipment can always be secure in knowing that they are paying the right price as the price displayed on the shelf edge is always the same as the one in the cash register system. This helps increase consumer satisfaction and strengthens customer loyalty. Pricer's customers are primarily in the retail trade although in the past year there have been breakthroughs in other segments such as DIY, mobile phone retail chains and pharmacists.

Pricer was founded in 1991 in Sweden and the company's class B shares are quoted on the Small Cap list of Nasdaq OMX Stockholm Stock Exchange. The company has around 21,000 shareholders, with the ten largest accounting for 38 (28) percent percent of the number of votes on 31 December 2010. At the end of 2010 the Pricer Group had 56 employees.

Highlights of 2010

Best year so far
2010 was Pricer's best year so far. Both order entry and net sales reached record levels and an operating profit of SEK 61 million meant that the operating margin rose from 8 to 14 percent.

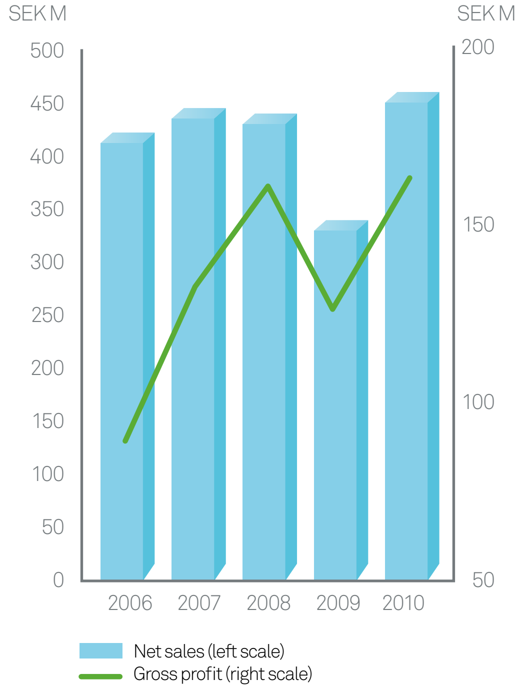
New markets – more potential
Europe continues to be Pricer's largest and most important region, where France with its high penetration of ESL installations constitutes the largest single market. 2010 also saw major breakthroughs on other continents, with Latin America, USA and South Africa playing a significant role.

New customer segments
Pricer's system enhances the efficiency of the retail trade and provides operational advantages. Sales in new market segments grew significantly in 2010. The French DIY retail chain Castorama and sizeable ESL installations at a US mobile phone retail chain are examples of this.

France – the world's leading ESL market
France is the market where ESL made its quickest breakthrough. Close to 30 percent of hypermarkets in France are equipped with ESL solutions. Pricer has taken a substantial share of the French market and continues to conclude new agreements: Cora, Schiever in the Auchan group and renewed agreements with Carrefour are examples of deals signed in 2010.

A strong range of products
During the year the company continued work on developing solutions, keeping a strong focus on product innovation. Pricer's scalable and open two-way system enables the company's customers to gradually expand their systems and combine all of Pricer's different labels, both traditional LCD-based labels (Continuum) and graphic labels. Work continued on reducing product costs.

Net sales and gross profit



Key figures	2010	2009	Change
Net sales, SEK M	447.2	327.3	37%
Gross profit, SEK M	163.3	126.3	29%
Gross margin, %	37	39	-5%
Operating profit, SEK M	60.8	25.2	141%
Profit for the year, SEK M	56.2	19.9	182%
Earnings per share, SEK	0.05	0.02	150%
Equity ratio, %	85	83	2%

Open and scalable electronic price-labelling solution

Pricer's ESL system is a complete electronic price-labelling and information solution for stores. Pricer's solution includes a complete range of accessories that simplify the management of the system.

Pricer's wireless communication platform is the fastest in the market and supports both today's and tomorrow's wireless displays. With this platform, Pricer and its partners have built up an open and scalable system of customised software solutions, integrations and shelf edge strips. Pricer continuously develops new products that work on the same platform, which means the retail trade can derive more benefit from its initial investment.

Infrared technology and two-way communication

Pricer's system is based on infrared technology (IR) which is a highly reliable and economical communication method that is impervious to disturbances and does not disturb or affect other units. IR technology also enables two-way communication, i.e. a function that confirms that the ESL has received the information update. This provides a constant dashboard view of the system and alerts on any operational disturbances.

Scalable and fast

Scalability is one of the system's big advantages. Pricer's 6,000 customers include stores with just ten ESL to those with as many as 100,000 installed ESL. Speed is another advantage; it allows between 50,000 and 100,000 ESL to be updated every hour. Stores benefit by being able to change prices at short notice or get up-to-date information such as stock balance and sales statistics.

Dual display platform

Pricer's focus since the beginning has been on research and development in offering retailers wireless display devices that not only drive pricing communication but are rich in functionality and innovation. Today Pricer's ESL solution supports two display technologies: segment-based and pixel-based.

Segment-based displays

Segment-based displays use the cost-efficient and mature LCD technology. Each display has a large number of preset segments that can be switched on or off to show prices and other information. Pricer's segment-based LCD labels are extremely robust and have a battery life of eight to ten years.

Pricer's range of segment based products – Continuum family – is the most extensive in the market and caters to most retailers' display needs. It displays information such as price, promotion price, start and end dates on promotions, stock levels, orders, delivery dates and facing space. The ESL has a modern design with a large LCD display, and can also scroll text information which enables the retailer to use ESL for marketing and information.

Graphic displays

Pixel-based DotMatrix™ displays have been developed from the same technology as the segment-based ESL. They provide a detailed and clear picture which is readable from all angles, making it easy for the consumer to get a quick view of the products' prices. Displays can basically show everything from brand logos and bullet points to scanable barcodes and time-based promotional messages. The power consumption is next to zero due to the fact that it has the same display technology used in e-books.

Grocery retailers complement and expand their ESL installations with DotMatrix™ in their various sales areas where product information is important. With the DotMatrix™, Pricer also meets a demand from non-food retailers requiring wireless displays combining high visual quality with the benefits of the electronic system.

CEO's statement

Having closed the books for 2010 we can announce that Pricer has shown both a profit and continued stable growth for the fourth year running; a growth that has made us the largest player in the global Electronic Shelf Label (ESL) market.

In the last few years we have grown from a speculative company into a growth company; something that the market has increasingly responded to in 2010 and the beginning of 2011. But it is also worth pointing out that Pricer has not entered a phase of exponential, runaway growth.

Behind these strong, stable figures there are number of factors that are worth taking a closer look at.

If we look at the conditions in the retail trade from a helicopter perspective, we can see that price trends continue to be unstable, and price fluctuations are erratic – both upwards and downwards. With traditional labelling it is virtually impossible to adjust prices in a way that allows you to sustain stable margins. With our shelf labels, however, the customers have a user-friendly means of adjusting their prices centrally in real time. There is nothing to suggest that, in an increasingly integrated world, price volatility will go away – quite the reverse.

Pricer is well-positioned to benefit from developments such as these. First and foremost we have excellent products – probably the best in the market. In addition to providing the very highest quality products we can also provide customers with additional information that allows them to communicate more to the end-customer than just the price. They also enable direct in-store communication, thereby helping to make personnel more profitable, efficient and knowledgeable. This means we can create even more value for the customer. Our ambition is not just to provide customers with a more user-friendly price management solution, but to help them build 'smarter' stores.

Once the customers realise what we are capable of achieving together, it will signal the beginning of long and in many cases close working partnerships. Customers that introduce our system will quickly see that it not only lives up to our delivery promise but the installation of Pricer's solution quickly pays for itself – the ROI for the customer is usually around one year.

Why then, with such an excellent system, are we not seeing exponential growth? Because the purchasing process in our market takes time. Most of our customers are large retail chains and for obvious reasons it usually takes a long time for them to take decisions. To assure themselves that our system delivers on what we promise, most customers start with smaller test installations. Our successes in France – both at Castorama and Carrefour – show that once we have established a secure foothold, we are well-positioned for continued growth. That is why we are delighted about signing a frame agreement with Coop Norden and our breakthrough in Latin America.

> Our ambition is not just to provide customers with a more user-friendly price management solution, but to help them build 'smarter' stores

One of our main strategies for the future is to continue building on our sales and market organisation, both via our own personnel and via agents. To help us stay focused and establish close working partnerships, our initiatives will be centred on four segments:

- Groceries
- Electronics
- DIY retail
- Pharmacies

It is worth mentioning that we have been entrusted to install our solution in more than 6,000 stores in over 40 countries. A good base to continue building on. That is why I am secure in my expectations that 2011 has the potential to be a good year, both when it comes to revenue growth and profit.

Finally I would like to express my delight at being able to recommend our Annual General Meeting to pay our owners their first dividend in about 20 years. It would therefore also only be natural to conduct a reverse split where ten existing shares will equal one new share - a clear signal of just how far Pricer has come in its development.

Fredrik Berglund
CEO, Pricer

Pricer drives the world market of ESL

Pricer operates in a global market where its primary target group is the retail industry. With an installed base spread over 40 countries worldwide, Pricer maintains its leading position as ESL supplier.

Trends in international retailing

The retail industry is characterised by operating efficiencies and streamlining work-flows. Retailers are looking to automate their store processes to meet the challenges of price sensitivity, cost goals and increasing competition. Integrated retailers are seeking to centralise store operations so that the store personnel can concentrate on activities that generate sales and enhance the customer buying experience. Price optimisation is also becoming more frequent.

Europe

France is the European country where ESL has obtained the strongest foothold. This market is characterised by bitter price competition and strong independent store networks, accompanied by aggressive cost-cutting and rationalisations. Several leading international French chains have deployed ESL systems with up to 100,000 ESLs per store. Most of them have shown high acceptance for DotMatrix™ technology and its operational benefits, e.g. E.Leclerc, the first European retailer to install full DotMatrix™ hypermarkets. Southern Europe has experienced increasing numbers of ESL installations. The ESL market is also gaining momentum in the Nordic countries.

Japan

The Japanese retail industry is known for high technology utilization. The market is dominated by smaller stores with high sales per square meter to meet customer demands on product freshness. The stores receive deliveries several times a day and Japanese stores focus on active pricing. With high consumer sensitivity to price errors, stores often extend promotions at the cash register. This, coupled with many price changes per day, is the main reason for the initial high market acceptance of ESL systems.

Americas

The U.S. is the world's largest retail market. ESL acceptance in the U.S. is low, but on-going consolidation of the industry, and increasing interest in price optimisation, is expected to create stronger incentives for retail automation, including ESL. The Latin American market is more advanced in store optimisation processes and shows higher ESL acceptance. Soriana of Mexico is an example of an early adopter of ESL automation.

Other emerging markets

Over the last few years the South African retail market has revealed a strong dynamism in store optimisation processes. South Africa is the largest retail market in the Middle East and Africa grocery markets (MEA) and pricing is a key issue.

Pricer has a large base of installations

Pricer has ESL installations in more than 6,000 stores and more than half of all installations have been performed by Pricer. The company has now reached a point where the first stores to install ESLs at the beginning of the company's history are beginning to replace them with new systems and ESLs. Pricer estimates that the number of replacements in stores per installed base will increase over the next few years. There has been growing interest from other industries than the grocery sector. Pricer's installation at Castorama, a large DIY retail chain in France is an example of this. But even though the market has grown in the last few years, penetration is still very low, Pricer estimates that the total available market for ESLs is around 6-10 billion units in the grocery sector alone.

Pricer's position

Pricer estimates the company's global market share to be around 55 percent. Pricer has installed some 80 million ESLs.

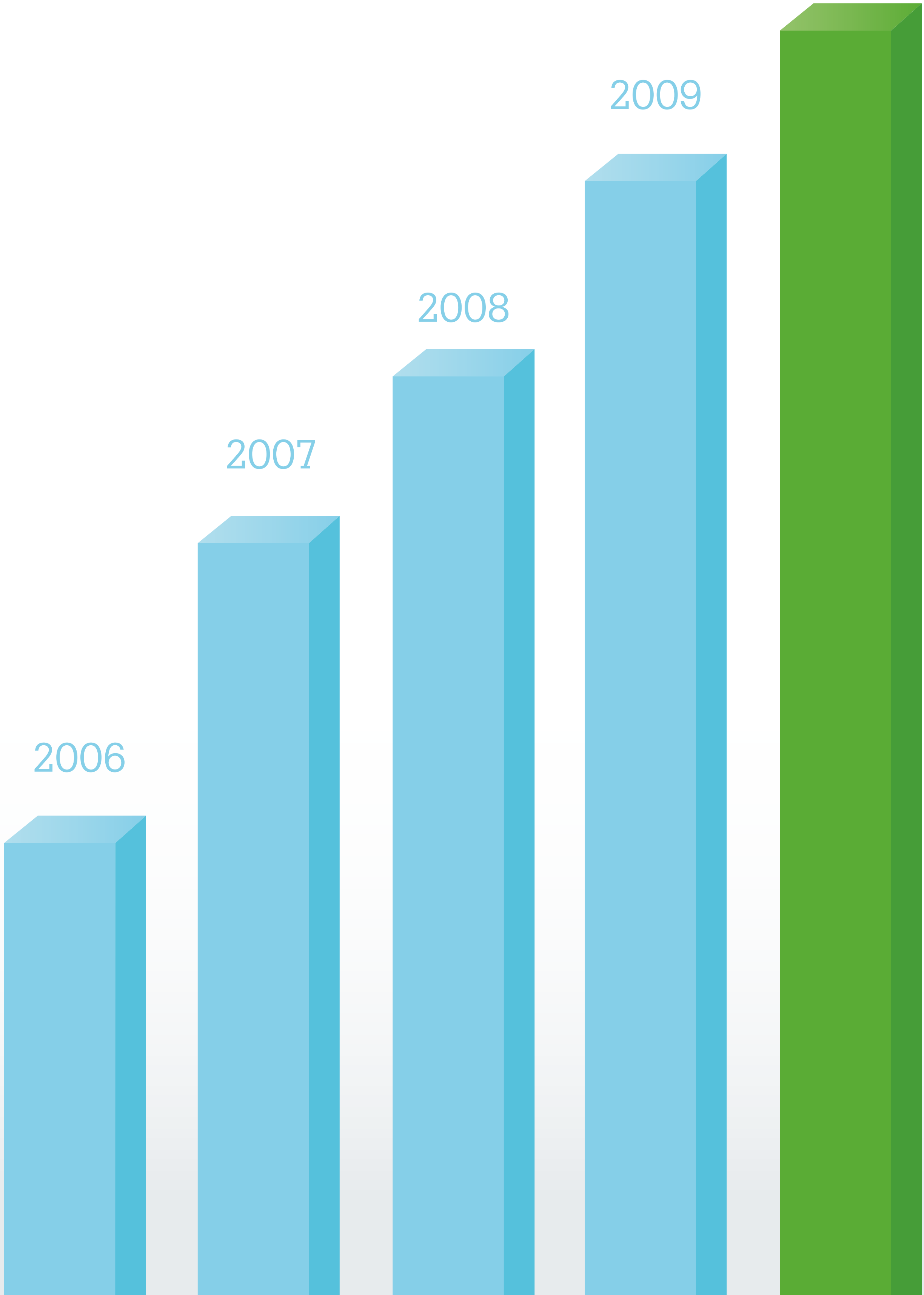
Competitors

The company's main competitor is SES. Pricer has a favourable view of the competitive situation intensifying with new players in the market.

Revenue per market and year

SEK M	2006	2007	2008	2009	2010
Nordic region	15	24	27	33	17
Rest of Europe	265	250	318	216	301
Asia	116	142	62	38	29
Rest of the world	14	16	20	40	100
TOTAL	410	432	427	327	447

6 000 INSTALLATIONS IN OVER 40 COUNTRIES WORLDWIDE IN 2010



ESL is part of the retail automation process

In response to an increasingly urgent need for process automation, the majority of retailers are pursuing automation strategies to achieve operating efficiencies. The Pricer system supports and strengthens retail business and profits mainly by boosting sales and reducing costs.

One important advantage is to eliminate tedious and labour-intensive manual price labelling, but also to reduce the interruptions that arise due to price errors. Centralisation is increasing and with it control and efficiency of price and promotion. ESL enables price competition and alignment. Even small increments, so-called micro price changes, can easily be executed with an ESL system, frequently overseen in manual processes since the gains do not exceed the cost. ESL significantly shortens price discussions at the checkout and response times for stock checks at the shelf, as well as minimising customer refunds when price differences are discovered. Time spent on price audits is also significantly decreased. In addition, Pricer's ESL system allows retailers to bring price and merchandising information directly to the shelf edge helping stock control, enhancing customer service and improving the shopping experience. In-store marketing is also reinforced by informative shelf labels displaying price and promotional information.

Both Pricer's studies and the analyses made directly by Pricer's customers show that the average store that invests in the Pricer system sees a payback period under one year.

ESL helps retailers to:

- Implement price changes without regard to human limitations
- Respond faster to competition
- Maximise sales
- Improve profitability
- Eliminate pricing errors
- Reduce dependence on labour
- Improve customer service
- Eliminate price audits
- Speed up checkout lines
- Reduce the risk for out-of-stocks
- Reduce complaints
- Avoid staff conflict
- Boost productivity
- Lower personnel costs
- Implement more effective promotions
- Improve shelf control

A global team

Pricer operates in a global market with the main focus on retail, both food-retail and non-food retail. With an installed base spread in over 40 countries Pricer maintains a leading position as ESL-supplier.

Network of resellers and partners

Pricer's organisation is divided into four legal units in Sweden, France, the U.S. and Israel. Pricer complements its direct global sales effort with local and international resellers and retail system integrators. Key partners are Toshiba in Europe, PSI Antonson in Scandinavia, Nicolis in Italy, Skydirect in South Africa and TEC Electronica in Mexico. A strong partnership with Ishida, a worldleading manufacturer of weighing solutions for the food and retail industries, has secured Pricer's leading position on the Japanese market.

Core knowledge held in-house

All core activities and knowledge such as system architecture design, chip design, PCB design, project know how, robotics, logistics and production management are held in-house.

Outsourced production

Pricer has chosen to outsource all manufacturing to subcontractors, creating scope for a flexible production structure that can quickly scale up production to large volumes. All strategic suppliers are ISO-certified and based in China.

Enterprising and international culture

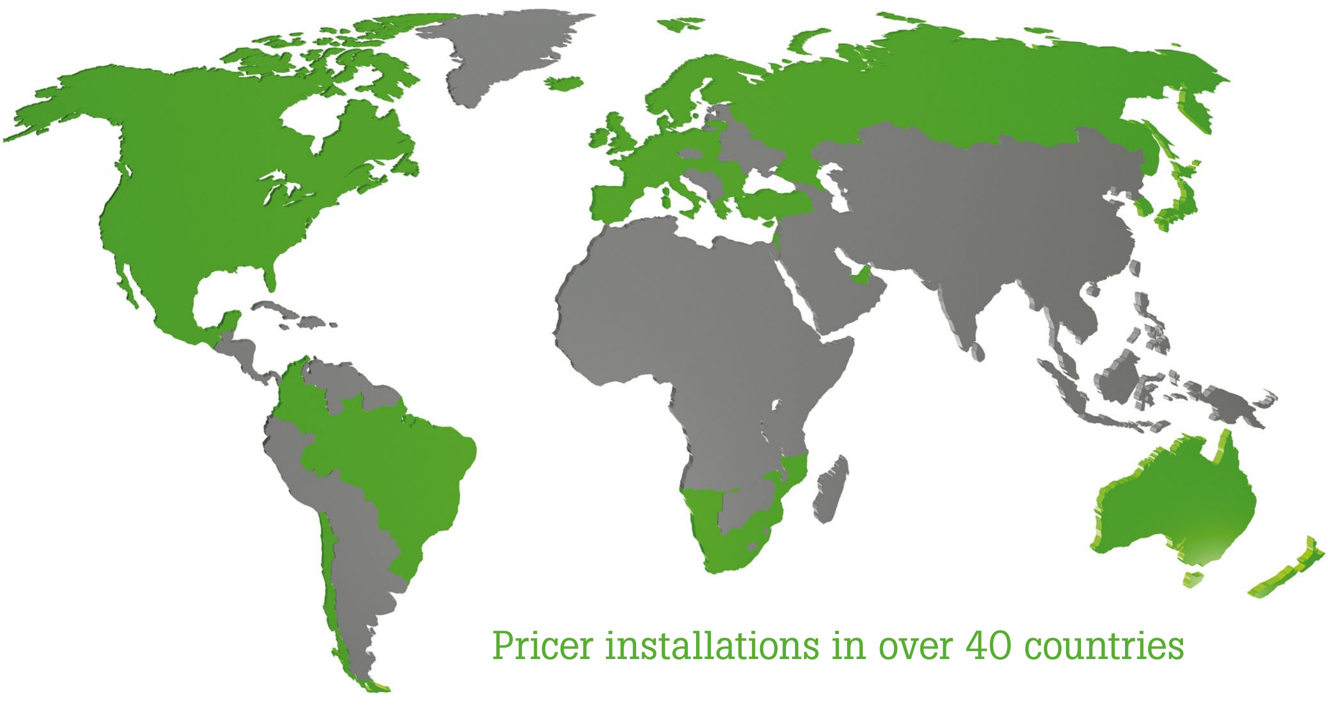
Pricer works in an international and multicultural environment where accountability and experience with a focus on the customer and the market lead to a high degree of professionalism. Pricer encourages its employees to have an open, enterprising spirit and a positive attitude. The core values are clear and concise communication, initiative, honesty and mutual respect between individuals and professional disciplines. Pricer's corporate culture is characterised by responsiveness and short decision-making paths. Pricer's employees are encouraged to seek additional knowledge in their professional areas and continuously attend courses to improve and sharpen their competencies. Widening job scope or changing roles within the organisation are encouraged. Knowledge and understanding of the retail trade and the advantages offered by ESL systems are prioritised skills, for which reason customer visits are a responsibility of employees.

Employees in numbers

At the end of 2010 the Pricer Group had a total of 56 (57) employees, of whom 29 (28) worked at Pricer AB (Sweden), 23 (23) at Pricer SAS (France), 1 (3) at Pricer Inc. (USA) and 3 (3) at Pricer E.S.L. Israel Ltd. (Israel). 20 (22) percent of all employees are women. Pricer is working actively to achieve a more even gender distribution in all functions and encourages diversity. Health risks in Pricer are minor, and work environment audits are conducted at least every other year. Sickness leave at Pricer is very low and amounted to 0.5 (1.2) percent in 2010.

Legal structure

Pricer AB (publ) is the Parent Company of the Pricer Group. Aside from the Parent Company, operations are conducted in Pricer SAS (France) including a branch in Spain, Pricer Inc. (U.S.) and Pricer E.S.L. Israel Ltd. (Israel).



Pricer installations in over 40 countries

The Pricer share

The Pricer Class B share is quoted on NASDAQ OMX Stockholm, Small Cap. Pricer's share capital at 31 December 2010 amounted to SEK 105,551,816.3. The total number of shares was 1,055,518,163, represented by 2,259,717 Class A shares and 1,053,258,446 Class B shares, all with a quotient value of SEK 0.10. Each Class A share carries five votes and each Class B share one vote. All shares carry equal rights to the Company's assets and profits. The Articles of Association permit the conversion of Class A shares to B shares at the request of holders of Class A shares.

To enhance the accessibility of the Pricer share for U.S. investors, an ADR (American Depository Receipt) programme is available through the Bank of New York Mellon. This means that the Class B share is available as a depository receipt in the U.S. without a formal stock market listing. Each ADR corresponds to one Class B share.

Trading and price trend in 2010

The share price started the year at SEK 0.52 and ended it at SEK 0.74. The year's highest price of SEK 0.85 was quoted on 1 October and the lowest price of SEK 0.51 was quoted on 15 February. Market capitalisation on 31 December 2010 was SEK 779 M.

The turnover for the full year 2010 amounted to 878,591,702 shares traded for a combined value of SEK 612 M, equal to an average daily volume of 3,473 thousand shares worth a combined amount of SEK 2,417 T. The number of trades for the full year was 27,185, equal to an average of 107 per trading day. Shares were traded on every trading day.

Dividend

The Board of Directors will for the first time propose a dividend for 2010 and at the same time a new dividend policy has been adopted:

The Board's long-term intention is to give shareholders a dividend that reflects both reasonable yield and dividend growth, and to implement a policy where the dividend rate is adjusted to Pricer's earnings, financial position and other factors deemed relevant. The annual dividend should long-term be equivalent to 30-50 percent of net income.

Warrants

In 2008, 20,000,000 warrants were issued for the benefit of employees. Each warrant shall, during the period until 30 June 2012, provide entitlement to subscription of one new Class B share. The subscription price is SEK 0.74.

In 2007, 30,000,000 warrants were issued for the benefit of employees. Each warrant shall, during the period until 30 June 2011, provide entitlement to subscription of one new Class B share. The subscription price is SEK 0.58.

Warrants outstanding

Designation	Number	Year issued	Exercise price (SEK)	Expiration date
TO09	30 million	2007	0.58	30/06/2011
TO10	20 million	2008	0.74	30/06/2012

Ownership structure

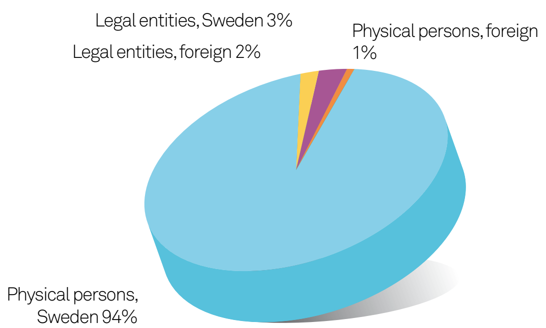
The number of shareholders on 31 December 2010 was 20,883. The ten largest shareholders held 38 percent of the number of shares and 39 percent of the number of votes. Legal entities held 57 percent of the total number of shares and votes, while foreign shareholders held 19 percent of the total number of shares and votes.

Ownership structure 31 December 2010

No. of shares	No. of share-holders	% of share-holders	No. of shares	% of equity	% of votes
1-1,000	5,936	28	2,841,232	0.3	0.3
1,001-10,000	10,068	48	41,634,243	4.4	3.9
10,001-100,000	4,059	20	129,291,944	14.3	12.2
100,001-	820	4	881,750,744	81.0	83.5
Total	**20,883**	**100**	**1,055,518,163**	**100.0**	**100.0**

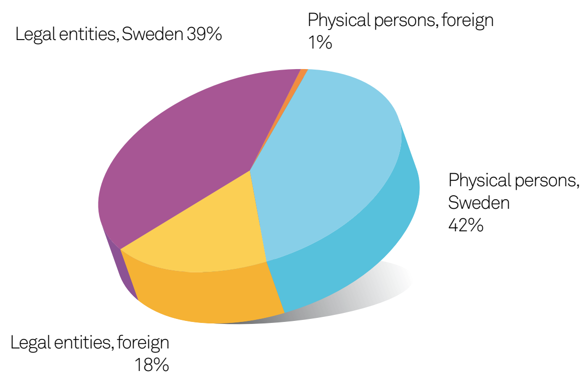
Source: Euroclear

Shareholders 31 December 2010
No. of holders

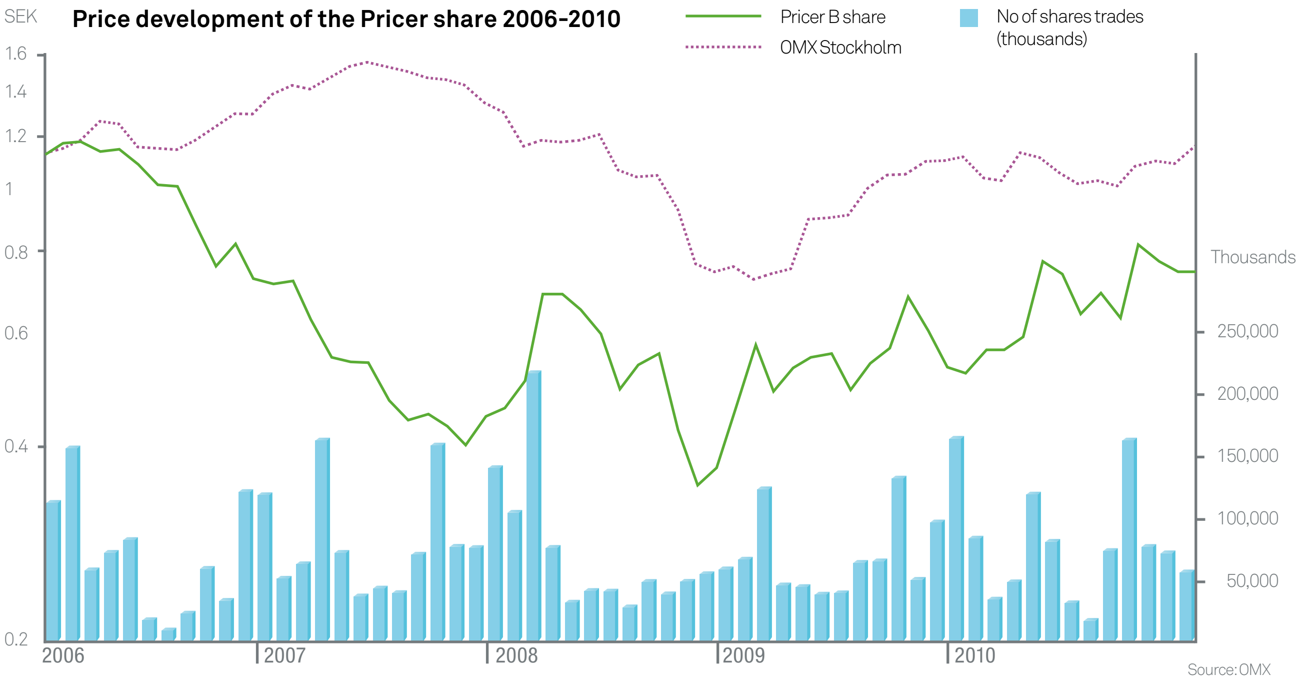


Source: Euroclear

Votes 31 December 2010



Source: Euroclear



Major shareholders, 31 December 2010

Name	A shares	B shares	No. of shares	% of votes	% of capital
Grimaldi, Salvatore incl. companies	2,110,600	103,157,561	105,268,161	10.7	10.0
Pohjola Bank		48,575,515	48,575,515	4.6	4.6
Danske Bank	-	44,307,750	44,307,750	4.2	4.2
Handelsbanken fonder	-	36,292,329	36,292,329	3.4	3.4
FIM Bank	-	35,668,851	35,668,851	3.4	3.4
Avanza Pension Försäkringsaktiebolag	-	31,468,105	31,468,105	3.0	3.0
Sifonen	-	29,595,000	29,595,000	2.8	2.8
Danielsson, Erik incl. company and family	5,167	28,829,202	28,834,369	2.7	2.7
Catella asset management	-	22,724,803	22,724,803	2.1	2.2
Pictet & Cie	-	18,283,877	18,283,877	1.7	1.7
10 largest shareholders	**2,115,767**	**398,902,993**	**401,018,760**	**38.5**	**38.0**
Others	143,950	654,355,453	654,499,403	61.5	62.0
Total	**2,259,717**	**1,053,258,446**	**1,055,518,163**	**100.0**	**100.0**

Source: Euroclear

Data per share, 2006-2010

SEK per share	2010	2009	2008	2007	2006
Earnings	0.05	0.02	0.11	0.00	-0.05
Dividend	-	-	-	-	-
Shareholders' equity	0.52	0.50	0.50	0.35	0.35
Cash flow	-0.01	0.06	0.00	0.03	-0.05
P/S ratio	1.71	1.61	1.09	1.08	1.48
Adjusted for full dilution:					
Earnings	0.05	0.02	0.10	0.00	-0.05
Shareholder's equity	0.52	0.50	0.50	0.31	0.35
Cash flow	-0.01	0.06	0.00	0.02	-0.05
P/S ratio	1.79	1.68	1.16	1.23	1.48
Share price:					
Yearly high	0.85	0.76	0.77	0.76	1.30
Yearly low	0.51	0.45	0.31	0.38	0.63
Closing price	0.74	0.52	0.46	0.46	0.71
Market capitalisation on 31 Dec., SEK M	779	549	497	531	721
Share price on 31 Dec./shareholders' equity, %	141	104	93	149	204

Share capital development, 2006-2010

Year		Increase in no. of shares	Total no. of shares	Change in share capital, SEK M	Total share capital, SEK M
2006	Non-cash issue	261,800,000	1,016,132,200	26.2	101.6
2007		0	1,016,132,200	0	101.6
2008		0	1,016,132,200	0	101.6
2009		0	1,016,132,200	0	101.6
2010	Conversion/share issue	39,385,963	1,055,518,163	4.0	105.6

Business risks and opportunities

Pricer sees significant potential in the retail trade where the company, with its strong technical platform and solid customer references, is well positioned to meet and benefit from the expected growth in demand. At the same time, all entrepreneurial activities and ownership of shares entail a degree of risk. Several risk factors may come to affect Pricer's business operations. For this reason, when making an assessment of the company's future development, it is also important to consider these risks as well as the opportunities. Some of the factors that may be of material importance to the company's future development, earnings and financial position are described below. They are not presented in any order of priority, and it is not claimed that they are comprehensive.

Business risks

The market. The ESL market has grown strongly and it is expected to show continued growth. It is however, difficult to estimate when large-scale demand for ESL systems will arise.

Customer dependence. Pricer has a relatively small number of large customers who account for the bulk of its sales. The company is actively seeking to reduce its dependence on individual customers by creating partnerships and dealing with more customers direct.

Suppliers. Pricer cooperates with sub-suppliers in order to create a flexible production solution and to use standard components to the extent possible. However, a situation whereby a shortage of components may arise or where deliveries are impeded in connection with major volume increases in production cannot be excluded.

Key competencies. There is a risk that employees with key competencies will leave the company. Through knowledge-transfer and documentation of work processes, Pricer is taking steps to ensure that expertise is retained within the company.

Future capital requirements. Pricer's assessment is that no additional financing is needed as the cash flow from operations has been positive for the last years. However, Pricer may require an additional injection of capital if sales of the ESL system do not increase at the projected rate, if the gross margin is not sufficient to maintain a positive cash flow or if other events occur that create such a need.

Competitors. Currently, there is only one company with similar products that compete with Pricer on the ESL market in a larger scale. In addition, there are smaller regional companies or companies that are attempting to develop products with a view to establishing a position in the market. Restructuring of the sector, for example if one or more competitors were to enter into an alliance with a strong partner, could constitute a threat to other players in the market. Pricer works in close collaboration with its customers to maintain its position and strengthen its offering as a means of minimising the risk of losing market share.

Competing technologies. The infrared light system used by Pricer allows more secure transfer and higher speeds than the competing radio technology and is the most common technology for ESL systems. However, it is possible that new technologies will represent a threat in the future. To date, Pricer has not identified any technology that constitutes a definite threat to the company's technology. The cost of developing the ESL system has been very high, and the possibility that heavy investments could also be required in the future to maintain the company's competitive position cannot be excluded.

Patents. Pricer protects its products, to the extent possible, by means of patents. However, there is no guarantee that the company's newly developed products can be patented, that current and future applications will actually lead to patents, or that the company's existing patents will be adequate to protect Pricer. There is also a risk of costly patent disputes that could tie up management resources.

Financial risk management and currency risks. See note 22.

Opportunities

Market. Far-reaching changes are currently taking place in the retail trade, above all in the convenience goods sector, where restructuring, stiffer competition and a sharper focus on price are all reflected in the growing use of automation strategies. This will ultimately benefit ESL suppliers in a market where penetration is still negligible, but where the potential is estimated at between 6 and 10 billion labels. Pricer is well positioned to respond to growing demand.

Customers. Pricer has a strong market presence, a strong brand name in the convenience goods trade and the market's broadest installation base with over 6,000 installations in use at prestigious customers.

Offering and products. As a result of several years of continuous development work, Pricer has created a modern and effective technical platform that supports the market's most effective and best performing system. The platform also offers scope for further development and a number of customised applications. Pricer offers end-to-end customer service and has also built up its capacity to extend its range of products and services in a profitable after-sales market.

Definitions

Return on equity
Result for the year as a percentage of average equity, calculated as the sum of opening and closing equity divided by two.

Return on capital employed
Operating result as a percentage of average capital employed, calculated as the sum of opening and closing capital employed divided by two.

Equity per share
Equity divided by the number of shares on the closing date.

Capital turnover rate
Net sales for the year divided by average capital employed, calculated as the sum of opening and closing capital employed divided by two.

Cash flow per share
Cash flow from operating activities as a percentage of shares on the balance-sheet day.

Acid-test ratio
Total current assets excluding inventories as a percentage of total current and long-term liabilities.

Net debt
Interest-bearing liabilities less interest-bearing assets.

Net margin
Result for the year as a percentage of net sales.

Net debt/equity ratio
Net debt in relation to equity.

P/S (Price/Sales) ratio
Share price on the closing date divided by net sales per share (average number of shares).

Earnings per share
Result for the year attributable to the owners of the Parent Company divided by the average number of shares in issue.

Working capital
Interest-free current assets less interest-free current liabilities.

Operating margin
Operating result as a percentage of net sales.

Operating cash flow
Cash flow from operating activities.

Equity/assets ratio
Equity including non-controlling interest as a percentage of the balance sheet total.

Capital employed
Assets as stated in the balance sheet excluding interest-bearing assets less interest-free liabilities.

Administration report

The Board of Directors and President of Pricer AB (publ.), corp. reg. no. 556427-7993, hereby submit the annual report for the financial year 1 January – 31 December 2010. Figures in parentheses refer to the preceding year.

The Group consists of the Parent Company Pricer AB (Sweden), the wholly owned subsidiaries Pricer SAS (France), Pricer Inc. (USA), Pricer E.S.L. Israel Ltd. (Israel) and a few small, virtually dormant, companies.

The Group is organised with most of the activities in the Parent Company, which has responsibility for product development, production management, purchasing, sales to subsidiaries and certain markets, and customer service. The subsidiaries in France and the U.S. handle sales and customer service in their respective market areas. Pricer E.S.L. Israel Ltd. was acquired in 2006 and was previously responsible for the Eldat product line. The company receives licensing fees from the sale of Eldat products and provides services in sales and product maintenance.

Nature of business

Year 2010 was the best year so far for Pricer, resulting in among other things profit for the company for the fourth consecutive year. Net sales grew by 37 percent och operating result amounted to SEK 61 M for 2010. Pricer is in a growth phase and has during the last approximately half year been able to present several major agreements with customers and resellers in many important markets. The ambition of Pricer for territorial expansion and development of new customer segments continues. An improved market environment and a strong market position lead to that a higher net sales and better result in 2011 than in 2010 is expected.

Market development

Store installations totalled 905 (775) for the year 2010. Order intake and sales improved for Pricer over last year. This is reflected by several new ESL deployment programs being initiated or accelerated in both food and non-food retail.

Europe

France is Pricer's single largest market. During the year, several significant and multi-year framework agreements were signed with French customers. Although the Nordic countries did not show a positive trend in 2010, through new agreements, prospects have improved. Pricer has in January 2011 signed a framework agreement with Coop for the implementation of ESL in a first phase at 15-20 stores. The initial order value is estimated to SEK 15 M however, a total greater order value is expected over the next few years.

A large supermarket retailer in France has signed an agreement to equip an additional 85 stores with the Pricer ESL solution with an expected order value of SEK 25 M. The customer started implementing the system already in 2005 and has up to the end of 2010 equipped a significant number of stores.

Carrefour, the second largest retailer worldwide, has chosen Pricer for upgrading the Electronic Shelf Labels in its hypermarkets. As a first step about 15 hypermarkets were installed in 2010. Pricer estimates that the total value of this project is close to SEK 300 M.

Cora has decided to roll out Pricer Electronic Shelf Label system in all its remaining 50 hypermarkets. The project value is about SEK 50 M. Cora has installed 20 stores during 2010 and the remaining are planned for 2011–2012.

Groupe Schiever, a French retail group and affiliate of the Auchan group, rolls out Pricer system in all 74 Atac hypermarkets. The first 20 stores were installed in 2010. The roll out will be completed by the end of 2011 and the total project value is SEK 45 M.

Growth opportunities in other segments of retail are also improving. One such example is Castorama, part of the Kingfisher Group and the second largest retailer in the French DIY industry, has begun a significant implementation of Pricer system in stores throughout France. The first 20 stores are completed and an agreement has been signed for an additional 30 stores.

Asia, Oceania & Africa

Sales improved in the fourth quarter through deliveries to Pricer's partner in Japan and a new agreement is signed for 2011 and 2012. A number of markets in the region has continued to grow and contributed significantly to Pricer's results for the year. Continued positive development in South Africa is a good example of this.

America

A North American retail chain with over 250 food stores does a large installation of Pricer solution. Pricer has received additional orders for installations in 40 stores in 2011. Soriana, a large supermarket chain in Mexico, installs Pricer system across the country. Soriana installation leads to new opportunities in the region by the attention that this project received. Pricer work with new retail segments has resulted in the Cellular Connection, a major retailer of Verizon Wireless, to install Pricer graphic ESL in all its 215 stores.

Product development

2010 confirmed the strength in Pricer's philosophy – openness. Openness in always choosing the display technology that provides the best readability and price. Openness in allowing the customer to choose shelf strips from any manufacturer they choose. Openness in choosing the best operating system for their needs. Openness in integrating ESL with the customer's and other suppliers' systems.

During the past year Pricer developed three new products based on a new display technology – DM3370A, DM4292A and DM200C. Products that offer unsurpassed readability and flexibility. They have also been launched at the Euroshop trade fair.

The software has been improved with a new interface that simplifies integration with the customer's other suppliers. Even though the majority of Pricer's customers are Windows users, a large number use Linux and Pricer has during the year developed and delivered the system for yet another Linux version.

Perhaps the most interesting new development is Pricer's simple but powerful system for fastening and locking ESLs on shelf edge – Lockline. The label is easy to fasten by hand and attaches to the shelf with a click and can only be removed by those who have a special tool. A single system that fits labels of different sizes, giving the customer greater freedom of choice and security about the future. The system also has in-built advantages for on-shelf marketing.

In a world of continuous change, openness and innovation are vital attributes. Pricer is always looking to find new ways to strengthen its cooperation with the customers when it comes to future products, and it has created Pricer Labs for the very purpose, a structured channel for capitalising on the creativity of Pricer's employees and customers.

Product development is managed from the Parent Company in Stockholm. In 2010, investments in product development increased, as a consequence of investments for further capacity and efficiency in production. Costs amounted to SEK 16.1 M (15.6), corresponding to 16 (15) percent of total operating expenses and 4 (5) percent of net sales. In addition, a portion of the year's costs for development work, SEK 7.2 M (6.4), was capitalised as fixed assets related to development projects in the report of the financial position.

Operations of Pricer comply with the requirements of RoHS and other legal environmental requirements regarding the recovery of batteries and electronic waste.

Orders, net sales and result

	Jan – Dec 2010	Jan – Dec 2009
Net sales	447.2	327.3
Cost of goods sold	-283.9	-201.0
Gross profit	163.3	126.3
Gross margin, %	36.5	38.6
Overheads	-102.5	-101.1
Operating profit	60.8	25.2
Operating margin, %	13.6	7.7

Order entry amounted to SEK 439 M (338) for the year, up 30 percent as compared to last year. Excluding the negative currency effect the increase was 43 percent. At the end of the year order backlog amounted to SEK 80 M (78). Net sales amounted to SEK 447.2 M (327.3) during the year, up 37 percent as compared to 2009. The increase was 47 percent excluding the negative currency effect. Gross profit amounted to SEK 163.3 M (126.3) and the gross margin was 37 percent (39) for the year. Gross profit has been positively affected by currency effects from realised and unrealised hedging contracts contributing SEK 2.6 M (-2.4).

Operating expenses amounted to SEK 102.5 M (101.1) for the year, up 1 percent. Expenses have been reduced in the year by SEK 7.2 M (6.4) through capitalised product development expenses, net of amortisations. It is noted that expenses include SEK 8.0 M (8.0) for amortisations of intangible assets from the acquisition of Eldat in 2006, excluding goodwill, amortised over five years until August 2011. The operating profit amounted to SEK 60.8 M (25.2) for the year. Accordingly, the operating margin improved to 13.6 percent (7.7).

Net financial items amounted to expenses of SEK -6.3 M (-7.8) for the year and consisted primarily of negative currency revaluation of loan assets and cash positions. No tax is charged to profit in the year because of available tax loss carry-forwards. Net profit was SEK 56.2 M (19.9) for the year. Translation differences in other comprehensive income consisted of negative currency revaluation of assets, notably goodwill and loans to a subsidiary, denominated in euro.

Assets and financial position

Total assets amounted to SEK 642 M (615) at year-end and consisted of intangible assets of SEK 249.1 M (282.3) attributable mainly from the acquisition of Eldat in 2006. The largest single item is goodwill of SEK 227 M (276). The acquisition of Eldat put Pricer into a strong position of leadership in the ESL sector and, as a result, Pricer is now the only supplier of infrared communication wireless technology. The value of the goodwill is based on the expected future cash flow of Pricer as a whole as the business of Eldat has been absorbed within Pricer. The value has decreased during 2010 due to currency effects. Working capital amounted to SEK 186.1 M (112.0) at the end of the year, the increase being explained by increased receivables from sales to direct customers. Cash and cash equivalents amounted to SEK 69.9 M (102.8) at the end of the year.

The convertible loans issued in 2007 were converted to equity on June 30 and the share capital increase was registered in July. The number of shares increased by 39 million shares or by 4 percent. In addition to available cash of SEK 69.9 M there are bank facilities in place amounting to SEK 50 M, of which SEK 25 M in the form of bank overdraft.

Cash flow from operating activities amounted to SEK -15.3 M (56.2) for the year

Pricer's acid-test ratio was 284 percent (227). The closing equity ratio was 85 percent (83).

Capital expenditure

During the year capital expenditures amounted to SEK 12.0 M (8.4), and included capitalised development costs of SEK 7.7 M.

Employees

The average number of employees amounted to 54 (67). The number of employees at the end of the year was 56 (57).

Parent Company

The Parent Company's net sales amounted to SEK 356.4 M (253.0) of which intra-Group sales amounted to SEK 238.3 M (147.8). Result after tax was SEK 27.5 M (24.6). Capital expenditures were SEK 11.0 M (7.8) excluding changes in receivables on subsidiaries. The Company had closing cash and cash equivalents of SEK 49.1 M (91.0).

Information under other headings in the administration report applies where relevant also to the Parent Company.

Financial policy and currency risks

Risk management is controlled by a financial policy adopted by the Board, see note 22.

Exchange-rate movements also in 2010 have continued to be substantial. The value of the Swedish krona has strengthened during the entire year leading to reduced value of all transactions in foreign currency. The average exchange rate for euro depreciated over 1 krona, 10 percent and for US-dollar it depreciated by a little less than 0.50 krona, equivalent of 6 percent in relation to the average exchange rate in 2009. Of Pricer's sales in 2010, the main part, about 69 (67) percent, was denominated in euro, 23 (26) percent in US-dollar and other currencies 8 (7) percent. US-dollar accounts for virtually all of the cost of goods sold, while operating expenses are shared almost equally between euro and krona, with US-dollar accounting for a minor portion. Pricer hedges a part of its anticipated flows through forward currency contracts in order to hedge its short-term margins and postpone possible adverse currency effects. In general, Pricer never signs contracts for the prices it charges customers for longer than one year and it usually applies shorter periods, to be able to adjust prices to such factors as exchange-rate differences. Through

Administration report (cont'd)

the strengthened Swedish krona the combined currency effect in net sales and result is negative. Growth in net sales during the year as compared to the previous year would have been even higher if revaluation would have occurred to average rates during the previous year. Effects from realised and unrealised currency forward contracts amounted to SEK 2.6 M (-2.4) in the result. Pricer does not use hedge accounting. Currency effects in financial items amounted to expenses of SEK -5 M and comprised currency revaluation of loan assets to subsidiaries and cash positions. Basically, Pricer benefits from a strong EUR and is not favoured by a strong USD.

Information on risks and uncertainties, as well as legal disputes

Pricer's earnings and financial position are affected by various risk factors that should be taken into account when assessing the company and its future potential. These risks are primarily related to developments on the ESL market. For more information about financial risks, see note 22.

As a feature of Pricer's ongoing operations, it is occasionally involved in legal disputes. At present, the company is not involved in any disputes that could have a material adverse impact on its earnings or financial position. As Pricer published in 2009, the company is party to an arbitration proceeding against ProMargin. An interlocutory has been reported to Pricer's detriment and the dispute will be settled in a continuing arbitration. The defendant has not yet made any such claims and Pricer has not made any provisions in the matter.

Guidelines for remuneration of senior executives

The guidelines for remuneration of senior executives proposed by the Board of Directors to the Annual General Meeting 2011 are the same that were approved by the Annual General Meeting in 2010. The guidelines appear below.

The members of the Board receive a fee, as decided by the AGM.

The AGM decided on the following guidelines for remuneration of senior executives.

Senior executives comprise the President, the CFO and other members of Group management. Members of Group management are listed on page 54.

Pricer, taking into account the conditions in the country of residence of each member of Group management, shall offer a competitive total package that will enable the company to hire and retain senior executives. The remuneration of senior executives shall consist of fixed salary, a variable component, pension and other customary benefits.

The fixed salary is determined individually and based on position, performance, earnings and responsibility. The salary level shall be competitive in the relevant market. The variable component is based on the achievement of financial and personal targets. It must not exceed an amount corresponding to the fixed salary. For 2010 the variable component is estimated to amount to a maximum of 60 percent of the fixed salary. Group management's pension conditions shall be competitive and based on defined contribution solutions or comply with a general pension plan.

To harmonise the long-term interests of personnel and shareholders, the company shall be able to provide, in addition to salary, pension and other benefits, incentives in the form of share-based instruments.

The Board of Directors maintains the right to deviate from above guidelines if the Board deems it motivated in individual cases based on specific circumstances.

Information on Pricer's shares

Pricer has a total of 1,055,518,163 shares outstanding, of which 0.2 percent is Class A shares carrying five votes each and the remainder are Class B shares, each carrying one vote. Pricer has about 21,000 shareholders, of whom the ten largest account for about 38 percent of the capital. Salvatore Grimaldi (and companies controlled by him) is the largest shareholder, with an interest of slightly more than 10 percent. More details regarding ownership of Pricer's shares are provided on page 11. At the AGM in 2010 it was approved to give the Board the right to issue up to 50 million shares for acquisitions of companies, operations, intangible rights or other assets. No issue has been made based on this approved right. CEO Fredrik Berglund has right to severance amounting to 12 month salary if he retires as a consequence of significant changes of ownership and certain other events, so called "change of control". With reference to Annual Accounts Act 6 chap. 2 a § there are no other such information than what is stated above.

Board of Directors

The nomination of candidates as Board members for submission to the Annual General Meeting is prepared by the Nomination Committee, which comprises Salvatore Grimaldi, Thomas Bill, Theodor Jeansson, John Örtengren and Peter Larsson. At the 2010 AGM, Mikael Bragd, Bo Kastensson, Peter Larsson and Bernt Magnusson were re-elected as Board members. Daniel Furman left the Board. Peter Larsson was elected as Chairman of the Board. No deputy members to members appointed by the AGM have been appointed. A remuneration committee was appointed, comprising of Peter Larsson and Bo Kastensson, at the statutory meeting of the Board. Other matters are dealt with by the Board as a whole, but can be prepared by various groups of members. For information regarding the Board's activities and procedures, see page 51.

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.

Significant events after the close of the financial year

Pricer and Japanese Ishida agreed in February 2011 to revise the license agreement signed in 2007. The agreement includes that Ishida has placed orders for ESL equipment valued at SEK 40M to be delivered in 2011 – 2012. Additionally, Ishida will pay 50 percent more in unit royalties per installed graphic display. Furthermore, Pricer will waive the remaining SEK 13M in license fees that Ishida was supposed to pay in the beginning of 2011.

Corporate governance report

Regarding corporate governance report reference is made to page 50 and to the webpage of Pricer www.pricer.com.

Future outlook

Higher revenue and result are expected for 2010.

Proposed treatment of retained earnings

The Board of Directors proposes that out of the funds available in the Parent Company of SEK 284,405,251 SEK 21,000,000 is divided to shareholders, based on the number of shares existing on the effective date and that the remainder SEK 263,405,251 be carried forward. The proposed dividend amounts to SEK 0.02 per share.

The Board of Directors will for the first time propose a dividend for 2010 and at the same time a new dividend policy has been adopted:

The Board's long-term intention is to give shareholders a dividend that reflects both reasonable yield and dividend growth, and to implement a policy where the dividend rate is adjusted to Pricer's earnings, financial position and other factors deemed relevant. The annual dividend should long-term be equivalent to 30-50 percent of net income.

With respect to other aspects of the company's earnings and financial position, reference is made to the following income statement and balance sheet for the Parent Company and consolidated statement of comprehensive result and consolidated statement of financial position with the accompanying accounting principles and notes.

Statement of consolidated comprehensive income

1 January - 31 December

Amounts in SEK 000s	Note	2010	2009
Net sales	2, 3	447,167	327,311
Cost of goods sold		-283,871	-201,014
Gross profit		**163,296**	**126,297**
Selling expenses		-54,978	-63,470
Administrative expenses		-31,442	-22,095
Research and development costs		-16,097	-15,580
Operating profit	3, 4 , 5, 6, 23	**60,779**	**25,152**
Financial income		182	242
Financial expenses		-6,433	-8,041
Net financial items	7	**-6,251**	**-7,799**
Profit before tax		**54,528**	**17,353**
Income tax	8	1,660	2,524
Profit for the year		**56,188**	**19,877**
Other comprehensive income			
Translation differences		-45,586	-19,082
Net comprehensive income for the year		**10,602**	**795**
Profit for the year attributable to:			
Owners of the Parent Company		56,188	19,877
Non-controlling interests		0	0
Net comprehensive income attributable to:			
Owners of the Parent Company		10,602	795
Non-controlling interests		0	0

Earnings per share	Note	2010	2009
Basic earnings per share, SEK	17	0.05	0.02
Diluted earnings per share, SEK		0.05	0.02

Statement of consolidated financial position

At 31 December

Amounts in SEK 000s	Note	2010	2009
ASSETS			
Intangible fixed assets	9	249,110	282,349
Tangible fixed assets	10	2,760	2,626
Deferred tax assets	8	41,393	41,465
Total fixed assets		**293,263**	**326,440**
Inventories	13	77,954	57,538
Accounts receivable	14	183,982	117,152
Prepaid expenses and accrued income	15	4,320	3,175
Other receivables	12	12,619	8,053
Cash and cash equivalents		69,867	102,843
Total current assets		**348,742**	**288,761**
TOTAL ASSETS		**642,005**	**615,201**
EQUITY AND LIABILITIES			
EQUITY	16		
Share capital		105,552	101,613
Other paid in capital		372,020	353,107
Reserves		-19,346	26,240
Retained earnings		88,313	32,125
Equity attributable to owners of the Parent Company		**546,539**	**513,085**
Non-controlling interests		**68**	**68**
Total equity		**546,607**	**513,153**
LIABILITIES			
Warranty provisions	19	2,258	1,997
Deferred tax liabilities	8	1,315	3,419
Other long-term liabilities		463	505
Total long-term liabilities		**4,036**	**5,921**
Prepayments from customers		3,268	5,415
Current interest-bearing liabilities	18, 22	-	22,116
Accounts payable		43,075	26,655
Other liabilities	20	18,890	11,558
Accrued expenses and deferred income	21	16,536	14,020
Warranty provisions	19	9,593	16,363
Total current liabilities		**91,362**	**96,127**
Total liabilities		**95,398**	**102,048**
TOTAL EQUITY AND LIABILITIES		**642,005**	**615,201**
Pledged assets	24	**35,630**	**153,955**
Contingent liabilities	24	**1,005**	**1,288**

Statement of changes in consolidated equity

Amounts in SEK 000s	Note	Share capital	Other paid in capital	Translation reserve	Retained earnings incl. profit for the year	Total	Non-controlling interests	Total equity
		Equity attributable to owners of the Parent Company						
Opening equity, 1 January 2009		**101,613**	**350,692**	**45,322**	**12,248**	**509,875**	**68**	**509,943**
Net comprehensive income for the year				-19,082	19,877	795		795
Effect of raising convertible loan			806			806		806
Share based payments, equity settled			1,609			1,609		1,609
Closing equity, 31 December 2009	16	**101,613**	**353,107**	**26,240**	**32,125**	**513,085**	**68**	**513,153**
Opening equity, 1 January 2010		**101,613**	**353,107**	**26,240**	**32,125**	**513,085**	**68**	**513,153**
Net comprehensive income for the year				-45,586	56,188	10,602		10,602
Conversion/Share issue		3,939	18,511			22,450		22,450
Share based payments, equity settled			402			402		402
Closing equity, 31 December 2010	16	**105,552**	**372,020**	**-19,346**	**88,313**	**546,539**	**68**	**546,607**

Statement of consolidated cash flows

1 January – 31 December

Amounts in SEK 000s	Note	2010	2009
	27		
Operating activities			
Profit before tax		54,528	17,353
Adjustment for non-cash items		27,449	13,683
Paid income tax		-372	-
Cash flow from operating activities before changes in working capital		**81,605**	**31,036**
Cash flow from changes in working capital			
Change in inventories		-24,581	6,667
Change in operating receivables		-96,806	37,564
Change in operating liabilities		24,479	-19,049
		-96,908	**25,182**
Cash flow from operating activities		**-15,303**	**56,218**
Investing activities			
Acquisition of intangible fixed assets		-10,106	-7,239
Acquisition of tangible fixed assets		-1,894	-1,112
Cash flow from investing activities		**-12,000**	**-8,351**
Financing activities			
Amortisation of loans		-	-22,574
Cash flow from financing activities		**-**	**-22,574**
Cash flow for the year		**-27,303**	**25,293**
Cash and cash equivalents at beginning of year		102,843	75,769
Exchange-rate difference in cash and cash equivalents		-5,673	1,781
Cash and cash equivalents at end of year		**69,867**	**102,843**

Income statement and Statement of comprehensive income of Parent Company

1 January - 31 December

Income statement

Amounts in SEK 000s	**Note**	**2010**	**2009**
Net sales	2	356,381	252,993
Cost of goods sold		-262,545	-190,385
Gross profit		**93,836**	**62,608**
Selling expenses		-1,731	-5,120
Administrative expenses		-31,442	-22,095
Research and development costs		-14,097	-13,566
Operating profit	4, 5, 6, 23	**46,566**	**21,827**
Result from financial investments:			
Result from participations in Group companies		-13,329	9,318
Interest income and similar items		893	1,309
Interest expenses and similar items		-6,224	-7,901
Profit after financial items and before tax	7	**27,906**	**24,553**
Income tax	8	-372	-
Result for the year		**27,534**	**24,553**
Statement of comprehensive income			
Result of the year		27,534	24,553
Translation differences		-12,483	-5,017
Net comprehensive income for the year		**15,051**	**19,536**

Parent Company balance sheet

At 31 December

Amounts in SEK 000s	Note	2010	2009
ASSETS			
Fixed assets			
Intangible fixed assets	9	16,928	8,071
Tangible fixed assets	10	1,349	1,222
Financial fixed assets			
Participations in Group companies	26	183,624	200,986
Receivables from Group companies	11.25	92,709	98,808
Deferred tax asset	8	39,450	39,450
Total financial fixed assets		*315,783*	*339,244*
Total fixed assets		**334,060**	**348,537**
Current assets			
Inventories	13	52,295	35,330
Current receivables			
Accounts receivable	14	45,791	27,483
Receivables from Group companies	25	65,357	24,097
Other receivables	12	10,749	6,375
Prepaid expenses and accrued income	15	2,486	2,266
Total current receivables		**124,383**	**60,221**
Cash and cash equivalents		49,144	91,039
Total current assets		**225,822**	**186,590**
TOTAL ASSETS		**559,882**	**535,127**

Parent Company balance sheet (cont'd)

Amounts in SEK 000s	Note	2010	2009
EQUITY AND LIABILITIES			
Equity	16		
Restricted equity			
Share capital		105,552	101,613
Statutory reserve		104,841	104,841
		210,393	206,454
Non-restricted equity			
Share premium reserve		175,170	156,257
Reserve for fair value		-17,500	-5,017
Retained earnings		99,201	74,648
Profit for the year		27,534	24,553
		284,405	250,441
Total equity		**494,798**	**456,895**
PROVISIONS			
Guarantee provisions	19	11,203	16,383
Total provisions		**11,203**	**16,383**
LONG-TERM LIABILITIES			
Liabilities to Group companies	25	100	100
Total long-term liabilities		**100**	**100**
CURRENT LIABILITIES			
Current interest-bearing liabilities	18	-	22,116
Accounts payable		27,814	17,133
Liabilities to Group companies	25	8,909	14,340
Other liabilities	20	8,842	3,395
Accrued expenses and deferred income	21	8,216	4,765
Total current liabilities		**53,781**	**61,749**
TOTAL EQUITY AND LIABILITIES		**559,882**	**535,127**
Pledged assets	24	**34,847**	**52,303**
Contingent liabilities	24	**222**	**222**

Parent Company statement of changes in equity

		Restricted equity		Non-restriced equity			
Amounts in SEK 000s	**Note**	**Share capital**	**Statutory reserv**	**Share premium reserve**	**Reserve for fair value/ Translation reserve**	**Retained earnings incl. profit for the year**	**Total**
Opening equity, 1 January 2009		**101,613**	**104,841**	**153,474**	**-**	**74,648**	**434,576**
Net comprehensive income for the year					-5,017	24,553	19,536
Effect of raising convertible loan				806			806
Share based payments, equity settled				1,977			1,977
Closing equity, 31 December 2009	16	**101,613**	**104,841**	**156,257**	**-5,017**	**99,201**	**456,895**
Opening equity, 1 January 2010		**101,613**	**104,841**	**156,257**	**-5,017**	**99,201**	**456,895**
Net comprehensive income for the year					-12,483	27,534	15,051
Conversion/Share issue		3,939		18,511			22,450
Share based payments, equity settled				402			402
Closing equity, 31 December 2010	16	**105,552**	**104,841**	**175,170**	**-17,500**	**126,735**	**494,798**

Parent Company cash flow statement

1 January – 31 December

Amounts in SEK 000s	Note	2010	2009
	27		
Operating activities			
Profit before tax		27,906	24,553
Adjustment for items not included in cash flow		28,514	5,225
Paid tax		-372	-
Cash flow from operating activities before changes in working capital		**56,048**	**29,778**
Cash flow from changes in working capital			
Change in inventories		-16,965	10,686
Change in operating receivables		-92,593	-5,901
Change in operating liabilities		20,576	-11,469
		-88,982	-6,684
Cash flow from operating activities		**-32,934**	**23,094**
Investing activities			
Acquisition of intangible fixed assets		-10,080	-7,207
Acquisition of tangible fixed assets		-964	-642
Change in long-term loan receivables from subsidiaries		5,764	33,922
Cash flow from investing activities		**-5,280**	**26,073**
Financing activities			
Amortisation of loans		-	-22,450
Cash flow from financing activities		**-**	**-22,450**
Cash flow for the year		**-38,214**	**26,717**
Cash and cash equivalents at beginning of year		91,039	61,854
Exchange-rate difference in cash and cash equivalents		-3,681	2,468
Cash and cash equivalents at end of year		**49,144**	**91,039**

Notes on the financial statements

(Amounts in SEK 000s unless otherwise stated. Group is abbreviated as “G” and Parent Company as “PC”)

Note 1 Accounting principles

Compliance with standards and laws

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission for application in the EU. The Swedish Financial Reporting Council’s recommendation RFR 1 Supplementary Reporting Rules for Groups has also been applied. The Parent Company applies the same accounting principles as the Group, except in those cases described under “Parent Company accounting policies”. Any deviation between the principles applied by the Parent Company and the Group are a result of limitations in the scope for IFRS conformity in the Parent Company due to its application of the Swedish Annual Accounts Act and the Pension Protection Act, etc., and in certain cases to tax considerations.

Basis of presentation of the Parent Company and consolidated financial statements

The Parent Company’s functional currency is the Swedish krona (SEK), which is also the presentation currency for the Parent Company and the Group. This means that the consolidated financial statements are presented in SEK. Except where otherwise stated, all amounts are rounded to the nearest thousand.

When preparing financial statements in accordance with IFRS, management is required to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs. The estimates and assumptions are based on historical experience and other factors that are deemed reasonable under the prevailing circumstances. The result of these estimates and assumptions is then used to assess the stated values of assets and liabilities, unless they are clearly known from other sources. Actual outcomes may differ from these estimates and assumptions.

The estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period of the change, if the change affects only that period; or in the period of the change and future periods, if the change affects both.

Note 29 contains a description of inputs and assessments that have been used by the company’s management in the application of IFRS and that have a significant impact on the financial statements, as well as estimates that could lead to significant adjustments in the financial statements of subsequent years.

The following accounting principles for the Group have been applied consistently in all the periods presented in the consolidated financial statements, except where otherwise stated below. The Group’s accounting policies have been applied consistently in the reporting and consolidation of the Parent Company and subsidiaries.

The annual report and consolidated financial statements were approved for publication on 31 March 2010. Income statement and statement of financial position for the Parent Company and consolidated statement of comprehensive result and consolidated statement of financial position will be submitted to the Annual General Meeting for adoption on 4 May 2011.

Changes in accounting principles

Changed accounting principles applied by the Group from 1 January 2010 are described below.

Business combinations and consolidated financial statements

As of 1 January 2010, the Group applies the revised IFRS 3 Business Combinations and the revised IAS 27 Consolidated and Separate Financial Statements. The revisions and changes include the following: the definition of a business combination has changed, all acquisition-related transaction costs must be expensed as incurred, any contingent consideration payable is recognised at fair value at the acquisition date and subsequent changes to the fair value of contingent consideration are recognised in profit or loss. Another new feature is that there are two alternative ways to measure non-controlling interests and goodwill, either at fair value, i.e. goodwill is included in non-controlling interests, or at the acquiree’s proportionate share of identified net assets. The choice between these two methods is made on an acquisition-by-acquisition basis. Furthermore, subsequent acquisitions once control has been achieved are regarded as transactions with owners and are recognised directly in equity, which is a change from Sweco’s earlier policy to recognise excess amounts as goodwill.

The changed principles have not had any retrospective impact on the company’s financial reports, which means that none of the amounts in the financial statements have been adjusted with respect to these.

New and amended IFRS standards issued by IASB in addition to those specified above

In addition to the changed accounting principles specified above, the following new and amended IFRS and IFRIC standards have been included. They have not, however, had an impact on the group’s accounting principles:

- Amendments to IFRS 2 Group share-based payment with respect to cash-settled payment.
- Amendments to IAS 39 Financial instruments: Recognition and Measurement, Exposures Qualifying for Hedge Accounting
- IFRIC 12 Service concessions Arrangements
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers
- Other new and amended IFRS standards have not had any impact on the consolidated financial statements

New IFRS standards and interpretations that have not yet been implemented

A number of new or amended IFRS standards come into effect in the next financial year and have not been adopted in advance when preparing these financial reports. New standards or amendments due for future adoption have not been adopted in advance.

IFRS 9, Financial Instruments, is intended to replace IAS 39 Financial Instruments: Recognition and Measurement, by 2013 at the latest. The IASB has published the first of at least three parts that will together comprise IFRS 9. The first part deals with classification and measurement of financial assets. The categories for financial assets defined in IAS 39 have been replaced by two categories which are measured at either fair value or amortised cost. Amortised cost is used for instruments managed in a business model where the objective is to hold the financial assets to obtain the contractual cash flows; consisting of payments of principal and interest on the principal outstanding on specified dates. Other financial assets are measured at fair value and the opportunities to apply the ”fair value option” as in IAS 39 remain. Fair value changes are recognised in profit or loss, with the exception of value changes for equity instruments that are not held for trading and for which an irrevocable election has been made at initial recognition to measure value changes in other comprehensive income. Value changes for derivatives that are treated as hedging instruments are not affected by this part of IFRS 9 and the requirements of IAS 39 still apply to these.

In November 2010 IASB also published parts of IFRS 9 that deal with the classification and measurement of financial liabilities. Most of it is in line with the previous rules in IFRS 39 with the exception of financial liabilities that are measures at fair value according to the ”Fair Value Option”. For these liabilities the value change should be divided into changes that are attributable to the company’s own credit rating and changes in the reference interest rate.

The effect of adopting IFRS 9 has not yet been determined.

The following changes in the accounting principles for future adoption are not expected to have any impact on the consolidated financial statements:

- Amendment to IAS 24, Related Party Disclosures, mainly simplifies the disclosures requirements for state-controlled entities but also includes changes in the definition of related party.
- Amendment to IAS 32, Financial Instruments: Presentation, addresses classification of rights issues.
- Amendment to IFRS 7, Financial Instruments: Disclosures, addresses new disclosure requirements for financial assets that are derecognised in part or in their entirety.
- Amendment to IFRIC 14 IAS 19, Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction, addresses prepayments of a minimum funding requirement.
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments.
- Annual improvements to IFRS that are not already adoptable, mainly among those published in May 2010.

Operating segment reporting

An operating segment is a part of the Group with an operation generating revenue and costs with independant available financial information. The result of an operating segment is followed by the the highest executive of the company in order to evaluate the result and to allocate resources to each operating segment. Pricer has only one operating segment, see further note 3.

Classification

Fixed assets and long-term liabilities in the Parent Company and the Group essentially comprise amounts that are expected to be recovered or settled more than twelve months after the balance-sheet date. Current assets and current liabilities essentially comprise amounts that are expected to be recovered or settled within twelve months from the balance-sheet date.

Consolidation principles

Subsidiaries

Subsidiaries are all entities over which Pricer AB has a controlling influence, meaning that the Parent Company directly or indirectly has the power to govern the subsidiary's financial and operating policies in order to obtain economic benefits. The existence and effect of potential voting rights that can be readily used or converted are factors to be considered in deciding whether significant influence exists.

Business combinations on 1 January 2010 or later

Subsidiaries are recognised using the purchase method. With this method, acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The acquisition cost on consolidation is established through an acquisition analysis in conjunction with the acquisition. The analysis establishes the acquisition cost of the participating interests or business. The fair value, on the acquisition date, of acquired identifiable assets and assumed liabilities and contingent liabilities. Transaction costs, with the exception of transaction costs attributable to the issue of equity or debt instruments that arise are reported directly in the profit or loss.

In business combinations where the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree (in a business combination acquired in steps) exceeds the Group's share in the fair value of net identifiable assets acquired and liabilities reported separately, the difference is accounted for as goodwill. When the difference is negative, i.e. when the acquisition is at a bargain price, it is reported directly in the profit for the year.

The consideration transferred for the acquisition of a subsidiary does not include amounts related to the settlement of pre-existing business relationships. Such amounts are recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as an equity instrument, it is not remeasured and settlement is accounted for within equity. Otherwise, the fair value of contingent consideration is remeasured at each reporting date and the change is recognised in profit or loss.

In business combinations where less than 100 per cent of the subsidiary is acquired, non-controlling interests arise. There are two alternative methods for accounting for non-controlling interests. The first of these is to record non-controlling interests as their proportionate share of net assets, while the second is to record non-controlling interests at fair value, which means that the non-controlling interests have a share in goodwill. The choice between these two methods can be made on an acquisition-by-acquisition basis.

In business combinations that are conducted in stages, the goodwill is determined on the date on which the controlling interest comes into effect. Previous holdings are measured at fair value and the value change is report in the profit for the year. Disposals that lead to the loss of a controlling influence but where there is a remaining holding, this holding is measured at fair value and the value change is reported in the profit for the year.

In combinations made between 1 January 2004 and 31 December 2009

In combinations made between 1 January 2004 and 31 December 2009 for which the acquisition cost exceeds the fair value of acquired assets and assumed liabilities and contingent liabilities recognised separately, the difference is recognised as goodwill. Any negative difference is recognised directly in profit for the year. Transaction costs, with the exception of transaction costs attributable to the issue of equity or debt instruments that arise are included in the acquisition cost.

Financial statements of subsidiaries are included in the consolidated accounts from the the moment of acquisition until controlling interest disappears.

Transactions eliminated on consolidation

Intra-group receivables and liabilities, income and costs, and unrealised gains or losses arising on transactions between Group companies are eliminated in full when preparing the consolidated financial statements. Unrealised gains and losses arising on transactions with associate companies are eliminated to the extent that they correspond to the Group's interest in the company. Unrealised losses are eliminated in the same way, unless there is any indication of impairment.

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction date. The functional currency is the currency of the primary economic environment in which the companies conduct their business. Monetary assets and liabilities in foreign currency are translated into the functional currency at balance-sheet date rates. Currency differences arising on translation are recognised in profit and loss. Non-monetary assets and liabilities accounted for at fair value are converted to the functional currency at the rate prevailing at the date of the valuation to fair value. Currency differences affecting operating profit are explained in Note 6, and exchange-rate differences affecting net financial items are explained in Note 7.

Financial statements of foreign businesses

The assets and liabilities of foreign businesses are translated from the foreign unit's functional currency into the Group's presentation currency, SEK, at balance-sheet date exchange rates. Income and costs of foreign businesses are translated into SEK at the average rate during the year. Translation differences arising on the translation of foreign businesses are recognised in other comprehensive income and are accumulated in a separate component in equity, labeled translation reserve.

Revenue

Revenue from the sale of goods is recognised in profit and loss when significant risks and benefits of ownership have passed to the buyer. Revenue from the sale of services is recognised in profit and loss when the financial result of providing the services can be calculated reliably and the financial benefits associated with the transaction pass to the Group.

Revenue is not recognised in cases where it is not likely that the financial benefit will pass to the Group. Revenue in the form of royalties or licences resulting from an external party's use of the Group's assets is recognised when it is likely that the financial benefits associated with the transaction will pass to the company and the amount of revenue can be calculated reliably. The criteria for revenue recognition are applied to each transaction on an individual basis.

Operating expenses and financial income and expense

Costs relating to operational leases

Benefits received in conjunction with the signing of an agreement are reported in the profit as a reduction in the total leasing charge allocated over the term of the lease. Variable fees are recognised in the income statement as an expense in the period in which they arise.

Financial income and expense

Financial income and expense consist of interest income on bank deposits and receivables, interest expenses on liabilities, currency differences, realised and unrealised gains on financial investments and gains/losses on embedded derivatives.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the rate that results in the present value of all estimated future payments and receipts throughout the expected duration of the financial instrument being identical to the carrying amount of the receivable or liability. Interest income and interest expenses include the accrued amount of transaction costs and any discounts, premiums and other differences between the original stated value of the receivable and the amount received upon maturity.

Note 1 Accounting principles (cont'd)

Financial instruments

Financial instruments are recognised in accordance with IAS 32, Financial Instruments: Presentation , and IAS 39, Financial Instruments: Recognition and Measurement.

The financial instruments stated on the assets side of the statement of financial position include cash and cash equivalents and accounts receivable. On the liability side, they include liabilities to suppliers, loan liabilities, and currency hedging contracts.

A financial asset or liability is recognised in the statement of financial position when the company becomes party to the contractual conditions of the instrument. Accounts receivable are recognised in the statement of financial position when an invoice has been sent. Liabilities to suppliers are recognised when an invoice has been received. Financial liabilities are recognised when the counterparty has performed a service and there is a contractual obligation to pay, even if no invoice has been received.

A financial asset is removed from the statement of financial position when the company's rights under the agreement have been realised, expire or the company has relinquished control over the asset. The same applies to a part of a financial asset. A financial liability is removed from the statement of financial position when the obligation specified in the agreement has been discharged or is otherwise extinguished. The same applies to a part of a financial liability. The purchase or divestment of a financial asset is recognised on the transaction date, which is the date when the company undertakes to purchase or divest the asset.

Impairment testing of financial assets

On each reporting occasion, the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence is indicated by an observable loss event that has had a negative impact on the capacity to recover the acquisition value.

When the value of an equity instrument classified as an available-for-sale financial asset is impaired, the accumulated gains/losses previously stated in equity are reversed in profit and loss.

The recoverable value of assets in the categories of held-to-maturity investments and accounts receivable, which are recognised at accrued acquisition value, is calculated as the present value of future cash flows discounted at the effective rate of interest that applied when the asset was recognised for the first time. Assets with short durations are not discounted. An impairment loss is reported in profit and loss.

Reversal of impairment losses

Impairment losses on held-to-maturity investments or accounts receivable that are stated at accrued acquisition value are reversed if a later increase in the recoverable value can be objectively attributed to an event occurring after the date of the impairment loss.

Previously recognised impairment losses on equity instruments classified as available-for-sale financial assets, which were previously stated in profit and loss may not be reversed via profit and loss at a later date. The impaired value is the value on which subsequent fair value adjustments are based, and this value is recognised directly in equity.

Financial instruments are classified in the following categories: Financial assets at fair value through profit and loss, held-to-maturity investments, accounts receivable, financial liabilities at fair value through profit and loss, and other financial liabilities. The first time it is recognised, a financial instrument is classified on the basis of the purpose for which it was acquired. Subsequent valuation depends on how the financial instrument was classified upon initial recognition as described below.

Financial assets at fair value through profit and loss

This category consists of the Group's cash and cash equivalents and short-term investments. Cash and cash equivalents comprise cash in hand and at bank (or equivalent institutions) and other highly liquid short-term investments with original durations of less than three months that are exposed only to an insignificant risk of value fluctuations. Assets in this category are regularly measured at fair value and changes in fair value are recognised under net financial items in the income statement.

Held-to-maturity investments

Held-to-maturity investments are fixed-income securities with fixed or determinable payments and established durations that were acquired with the object of being held to maturity. Such investments are measured at accrued acquisition cost.

Loan receivables and accounts receivable

Accounts receivable are valued at accrued acquisition cost, meaning the amount that is expected to be received after deduction of bad debts, which are assessed individually. Since accounts receivable have a short expected duration, they are recognised at nominal value without discounting. Impairment losses on accounts receivable are stated under operating expenses.

Available-for-sale financial assets

The category of available-for-sale financial assets consists of financial assets that cannot be classified in any other category or that have been classified in this category. Holdings of shares or participations in companies that are not stated as subsidiaries or associated companies are stated here. Such assets are measured at fair value in the statement of financial position and changes in fair value are recognised in other comprehensive income and are accumulated in equity. When the asset is divested, the accumulated gains/losses that were previously recognised in equity are instead recognised in profit and loss.

Other financial liabilities

This category includes borrowings and other financial liabilities, such as liabilities to suppliers. They are measured at accrued acquisition value. Long-term liabilities have an expected duration of more than one year, while current liabilities have a maturity of less than one year. Since accounts payable have a short expected duration, they are recognised at nominal value without discounting.

Issued convertible debentures

Convertible debentures can be converted into shares by the counterparty exercising his option to convert the convertible loan into shares. These are stated as a composite financial instrument that is divided into a debt component and an equity component. The actual value of the debt at the time of issue is arrived at by discounting the future flow of payments using the applicable market rate of interest for a similar debt instrument that is not convertible. The value of the equity component is defined as the difference between the issue proceeds at the time of issue and the fair value of the financial liability at the time of issue. Any deferred tax attributable to the debt at the time of issue is deducted from the carrying amount of the equity component.

Derivatives and hedge accounting

The Group's derivative instruments consist of forward contracts entered into in order to cover the risk of currency fluctuations. Derivatives also include conditions that are embedded in other contracts. Embedded derivatives are reported separately when they are not closely related to the host contract. Changes in the value of free standing or embedded derivatives are recognised in profit and loss on the basis of the purpose of the holding. If the derivative is used as a hedge to the extent that it is effective, the change in the value of the derivative is recognised on the same line in the income statement as the hedged item. Even if hedge accounting is not applied by the Group, increases/reductions in the value of a derivative instrument are recognised directly in profit and loss as income or costs respectively within the Operating profit or within net financial items, depending on the reason for using the derivative and whether its use is related to an operating item or a financial item.

Receivables and liabilities in foreign currency and transaction exposure

Currency forward contracts are used to hedge assets and liabilities against currency risk. Hedge accounting is not needed for these hedges, since both the hedged items and the hedge are measured at fair value and changes in fair value are recognised in profit and loss as currency differences. Changes in the fair value of operating receivables and liabilities are recognised in operating profit, while changes in the fair value of financial assets and liabilities recognised in net financial items. Currency exposures in respect of forecast future flows are hedged by means of currency forward contracts. The company does not apply hedging accounting.

Tangible fixed assets

Owned assets

A tangible asset is recognised as an asset in the statement of financial position when it is probable that the financial benefits attributable to the asset will pass to the company in the future and the acquisition value of the asset can be calculated reliably.

In the consolidated accounts, tangible assets are recognised at acquisition value less accumulated depreciation and any impairment losses. Acquisition value includes the purchase price and all costs directly attributable to the asset that are required to bring the asset to its proper location and in the necessary condition, depending on the purpose of the acquisition.

The carrying amount of a tangible fixed asset is removed from the statement of financial position on retirement or disposal or when no future financial benefits are expected from its use or retirement/disposal. The gain or loss on disposal or retirement is the difference between the proceeds and the carrying amount less direct selling costs. Such gain or less is stated under other operating income/costs.

Additional expenditure

Additional expenditure is added to the acquisition value of the asset only if it is probable that the future financial benefits associated with the asset will accrue to the Group and the cost of the asset can be calculated reliably. All other additional expenditure is stated as a cost in the period in which they arise.

The decisive factor determining if additional expenditure should be added to the acquisition value is whether the expenditure relates to the replacement of an identified component, or parts thereof, in which case it is capitalised. In cases where a new component is created, the resulting expenditure is also added to the acquisition value. Any residual value of replaced components, or parts thereof, is retired and expensed in connection with replacement. Repairs are expensed as incurred.

Depreciation principles

Depreciation is based on original acquisition values and applied on a straight-line basis over the estimated useful life of the asset. The residual value and useful life of an asset are evaluated annually.

Estimated useful lives (Group and Parent Company):

- machinery and other technical installations: 3-5 years
- equipment, tools, fixtures and fittings: 3-5 years
- leasehold improvements: 3 years

Intangible fixed assets

All research costs are recognised as costs against profit and loss for the period in which they arise. Costs for development, where research findings or other knowledge are used to create new or improved products or processes, are only capitalised in the statement of financial position when the technical and commercial feasibility of the product or process has been established, and the company has adequate resources to complete its development and then intends to use or sell the intangible asset.

Goodwill is recognised at acquisition cost less accumulated impairments. Goodwill is allocated to the smallest cash-generating unit and is impairment tested at least annually.

Other intangible assets acquired by the Group are recognised at acquisition value less accumulated depreciation and impairment losses.

Additional expenditure on intangible assets is added to the acquisition value only when it increases the future financial benefits. All other expenditure is expensed when it is incurred.

Amortisation principles

Amortisation according to plan is based on original acquisition values and is applied straight line over the estimated useful life of the asset. The residual value and useful life of an asset are assessed annually.

Estimated useful lives (Group and Parent Company):

- industrial rights: 5 years (Group only)
- patents and licences: 5-12 years
- customer relationships: 5 years
- product technology: 5 years

Patents and licences are amortised over the term of the patent or licence, which in some cases exceeds five years.

Inventories

Inventories are recognised at the lower of acquisition value (average acquisition value) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and realising the sale. The risk of obsolescence is taken into account in the valuation of inventories.

Impairment

The carrying amounts of the Group's intangible and fixed assets are tested at each statement of financial position date to determine if there is any indication of impairment. If there is any indication of impairment, the asset's recoverable value is calculated. The recoverable value of goodwill and other intangible assets with indefinite useful lives is calculated annually.

If it is not possible to establish an essentially independent cash flow associated with a particular asset when testing for impairment, the assets are grouped at the lowest level for which it is possible to identify an essentially independent cash flow (known as a cash-generating unit). When the carrying amount of an asset or cash-generating unit exceeds its recoverable value, an impairment loss is recognised in profit and loss. Impairment of assets belonging to a cash-generating unit (group of units) is primarily allotted to goodwill. Thereafter impairment of other assets in the unit (group of units) is distributed pro rata among them.

The recoverable value is the higher of fair value less selling costs and value in use. When calculating value in use, future cash flows are discounted using a discounting factor that reflects the risk-free interest rate and any risks associated specifically with the asset. In the case of an asset that does not generate a cash flow that is essentially independent of other assets, the recoverable value is calculated for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only if there has been a change in the assumptions upon which the determination of the asset's recoverable value was based. An impairment loss is reversed only to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount the asset would have had if no impairment loss had been recognised, taking into account depreciation that would in such a case have been applied.

Impairment losses on goodwill are never reversed.

Employee benefits

Defined-contribution plans

All pension plans in the Group are of the defined-contribution type. Premiums payable are expensed during the period in which they arise.

Termination benefits

A provision is recognised in connection with termination of employment only if the company is demonstrably obliged to terminate employment before the normal retirement date; or when termination benefits take the form of an offer to encourage voluntary redundancy. In the event of termination of employment, a detailed plan is prepared that includes at least the place of work, positions and approximate number of persons affected, as well as the amount of compensation for each category of employee or position and when the plan will be implemented. In the event of voluntary redundancy, a cost is stated if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-based payments

Share-based benefits in the form of a global employee incentive scheme based on warrants are provided. Such a scheme entitles the holders to subscribe to the corresponding number of shares within a given period of time at a given price. Equity warrants have been bought at market price by employees and stock options have been granted to employees without payment. There is no cost recognised for the equity warrants, as these have not led to any employee benefit. The fair value of the employee stock options is recognised as an employee expense with a corresponding increase in equity. The fair value is calculated at the time of grant and is recognised during the vesting period. The recognised cost is adjusted during the vesting period considering the number of granted and vested options, primarily based on changes in personnel.

Social charges relating to the employee options are recognised during the vesting period. The accruals for social charges are based on the fair value at the end of each reporting period.

Note 1 Accounting principles (cont'd)

Provisions

A provision is stated in the statement of financial position when the Group has a legal or informal commitment that has arisen as the result of a past event, it is probable that an outflow of financial resources will be needed to settle the commitment and a reliable estimate of the amount can be made. When necessary, a present value calculation is made to take into account any significant time-effects of future payments.

Provisions for product warranties are stated when the underlying product is sold. The provision is based on historical data on warranties and a weighting of possible outcomes according to their probability.

Tax

Income taxes are recognised in the profit for the year except when the underlying transaction is reported directly in the combined result or equity whereupon the associated tax effect is recognised in other comprehensive income or in equity.

Current tax refers to tax payable or receivable in respect of the year in question, at the tax rates that have been decided on or in practice decided on as of the balance-sheet date. This also includes adjustments of current tax attributable to earlier periods.

Deferred tax is calculated using the balance sheet method on the basis of temporary differences between the carrying amount and the fiscal value of an asset or liability. Temporary differences are not recognised in goodwill at Group level, initial recognition of goodwill, initial recognition of assets and liabilities that are not acquired lines of business and, at the time of the transaction, affect neither recognised nor taxable profit; nor temporary differences attributable to participations in subsidiaries that are not expected to be reversed in the foreseeable future. Deferred tax is computed on the basis of how the carrying amount of the assets or liabilities is expected to be realised or settled using the tax rates and rules that have been decided on, or in practice decided on, at the balance-sheet date.

Deferred tax assets in respect of deductible temporary differences and unused loss carry-forwards are recognised to the extent that it is probable that these will be utilised. The value of accrued tax receivables is reduced when it is no longer considered probable that they can be utilised.

Earnings per share

Basic earnings per share are calculated on the basis of consolidated profit for the year attributable to the Parent Company's shareholders and the weighted average number of shares in issue during the year. To calculate diluted earnings per share the average number of shares are adjusted to take account of the dilution effects of potential ordinary shares originating from the convertible loan and options issued to employees during the period. The dilution effect arises only when the exercise price is lower than the listed price and is greater the wider the spread between the exercise price and the listed price. The exercise price is adjusted by making an addition for the value of future services associated with the share-based personnel programme that is stated as share-based payment in accordance with IFRS 2.

Contingent liabilities

A contingent liability is recognised where there is a possible commitment that derives from a past event and the existence of which can be confirmed only by the occurrence of one or more uncertain future events, or in the event of a commitment that is not stated as a liability or provision since it is not likely that an outflow of financial resources will be required.

Parent Company accounting principles

The Parent Company's annual accounts are prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Council's recommendation RFR 2, Reporting by Legal Entities. RFR 2 states that in the report for the legal entity, the Parent Company shall apply all EU-endorsed IFRS and statements as far as possible within the framework of the Annual Accounts Act and taking into account the connection between accounting and taxation. This recommendation defines the exceptions and additional disclosures compared with IFRS.

Classification and forms of presentation

From 2010 the Parent Company has adopted the same forms of presentation for its financial reporting as the group has used since 2009. This means that revenue and expense items that were previously reported directly in equity are now reported in a separate report where these items are presented as other comprehensive income. This report is called a statement of comprehensive income and is presented after the income statement. Changes that only affect the presentation of the financial reports have been adopted retroactively

An income statement is presented for the Parent Company, whereas an income statement and a statement of comprehensive income are presented for the Group. Furthermore, the terms "statement of financial position" and "cash flow statement" are used for the Parent Company for the statements that in the Group are entitled "statement of financial position" and "statement of cash flows". The Parent Company's income statement and statement of financial position have been prepared in accordance with the schedule specified by the Swedish Annual Accounts Act, while the statement of changes in equity and the statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Differences between accounting principles of the Group and the Parent Company

The differences between the accounting principles applied by the Group and the Parent Company are described below. The following accounting principles for the Parent Company have been applied consistently for all periods presented in the financial statements of the Parent Company.

Subsidiaries

In the Parent Company, participations in subsidiaries are reported in accordance with the cost model. This implies that transaction expenses are included in carrying amounts. In the Consolidated Accounts, transaction expenses attributable to subsidiaries are recognized directly in profit or loss as they arise. Conditional purchase prices are measured on the likelihood that the purchase price will be payable. Potential changes to the provision/receivable is added to/deducted from the acquisition cost. In the Consolidated Accounts, conditional purchase prices are recognized at fair value with value changes in profit or loss.

Financial instruments

Although the Parent Company does not apply the valuation rules of IAS 39, all else that is written about financial instruments also applies to the Parent Company. Financial fixed assets are stated in the Parent Company accounts at acquisition value less impairment losses, and financial current assets in accordance with the lowest value principle.

Shareholder contributions

The Parent Company recognises shareholder contributions in accordance with a statement (UFR 2) from the Swedish Financial Reporting Board. Shareholder contributions are recognised directly in equity by the recipient and are capitalised under shares and participations by the donor, to the extent that no impairment is indicated.

Note 2 Distribution of revenue

	G 2010	G 2009	PC 2010	PC 2009
Net sales:				
Revenue from goods	396,156	291,570	344,944	244,481
Revenue from services	39,957	27,915	6,152	3,326
Royalties	11,054	7,826	5,285	5,186
Total	**447,167**	**327,311**	**356,381**	**252,993**

The Parent Company's product sales include intra-group sales of SEK 238,256 (147,782).

Note 3 Operating segments

Pricer develops and markets a complete system consisting of components for communication in a store environment. The components are never sold separately except as additions to existing systems. Therefore the various product components does not constitute separate operating segments. The system is sold to customers in over 40 countries over the whole world. Customer activities are to a large extent directed towards large global retail chains. Marketing activities and sales are divided into geographical areas but these do not constitute different operating segments. Sales is made both direct to customers but also via resellers but this division does not constitute different operating segments. Sales is made to different categories of retail such as grocery, food, non-food, do-it-yourself etc but these categories does not either constitute different operating segments. Operations is not divided into different operating segments and is followed up in its entirety. Therefore the entire Pricer business constitutes one and the same operating segment.

Information per company

Total revenue from external customers amounted to SEK 447.2 (327.3). Any division in different product categories is not made as revenue is constituted by sale of systems.

Revenues from external customers per country

Net sales by country	G 2010	G 2009
Sweden	9,323	10,055
France	222,012	172,697
Japan	26,866	37,044
Other countries	188,966	107,515
Total	**447,167**	**327,311**

Revenue is allocated per country based on the country of the customer. The business of Pricer is not based on any large fixed assets other than intangible assets. Fixed assets in Sweden are limited. The intangible assets are primarily constituted of goodwill and other assets from the acquisition of Eldat in 2006. The value of these is based on future cash flow from the Group as a whole and cannot be allocated to any particular country.

On certain markets Pricer operates through resellers. No individual customer or reseller represent more than 10 percent of the consolidated revenue.

Note 4 Employees and personnel costs

Average number of employees

	2010		2009	
	Number	% of men	Number	% of men
Parent Company				
Sweden	26	83%	30	80%
Subsidiaries				
USA	2	100%	3	100%
Israel	3	100%	5	94%
France	23	73%	29	71%
Total subsidiaries	28	78%	37	77%
Total Group	**54**	**78%**	**67**	**78%**

Gender distribution in executive management on balance sheet date

	G 2010	G 2009	PC 2010	PC 2009
	% of women	% of women	% of women	% of women
Board of Directors	0%	0%	0%	0%
Other senior executives	0%	0%	0%	0%

Salaries, other remuneration, pension costs under defined premium plans and social security expenses

	G 2010	G 2009	PC 2010	PC 2009
Board and CEO	7,989	3,799	3,453	1,984
(of which bonus, etc.)	(586)	(-245)	(729)	(-)
Other senior executives	6,682	7,912	2,959	2,206
(of which bonus, etc.)	(1,940)	(1,011)	(860)	(136)
Other employees	25,856	29,564	13,627	13,532
(of which bonus, etc.)	(2,253)	(1,957)	(1,570)	(226)
Total salaries and other remuneration	**40,527**	**41,275**	**20,039**	**17,722**
(of which bonus, etc.)	(4,779)	(2,723)	(3,159)	(362)
Social security expenses, Board and CEO	1,998	1,599	986	283
Social security expenses, other senior executives	2,910	2,642	1,454	1,172
Social security expenses, other employees	11,507	12,091	5,942	5,559
Total social security expenses	**16,415**	**16,332**	**8,382**	**7,014**
of which:				
Pension costs, Board and CEO	124	-	124	-
Pension costs, other senior executives	762	559	481	450
Pension costs, other employees	1,935	1,977	1,683	1,555
Total pension costs	**2,821**	**2,536**	**2,288**	**2,005**

The company's outstanding pension commitments on behalf of the Board and CEO amount to SEK 0 (0). The category "Other senior executives" consists of 5 (5) individuals (Group), including 2 (2) in the Parent Company.

Salary and remuneration by country, and breakdown between Board members, etc. and other employees

	2010		2009	
	Board and CEO	Other employees	Board and CEO	Other employees
Parent Company				
Sweden	3,453	16,586	1,984	15,738
(of which bonus, etc.)	(729)	(2,430)	(-)	(362)
Foreign subsidiaries				
USA	-	944	-	3,220
(of which bonus, etc.)	(-)	(137)	(-)	(773)
France	4,536	11,728	1,815	15,197
(of which bonus, etc.)	(-143)	(898)	(-245)	(1,688)
Israel	-	3,280	-	3,321
(of which bonus, etc.)	(-)	(728)	(-)	(145)
Total subsidiaries	4,536	15,952	1,815	21,738
Total Group	**7,989**	**32,538**	**3,799**	**37,476**

Note 4 Employees and personnel costs (cont'd)

Sickness absence in the Parent Company

	1 Jan-31 Dec 2010	1 Jan-31 Dec 2009
Total sickness absence as a % of regular working hours	0.5%	1.2%
Share of total sickness absence lasting for 60 days or more	0.0%	0.0%
Sickness absence by gender:		
Men	0.4%	1.0%
Women	0.9%	1.8%
Sickness absence by age group:		
29 years or younger	0.0%	1.9%
30-49 years	0.5%	1.0%
50 years or older	1.1%	1.5%

Remuneration and benefits of senior executives

Remuneration principles

Director fees are paid in accordance with a resolution passed by the Annual General Meeting, which also passes a resolution on guidelines for the remuneration and benefits of senior executives. These guidelines are presented in the Administration Report on page 16. The Board has authorised the Chairman to reach agreement with the President regarding salary and other benefits. The remuneration and benefits of senior executives who report directly to the President are determined by the President after consultation with the Chairman and/or the Board's Remuneration Committee. The main principle is to offer senior executives a total remuneration package and terms of employment that are market-based. When determining the actual levels of remuneration, facts such as competence, experience and performance are taken into account. Remuneration to senior executives consists of basic salary, a variable salary, in certain cases pension in the form of defined-contribution schemes, other customary benefits and a long-term incentive scheme in the form of employee stock options to all employees in the Group. Other benefits may include company car and health care insurance.

Remuneration and benefits

Fees to directors of the Parent Company are payable as follows: During the 2009/2010 assignment period (until the Annual General Meeting on 23 April 2010), director fees amounted to SEK 1,250 thousand total divided by SEK 450 thousand to the Chairman and SEK 200 thousand to other members. During the 2010/2011 assignment period (until the Annual General Meeting on 4 May 2011), director fees amounted to SEK 1,050 thousand total divided by SEK 450 thousand to the Chairman and SEK 200 thousand to other members (total 4 members of the Board). The fees were expensed during the assignment periods. No other remuneration, apart from defrayal of outlays, was paid to the Board. All pension plans in the Group are of the defined-contribution type.

Employee stock option scheme

The Annual General Meeting in 2007 adopted an employee stock option scheme including 30 million options with duration for four years until 30 June 2011. The 2008 Annual General Meeting complemented this with a scheme including 20 million options with duration for four years until 30 June 2012. All employees in the Group have been allotted options from these programs. Employee options vest over three years based on continued employment. There are no other prerequisites. During 2010, costs of SEK 0.4 M (1.6) relating to the value of the employee stock options affected consolidated profit, partly in the form of a booking against equity relating to the two schemes.

Regarding allotment of the options, the employees were divided into categories and the Board decided on allotment of a varying number of stock options to these categories based on the possibility to contribute. The employee stock options are allotted free of charge. The strike price is determined based on 110 percent of the market price of the share during ten trading days after the Annual General Meeting.

For information about senior executives' holdings of shares and stock options, see page 54.

Summary of share value based incentive programs for employees

	Stock options	
Program	**2007**	**2008**
Initial number of options issued	30,000,000	20,000,000
Warrants:		
Employees in:	*Sweden, USA*	-
Initial number of employees	47	-
Initial number of options sold	17,200,000	-
Employee options:		
Employees in:	*France, Israel*	*all of Pricer*
Initial number of employees	33	60
Initial number of options granted	9,800,000	17,200,000
Total initial number of warrants and options	27,000,000	17,200,000
Expiration date	June 30, 2011	June 30, 2012
Exercise price, SEK	0.58	0.74
Type of shares	B	B

Number of employee options		
Outstanding (granted) options Jan. 1, 2010	29,033,334	14,200,000
Granted 1)	-	1,400,000
Exercised	-	-
Returned, not vested	-133,334	-1,000,000
Outstanding Dec. 31, 2010	**28,900,000**	**14,600,000**
-of which vested	28,900,000	9,733,333
-of which exercisable	20,350,000	6,044,445
Remaining exercise period months	6	18

1) To new employees from earlier unallocated options

Outstanding (granted) options Jan. 1, 2009	30,083,334	15,600,000
Granted	-	-
Exercised	-	-
Returned, not vested	-1,050,000	-1,400,000
Outstanding Dec. 31, 2009	**29,033,334**	**14,200,000**
-of which vested	19,355,556	4,733,333
-of which exercisable	19,616,667	2,700,000
Remaining exercise period, months	18	30

Loans to senior executives and other related-party transactions

No loans, guaranties or sureties have been issued on behalf of members of the Board or senior executives in the Group. Nor are there any past or present business transactions between the company and members of its Board, management or Auditors that have a material effect on consolidate profit or financial position other than the conversion of loans in June 2010.

Note 4 Employees and personnel costs (cont'd)

Reimbursements and other benefits to the group management

	Basic salary	Variable remunerations	Expenses for share options	Other benefits **	Pension	Total 2010	Total 2009
Fredrik Berglund (CEO)*	1,074	729	113	30	124	2,070	-
Charles Jackson (pre CEO) ***	5,229	-143	55	-	-	5,141	2,621
Other members of the group management (5 pers)	4,742	1,940	185	125	762	7,754	8,984
Total	**11,045**	**2,526**	**353**	**155**	**886**	**14,965**	**11,605**

* Entered his duties on 24 August, 2010

** Other benefits represent mainly car benefits

*** Basic salary including severance

For the President Fredrik Berglund remuneration appears above. The variable remuneration is linked to the performance of the company during the year. During 2010, the variable salary was based on Group sales and operating profit. The notice period for the President is twelve months when notice is given by the employer and six months when notice is given by the employee.

For remuneration to other senior executives reference is made to table above. For other senior executives, the variable salary for 2010 was based on Group sales, operating profit and cash flow as well as on individual targets. Variable salary is individual and varied in 2010 from 20 to 60 percent of basic salary. The notice period for other senior executives varies and does not in any case exceed 12 months. Senior executives are not entitled to severance pay.

Note 5 Fees to auditors

	G 2010	G 2009	PC 2010	PC 2009
Fees to KPMG				
Auditing assignment	573	545	573	545
Auditing services beyond the assignment	225	257	225	257
Tax advice	102	107	102	107
Non-auditing services	178	10	178	10
Fees to Michel Bohdanowicz, France				
Auditing assignment	200	191	-	-
Non-auditing services	57	-	-	-
Fees to Dunsky Knobel Beltzer & Co/Ernst & Young, Israel				
Auditing assignment	29	92	-	-
Non-auditing services	158	69	-	-
Total	**1,522**	**1,271**	**1,078**	**919**

Audit assignment means the examination of the annual report and accounts and the Board of Director's and President's administration, other duties that are incumbent on the company's accountant to perform and advise or other forms of representation precipitated by observations made during such an examination or in the performance of such other duties.

Note 6 Operation expenses allocated by cost type

	G 2010	G 2009
Cost of goods sold	283,388	200,266
Personnel costs	55,950	58,633
Amortisation/depreciation	9,993	9,877
Other operating expenses	37,057	33,383
Total	**386,388**	**302,159**

The cost of goods sold includes exchange-rate losses of 822 (loss: 2,243).

Note 7 Net financial items

Group

	2010	2009
Interest income	182	242
Financial income	**182**	**242**
Interest expenses	-1,242	-3,734
Costs of convertible loan	-	-533
Other costs	-36	-115
Net exchange-rate change	-5,155	-3,659
Financial expenses	**-6,433**	**-8,041**
Net financial items	**-6,251**	**-7,799**

Parent Company

Result from participations in Group companies	2010	2009
Impairment loss on Pricer E.S.L. Israel Ltd	-17,492	-
Repayment of conditional shareholders' contributions	4,163	9,318
Total	**-13,329**	**9,318**

Interest income and similar profit/loss items	2010	2009
Interest income	163	242
Interest income, Group companies	730	1,067
Total	**893**	**1,309**

Interest expenses and similar profit/loss items	2010	2009
Interest expenses	-1,228	-3,734
Cost of convertible loan	-	-533
Net exchange-rate change	-4,996	-3,634
Total	**-6,224**	**-7,901**

Exchange-rate changes refer primarily to loan receivables from Group companies.

Note 8 Income tax

	G 2010	G 2009	PC 2010	PC 2009
Current tax	-372	-	-372	-
Deferred tax	2,032	2,524	-	-
Total	**1,660**	**2,524**	**-372**	**-**

Reconciliation of effective tax

	Percent	2010	Percent	2009
Group				
Profit before tax		54,528		17,353
Tax according to applicable tax rate for the Parent Company	26.3	-14,341	26.3	-4,564
Effect of applicable tax rates for foreign subsidiaries	-2	-846	-1	-93
Non-deductible expenses	-1	-297	-2	-293
Non-taxable income	2	1,161	15	2,572
Non-recorded deferred tax on temporary differences	-5	-2,963	-	-
Utilisation of uncapitalised loss carry-forwards	35	18,946	28	4,902
Reported effective tax	**3**	**1,660**	**15**	**2,524**

	Percent	2010	Percent	2009
Parent Company				
Profit before tax		27,906		24,553
Tax according to applicable tax rate for the Parent Company	26.3	-7,339	26.3	-6,457
Non-deductible expenses	-17	-4,633	0	-66
Non-taxable income	4	1,095	10	2,451
Non-recorded deferred tax on temporary differences	-11	-2,963	-	-
Utilisation of uncapitalised loss carry-forwards	48	13,468	17	4,072
Reported effective tax	**-1**	**-372**	**0**	**0**

Deferred tax assets/-liabilities recorded in statement of financial position are attributable to:

	G 2010	G 2009	PC 2010	PC 2009
Deferred tax assets				
Inventory	1,943	2,015	-	-
Tax loss carry-forwards	39,450	39,450	39,450	39,450
Total	**41,393**	**41,465**	**39,450**	**39,450**
Deferred tax liabilities				
Intangible assets	-1,315	-3,419	-	-
Total	**-1,315**	**-3,419**	**-**	**-**

Changes in temporary differences during the year recorded in the result of the year are attributable to:

Group	Opening balance	Recorded in the result	Other changes	Closing balance
Intangible assets	-3,419	2,104	-	-1,315
Inventory	2,015	-72	-	1,943
Tax loss carry-forwards	39,450	-	-	39,450
Total	**38,046**	**2,032**	**-**	**40,078**

Parent Company	Opening balance	Recorded in the result	Other changes	Closing balance
Tax loss carry-forwards	39,450	-	-	39,450
Total	**39,450**	-	-	**39,450**

Unrecognised deferred taxes

Temporary differences and tax loss carried-forwards where no deferred taxes have been accounted for in the financial statements:

	G 2010	K 2009	PC 2010	M 2009
Temporary differences	2,963	-	2,963	-

	G 2010	G 2009	PC 2010	PC 2009
Tax loss carry-forwards	1,181,820	1,256,519	763,439	815,689

The tax loss carry-forwards relate primarily to the Parent Company. The tax loss carry-forwards in Pricer Inc is subject to time limits of 15 and 20 years. In 2008 SEK 150,000 thousand was utilised to capitalisetax loss carry-forwards.

Note 9 Intangible assets

Patents and licenses	G 2010	G 2009	PC 2010	PC 2009
Accumulated acquisition value				
Opening balance	35,568	35,881	31,933	31,933
Purchases during the year	26	32	-	-
Exchange-rate difference	-227	-345	-	-
Closing balance	*35,367*	*35,568*	*31,933*	*31,933*
Accumulated amortisation				
Opening balance	-35,539	-35,833	-31,915	-31,907
The year's amortisation	-37	-50	-8	-8
Exchange-rate difference	228	344	-	-
Closing balance	*-35,348*	*-35,539*	*-31,923*	*-31,915*
Carrying value patents and licenses	**19**	**29**	**10**	**18**

Industrial rights	G 2010	G 2009
Accumulated acquisition value		
Opening balance	13,307	14,303
Exchange-rate difference	-756	-996
Closing balance	*12,551*	*13,307*
Accumulated amortisation		
Opening balance	-13,307	-14,303
Exchange-rate difference	756	996
Closing balance	*-12,551*	*-13,307*
Carrying value industrial rights	**0**	**0**

Marketing rights	G 2010	G 2009
Accumulated acquisition value		
Opening balance	207,656	223,202
Exchange-rate difference	-11,805	-15,546
Closing balance	*195,851*	*207,656*
Accumulated amortisation		
Opening balance	-50,863	-54,671
Exchange-rate difference	2,892	3,808
Closing balance	*-47,971*	*-50,863*
Accumulated impairment losses		
Opening balance	-156,793	-168,531
Exchange-rate difference	8,913	11,738
Closing balance	*-147,880*	*-156,793*
Carrying value marketing rights	**0**	**0**

Development projects	G 2010	G 2009	PC 2010	PC 2009
Accumulated acquisition value				
Opening balance	8,053	846	8,053	846
Purchases during the year	10,080	7,207	10,080	7,207
Closing balance	*18,133*	*8,053*	*18,133*	*8,053*
Accumulated amortisation and write off				
Opening balance	-	-	-	-
This year's amortisation	-1,215	-	-1,215	-
Closing balance	*-1,215*	*-*	*-1,215*	*-*
Carrying value development projects	**16,918**	**8,053**	**16,918**	**8,053**

Of capitalised development projects in 2010 SEK 1.7 M (0.8) is from acquired intangible assets.

Note 9 Intangible assets (cont'd)

Customer relationships	G 2010	G 2009
Accumulated acquisition value		
Opening balance	30,000	30,000
Closing balance	*30,000*	*30,000*
Accumulated amortisation		
Opening balance	-20,250	-14,250
The year's amortisation	-6,000	-6,000
Closing balance	*-26,250*	*-20,250*
Carrying value customer relationships	**3,750**	**9,750**

The fixed asset refers to identified assets in the form of customer relationships in the during 2006 acquired company Pricer E.S.L. Israel Ltd. This asset is amortised on a straight-line basis over a period of five years.

Product technology	G 2010	G 2009
Accumulated acquisition value		
Opening balance	10,000	10,000
Closing balance	*10,000*	*10,000*
Accumulated amortisation		
Opening balance	-6,750	-4,750
The year's amortisation	-2,000	-2,000
Closing balance	*-8,750*	*-6,750*
Carrying value product technology	**1,250**	**3,250**

The fixed asset refers to identified assets in the form of product technology in the during 2006 acquired company Pricer E.S.L. Israel Ltd. This asset is amortised on a straight-line basis over a period of five years.

Goodwill	G 2010	G 2009
Accumulated acquisition value		
Opening balance	261,267	275,967
Exchange-rate difference	-34,094	-14,700
Carrying value goodwill	**227,173**	**261,267**

The fixed asset refers to the difference in the residual value of the purchase price and the acquired net assets resulting from the acquisition of Pricer E.S.L. Israel Ltd. Since the goodwill item is denominated in EUR, the appreciation of SEK has given rise to a negative exchange-rate difference.

Total intangible assets	G 2010	G 2009	PC 2010	PC 2009
Accumulated acquisition value				
Opening balance	565,851	590,199	39,986	32,779
Purchases during the year	10,106	7,239	10,080	7,207
Exchange-rate difference	-46,882	-31,587	-	-
Closing balance	*529,075*	*565,851*	*50,066*	*39,986*
Accumulated amortisation				
Opening balance	-283,502	-292,338	-31,915	-31,907
The year's amortisation	-9,252	-8,050	-1,223	-8
Exchange-rate difference	12,789	16,886	-	-
Closing balance	*-279,965*	*-283,502*	*-33,138*	*-31,915*
Carrying value total intangible assets	**249,110**	**282,349**	**16,928**	**8,071**

Distribution of amortisation. Recognised on the following lines in the statement of consolidated comprehensive income	G 2010	G 2009	PC 2010	PC 2009
Selling expenses	6,029	6,042	-	-
Administration costs	8	8	8	8
Research and development costs	3,215	2,000	1,215	-
Total	**9,252**	**8,050**	**1,223**	**8**

Note 9 Intangible assets (cont'd)

Impairment testing of goodwill

Pricer's assets include goodwill of SEK 227 M (261) arising from the acquisition of Eldat in 2006. The goodwill item is accounted for in euro which leads to that it is affected by currency revaluations. The goodwill item has been impairment tested by discounting future cash flows, whereby the value in use was estimated in the following way:

The acquisition of Eldat gave Pricer a clear position of market leadership in the ESL industry. The value of the goodwill item is based on the expected cash flow from Pricer as a whole, since Eldat's business has been totally integrated into Pricer's operations. Eldat is not an autonomous cash-generating unit within the Pricer Group, as one of the reasons for the acquisition was for Eldat's business to become fully integrated with Pricer's operations. The common customer base represents an asset for the Group as a whole.

A multi-year forecast was prepared in connection with the acquisition, and this is updated regularly. The forecast is based on a continuation of the positive business development on the market for Pricer's products with significant growth in sales. After the initial five years an eternal growth of 2 percent (2) is assumed. The margin has improved, as a result of lower product costs resulting from development and economies of scale. On the whole, this entails that the gross contribution in the forecast is expected to increase. Gross profit exceeds Pricer's operating expenses. Even if expansion requires more resources, it is expected that costs, which mainly comprise personnel-related costs, will be contained so that they increase at a slower pace than gross profit.

Some of the cash flow generated by the business will be ploughed back in a higher working capital. However, the turnover rate for working capital is relatively high and historically represents about 40 percent of annual sales. Together cash flow from operating activities is expected to show a positive trend.

Pricer's investments in plant, apart from any acquisitions of intangible assets, are limited, largely because manufacturing is outsourced to external suppliers.

The cash flow thus projected for the coming five years and the residual at the end of year five has been discounted using an estimated interest rate to arrive at an estimated value in use. This interest rate amounts to 11 percent (11) before tax. The terminal value amounts to 75 percent (81) of the total calculated residual value. The thus arrived at value in use does not give rise to an impairment loss. The residual value is also compared to the value of the company at the stock market.

Note 10 Tangible fixed assets

Leasehold improvements	G 2010	G 2009	PC 2010	PC 2009
Accumulated acquisition value				
Opening balance	1,327	1,327	1,327	1,327
Sales and disposals	-	-	-	-
Exchange-rate difference	-	-	-	-
Closing balance	*1,327*	*1,327*	*1,327*	*1,327*
Accumulated depreciation				
Opening balance	-1,217	-1,124	-1,217	-1,124
The year's depreciation	-94	-93	-94	-93
Sales and disposals	-	-	-	-
Exchange-rate difference	-	-	-	-
Closing balance	*-1,311*	*-1,217*	*-1,311*	*-1,217*
Carrying value leasehold improvements	**16**	**110**	**16**	**110**

Plant and machinery	G 2010	G 2009	PC 2010	PC 2009
Accumulated acquisition value				
Opening balance	13,199	19,325	12,246	18,425
Additions	897	709	514	599
Sales and disposals	-1,389	-6,778	-1,122	-6,778
Exchange-rate difference	-98	-57	-	-
Closing balance	*12,609*	*13,199*	*11,638*	*12,246*
Accumulated depreciation				
Opening balance	-12,080	-17,945	-11,514	-17,499
The year's depreciation	-636	-955	-454	-793
Sales and disposals	1,389	6,778	1,122	6,778
Exchange-rate difference	26	42	-	-
Closing balance	*-11,301*	*-12,080*	*-10,846*	*-11,514*
Carrying value plant and machinery	**1,308**	**1,119**	**792**	**732**

Equipment, tools, fixtures and fittings	G 2010	G 2009	PC 2010	PC 2009
Accumulated acquisition value				
Opening balance	7,603	10,124	4,490	7,033
Additions	997	403	450	43
Sales and disposals	-764	-2,724	-	-2,586
Exchange-rate difference	-415	-200	-	-
Closing balance	*7,421*	*7,603*	*4,940*	*4,490*
Accumulated depreciation				
Opening balance	-6,206	-7,976	-4,110	-6,029
The year's depreciation	-720	-779	-289	-352
Sales and disposals	626	2,409	-	2,271
Exchange-rate difference	315	140	-	-
Closing balance	*-5,985*	*-6,206*	*-4,399*	*-4,110*
Carrying value equipment, tools, fixtures and fittings	**1,436**	**1,397**	**541**	**380**

Note 10 Tangible fixed assets (cont'd)

Total tangible assets	G 2010	G 2009	PC 2010	PC 2009
Accumulated acquisition value				
Opening balance	22,129	30,776	18,063	26,785
Additions	1,894	1,112	964	642
Sales and disposals	-2,153	-9,502	-1,122	-9,364
Exchange-rate difference	-513	-257	-	-
Closing balance	*21,357*	*22,129*	*17,905*	*18,063*
Accumulated depreciation				
Opening balance	-19,503	-27,045	-16,841	-24,652
The year's depreciation	-1,450	-1,827	-837	-1,238
Sales and disposals	2,015	9,187	1,122	9,049
Exchange-rate difference	341	182	-	-
Closing balance	*-18,597*	*-19,503*	*-16,556*	*-16,841*
Carrying value tangible assets	**2,760**	**2,626**	**1,349**	**1,222**

Distribution of amortisation. Recognised on the following lines in the statement of consolidated comprehensive income	G 2010	G 2009	PC 2010	PC 2009
Cost of goods sold	483	748	483	748
Selling expenses	640	643	27	54
Administrative expenses	210	262	210	262
Research and development costs	117	174	117	174
Total	**1,450**	**1,827**	**837**	**1,238**

Note 11 Receivables from group companies

	PC 2010	PC 2009
Accumulated acquisition value		
At beginning of year	100,418	132,611
Loans granted during the year	7,881	-25,887
Exchange-rate differences	-14,073	-6,306
Closing balance, 31 December	*94,226*	*100,418*
Accumulated impairment losses		
At beginning of year	-1,610	-1,731
The year's impairment losses/exchange-rate changes	93	121
Closing balance, 31 December	*-1,517*	*-1,610*
Carrying value	**92,709**	**98,808**

The above receivables consist of loans to subsidiaries. Interest is charged according to LIBOR rates.

Note 12 Other receivables

	G 2010	G 2009	PC 2010	PC 2009
VAT recoverable	9,662	6,171	9,288	5,377
Preliminary tax	762	-	762	-
Receivables from employees	696	439	444	222
Other	1,499	1,443	255	776
Total	**12,619**	**8,053**	**10,749**	**6,375**

Note 13 Inventories

	G 2010	G 2009	PC 2010	PC 2009
Finished goods and goods for resale	77,954	57,538	52,295	35,330
Total	**77,954**	**57,538**	**52,295**	**35,330**

The cost of goods sold includes changes in the provision for obsolescence of SEK neg. 898 (neg. 880). The Parent Company's accounts include changes to the provision for obsolescence of neg. 1,270 (501).

Note 14 Accounts receivable

Accounts receivable are stated after provision for bad debts, which amounted during the year to 2,617 (2,520) for the Group and 0 (1,857) for the Parent Company. During 2010 2 468 (335) of provisions from previous year were recovered. At the end of 2010, total reserve for possible bad debts amounted to 2,476 (2,520) for the Group and 0 (1,857) for the Parent Company.

Note 15 Prepaid expenses and accrued income

	G 2010	G 2009	PC 2010	PC 2009
Rents	836	900	467	462
Prepaid insurance premiums	745	473	736	462
Product-related expenses	423	424	-	-
Prepayments for fixed assets	947	947	947	947
Other	1,369	431	336	395
Total	**4,320**	**3,175**	**2,486**	**2,266**

Note 16 Equity

Issued and outstanding shares

Stated in number of shares	Series A	Series B	Total
In the beginning and at the end of 2009	2,260,817	1,013,871,383	1,016,132,200
Change from A to B	-1,100	1,100	0
Conversion		39,385,963	39,385,963
At the end of the year 2010	2,259,717	1,053,257,346	1,055,518,163
Number of votes per share	5	1	
Total number of votes	11,298,585	1,053,258,446	1,064,557,031

The registered share capital at 31 December amounted to 1,055,518,163 ordinary shares with a quotient value of SEK 0.10. Holders of ordinary shares are entitled to dividend determined during the following year, and a shareholder confers the above voting rights at general shareholders meetings.

In April 2007 convertible debenture loans were issued, part of which were repaid in 2008 and 2009. The remaining part of the debenture loans, which amounts to SEK 22,45 million was in June 2010 converted to 39 million shares.

Consolidated
Other contributed capital

Pertains to equity contributed by the shareholders. Starting on 1 January 2006 and thereafter, allocations to the share premium reserve are also recognised as contributed capital.

Translation reserve

The translation reserve consists of all exchange-rate differences arising on translation of the financial statements of foreign operations that present their financial statements in a currency other than that in which the consolidated financial statements are presented. The currency in which the Parent Company and the Group present their financial statements is Swedish kronor (SEK).

Accumulated profits

Accumulated profits include profit for the year and earlier years accumulated profits.

Dividend

The Board of Directors will for the first time propose a dividend for 2010, of SEK 0.02 per share, and at the same time a new dividend policy has been adopted:

The Board's long-term intention is to give shareholders a dividend that reflects both reasonable yield and dividend growth, and to implement a policy where the dividend rate is adjusted to Pricer's earnings, financial position and other factors deemed relevant. The annual dividend should long-term be equivalent to 30-50 percent of net income.

Parent Company
Restricted reserves

Statutory reserve

The statutory reserve consists of amounts that were transferred to the share premium reserve prior to 1 January 2006.

Non-restricted equity

Share premium reserve

When new shares are issued at a premium, meaning that the price to be paid for a share exceeds the previous quotient value of the share, an amount corresponding to the amount received in excess of the share's quotient value is transferred to the share premium reserve. Amounts transferred to the share premium reserve prior to 1 January 2006 are included in non-restricted equity.

Translation reserve

This item contains currency differences on monetary items being part of a net investment in foreign subsidiaries.

Accumulated results

This item includes accumulated earnings and profit of the year.

Note 17 Earnings per share

Earnings per share

	Before dilution		After dilution	
SEK	2010	2009	2010	2009
Earnings per share	0.05	0.02	0.05	0.02

Determination of the numerator and the denominator used in the above calculations of earnings per share specified below:

Basic earnings per share

Basic earnings per share are calculated based on the profit for the year attributable to owners of the parent of SEK 56,188 (19,877) and the basic weighted average number of shares outstanding, 1,035,825 (thousands).

Diluted earnings per share

Diluted earnings per share are calculated based on the profit for the year attributable to owners of the parent of SEK 56,188 (19,877) and the diluted weighted average number of shares outstanding. The dilutive effects arise from the stock options that are settled in shares.

The stock options have a dilutive effect when the average share price during the period exceeds the exercise price of the options. The dilutive effect increases in proportion to the increase in the difference between the average share price during the period and the exercise price of the options. The exercise price is adjusted by the value of future services related to the options when calculating the dilutive effect.

The diluted weighted average number of shares outstanding total 1,040,791 (thousands).

Outstanding stock options

Designation	Number	Year issued	Exercise price	Expiration
TO09	30 million	2007	0.58	30 June 2011
TO10	20 million	2008	0.74	30 June 2012

Potentially dilutive instruments

At year end the exercise price for the 2008 program exceeded the average share price and this program is, therefore, considered anti-dilutive and is not included in the calculation of diluted earnings per share. If the average share price exceeds the exercise price in the future, these options will be dilutive.

Note 18 Interest-bearing liabilities

Current liabilities	G 2010	G 2009	PC 2010	PC 2009
Convertible debenture loans	-	22,116	-	22,116
Total interest-bearing liabilities	**-**	**22,116**	**-**	**22,116**

Note 19 Provisions

Provisions that are long-term liabilities

	G 2010	G 2009	PC 2010	PC 2009
Warranty provisions	2,258	1,997	2,258	1,997

Provisions that are current liabilities

	G 2010	G 2009	PC 2010	PC 2009
Warranty provisions	9,593	16,363	8,945	14,386

Warranty provisions	G 2010	G 2009	PC 2010	PC 2009
Opening balance	18,360	23,559	16,383	19,732
Provisions	3,705	4,509	3,705	2,532
Utilised during the year	-6,614	-9,708	-5,285	-5,881
Reversed during the year	-3,600	-	-3,600	-
Closing balance	**15,451**	**18,360**	**14,803**	**16,383**

Warranty provisions pertain primarily to certain commitments regarding products sold in prior years, as well as sales in 2010. The provision is based on calculations conducted on the basis of outcomes during 2010 and prior years.

Note 20 Other liabilities

	G 2010	G 2009	PC 2010	PC 2009
Employee withholding tax	477	414	477	392
VAT payable	3,142	3,468	-	-
Other taxes and charges	2,486	3,074	443	382
Derivatives (forward contracts)	7,917	2,621	7,917	2,621
Liabilities to employees	-	72	-	-
Other liabilities	4,868	1,909	5	-
Total	**18,890**	**11,558**	**8,842**	**3,395**

Note 21 Accrued expenses and deferred income

	G 2010	G 2009	PC 2010	PC 2009
Accrued vacation pay	2,618	2,623	1,052	1,044
Accrued salaries	7,955	3,247	3,798	491
Social security contri-butions	434	2,092	332	470
Severance pay	1,079	466	-	466
Accrued interest	-	489	-	489
Accrued service ex-penses	1,125	1,946	-	-
Accrued commissions	547	-	547	-
Other accrued expenses	2,778	3,157	2,487	1,805
Total	**16,536**	**14,020**	**8,216**	**4,765**

Note 22 Financial risks and finance policies

Pricer's financial assets consist primarily of accounts receivable and cash in bank. Financial liabilities include mainly accounts payable, other liabilities, accrued expenses and derivatives (currency hedging contracts).

Financial risk management in the Pricer Group
Given the nature of its business, the Group is exposed to various types of financial risk, by which is meant fluctuations in the company's earnings and cash flow caused by changes in exchange rates and interest rates, as well as refinancing and credit risks.

Risks are managed by adhering to a risk policy adopted by the Board with the purpose of limiting and controlling them. The policy establishes a framework of guidelines and rules in the form of risk mandates and limits for financial activities. The Group's financial transactions are executed centrally by the Parent Company. The Parent Company's finance department has responsibility for the Group's cash management and ensures that any cash requirements of the subsidiaries are satisfied. The overriding goal of the finance department is to arrange cost-effective financing and to minimise any negative effects of market fluctuations on consolidated earnings resulting from market fluctuations.

Currency risk
The Group is exposed to various types of currency risk. The main exposure relates to purchases and sales in foreign currencies, where the risk can consist of the effect of currency fluctuations on the value of financial instruments, accounts receivable and payable, as well as the currency risk resulting from expected or contracted payment flows (designated transaction exposure). Currency risks also arise in connection with the translation of foreign subsidiaries' assets and liabilities into the Parent Company's functional currency, known as translation exposure. The company has not hedged its translation exposure in foreign currency.

Pricer's policy is to limit its transaction exposure by matching flows in foreign currencies by denominating customer contracts in USD, using currency clauses in quotations and contracts and entering into forward contracts to hedge the flows. The company's policy stipulates that 50-75 percent of the Group's estimated monthly net flows for the period for which reliable forecasts can be made shall be hedged. In 2010, Pricer's main payment flows were denominated in USD, EUR and MXN (Mexican pesos). Pricer's closing order books were denominated in EUR and USD as sales are invoiced in these currencies, predominantly in EUR. Purchases of components and finished products are mainly invoiced in USD. Since this means that the Group has a net inflow in EUR and a net outflow in USD, Pricer has decided to hedge some of these flows by selling EUR and buying USD forward. Furthermore, inflow in MXN is also hedged against SEK. The forward contracts are valued according to level 2, meaning to market value at each balance sheet date.

Exchange-rate differences on operational receivables and liabilities are recognised in operating profit. Exchange-rate differences are recognised net in cost of goods sold and are explained in Note 6. Exchange-rate differences that affected net financial items are explained in Note 7.

Currency movements continued to be significant also in 2010 and the SEK strengthened throughout the year. The average rate for EUR weakened by over 1 SEK, 10 percent, and the USD weakened by slightly less than 0.50 SEK being equivalent to 6 percent as compared to average rates during 2009. The EUR/USD rate weakened during the first part of the year and strengthened somewhat during the fall. Realised and unrealised valuation effects of the currency hedging contracts had a total positive effect on the result during the year amounting to SEK 2.6 M as compared to SEK -2.4 M during the full year 2009.

% of sales and costs by currency:	USD	EUR	SEK and other currencies
Sales	23 (26)%	69 (67)%	8 (7)%
Costs	66 (71)%	18 (13)%	16 (16)%

To ensure efficiency and risk control, Pricer's subsidiaries raise their new loans via the Parent Company. Unsettled internal liabilities to suppliers are converted after 30 days into a loan from the Parent Company paying interest at Libor 30 days.

Pricer's net foreign currency assets at the end of 2010 amounted to SEK 473.0 M (416.8).

Note 22 Financial risks and finance policies (cont'd)

Embedded derivatives
Pricer has contracts with both supplies and customers in currencies other than the counterparty's own functional currency, e.g. in USD for purchases in China and in USD for sales to Japan. Such transactions give rise to what is known as an embedded derivative. The effect of these imbedded derivatives has been limited in 2010 and is not accounted for in the result.

Interest risk
Interest risk is the risk that changes in market interest rates will have a negative impact on cash flow or the fair value of financial assets and liabilities. At present, Pricer has no assets earning fixed rates of interest, since its liquid funds are placed on deposit at banks. Accordingly, any change in interest rates will have a direct impact on consolidated earnings. The Group had cash and cash equivalents of SEK 69.9 M (102.8) at the year-end. A one percentage point change in interest rates would affect net financial items by SEK 1 M on an annual basis.

In April 2007 Pricer raised convertible loans of SEK 74.9 M which were partly repaid. The remaining SEK 22.45 M carried 8 percent fixed yearly interest (excluding IFRS-adjustment) and was converted to shares in June 2010. In accordance with IFRS a part of the loans was recognised as equity and adjustments were made continuously to the interest expense during the term of the loans.

Credit risk
The credit risk is the risk that a counterparty to a transaction will fail to fulfil his financial obligations, and that collateral, if any, does not cover the company's receivable. Pricer's sales go to numerous customers that are widely diversified geographically.

The Group obtains credit ratings of its customers by obtaining information about their financial position from credit rating agencies. The Group has an established credit policy to regulate the granting of credit to customers. The policy describes how credits shall be valued, how uncertain debts are to be dealt with, and sets decision levels for various credit limits.

Concentration of credit risk		% of number of customers	% of portfolio
Exposure < SEK 1 M	46	70%	5%
Exposure SEK 1-5 M	10	15%	14%
Exposure > SEK 5 M	10	15%	81%
Total	**66**	**100%**	**100%**

Pricer has known its customers for many years, and they are relatively large or very large retailers or retail chains whose bad debts have tended historically to be low.

Time analysis of accounts receivable	2010		2009	
Overdue but not written off	Overdue payments	Total exposure	Overdue payments	Total exposure
< 60 dagar	45,493		22,094	
> 60 dagar	16,052		15,135	
Total	**61,545**	**183,982**	**37,229**	**117,152**

Time analysis of accounts receivable	2010	2009
Overdue and written off	Overdue payments	Overdue payments
<60 days	-	1,857
>60 days	2,476	663
Total	**2,476**	**2,520**

Provision for possible bad debts	2010	2009
Opening provisions	**2,520**	**335**
Provisions for possible bad debts	1,813	2,520
Proven bad debts	-	-
Recovery from provision for possible bad debts	-1,857	-335
Closing provision	**2,476**	**2,520**

Refinancing risk
The refinancing risk consists of the risk of not being able to meet future financing requirements. To ensure access to funds, Pricer's policy states that over and above budgeted capital requirements the company should, if possible, also have committed lines of credit of at least SEK 50 M. Bank facilities amounting to SEK 50 M, in the form of an overdraft of SEK 25 M and a promissory credit of SEK 25 M, are in place to ensure access to funds for Pricer's continued development. The promissory credit includes covenants linked to the Group result.

Financial risks
Pricer's finance policy regulates the handling of the financial credit risks that arise in the financial management, for example in connection with the placement of cash and cash equivalents and trading in derivatives. Transactions are only executed within established limits and with selected creditworthy counterparties. The policy for interest-rate and credit risks is to aim to have a low risk profile. Temporary surplus cash and cash equivalents may only be invested in instruments issued by institutions with the highest rating and with established banking connections.

Eligible conterparties	Maximum permitted exposure	Actual exposure	Percentage breakdown
Sovereign borrowers / Kingdom of Sweden	Unlimited	-	-
Banks	SEK 100 M	70	100%
Swedish local government authorities with K-1	SEK 10 M	-	-
Bonds issued by Swedish mortgage finance institutions	SEK 10 M	-	-
Corporate paper with K-1	SEK 10 M	-	-
Total exposure		**70**	**100%**

Capital management
The company's goal is to have an efficient capital structure with regard to operational and financial risks that pave the way for the long-term development of the company whilst at the same time ensuring that the shareholders receive a satisfactory return.

Fair value of financial instruments
Fair value and reported value in the statement of consolidated financial position (see opposite page 43).

In below table information is provided on how fair value is determined for financial instruments valued at fair value in the statement of financial position. Allocation on how fair value is assessed is determined based on following three levels:

Level 1: According to prices noted in an active market for the same instrument

Level 2: Based directly or indirectly on noted marketdata not included in level 1

Level 3: Based on data not noted in the market

SEK '000	Level 1	Level 2	Level 3	Dec. 31 2010
Forward currency contracts	-	-7,917	-	-7,917
Financial liabilities	**-**	**-7,917**	**-**	**-7,917**

SEK '000	Level 1	Level 2	Level 3	Dec. 31 2009
Forward currency contracts	-	-2,621	-	-2,621
Financial liabilities	**-**	**-2,621**	**-**	**-2,621**

Note 22 Financial risks and finance policies (cont'd)

Financial instruments – fair value

	Financial assets at fair value through profit and loss	Financial assets available for sale	Loan assets and accounts receivable valued at accrued acquisition value	Financial liabilites at fair value through profit and loss	Financial liabilities valued at accrued acquisition value	Carrying value	Fair value
Group 2010							
Accounts receivable			183,982			183,982	183,982
Other receivables			12,619			12,619	12,619
Cas and cash equivalents			69,867			69,867	69,867
Derivatives				-7,917		-7,917	-7,917
Accounts payable					-43,075	-43,075	-43,075
Other liabilities					-10,973	-10,973	-10,973
Accrued expenses					-16,536	-16,536	-16,536
Total financial assets and liabilities per category	**-**	**-**	**266,468**	**-7,917**	**-70,584**	**187,967**	**187,967**
Group 2009							
Accounts receivable			117,152			117,152	117,152
Other receivables			8,053			8,053	8,053
Cas and cash equivalents			102,843			102,843	102,843
Derivatives				-2,621		-2,621	-2,621
Accounts payable					-26,655	-26,655	-26,655
Other liabilities					-31,053	-31,053	-31,053
Accrued expenses					-14,020	-14,020	-14,020
Total financial assets and liabilities per category	**-**	**-**	**228,048**	**-2,621**	**-71,728**	**153,699**	**153,699**
Parent Company 2010							
Accounts receivable			45,791			45,791	45,791
Receivables subsidiaries			158,066			158,066	158,066
Other receivables			10,749			10,749	10,749
Cas and cash equivalents			49,144			49,144	49,144
Derivatives				-7,917		-7,917	-7,917
Accounts payable					-27,814	-27,814	-27,814
Liabilities subsidiaries					-9,009	-9,009	-9,009
Other liabilities					-925	-925	-925
Accrued expenses					-11,579	-11,579	-11,579
Total financial assets and liabilities per category	**-**	**-**	**263,750**	**-7,917**	**-49,327**	**206,506**	**206,506**
Parent Company 2009							
Accounts receivable			27,483			27,483	27,483
Receivables subsidiaries			122,905			122,905	122,905
Other receivables			6,375			6,375	6,375
Cas and cash equivalents			91,039			91,039	91,039
Derivatives				-2,621		-2,621	-2,621
Accounts payable					-17,133	-17,133	-17,133
Liabilites subsidiaries					-14,440	-14,440	-14,440
Other liabilities					-22,890	-22,890	-22,890
Accrued expenses					-4,765	-4,765	-4,765
Total financial assets and liabilities per category	**-**	**-**	**247,802**	**-2,621**	**-59,228**	**185,953**	**185,953**

Note 23 Operating leases

Non-cancellable lease payments amount to:

	G 2010	G 2009	PC 2010	PC 2009
Within one year	3,829	3,748	2,515	1,936
Between one and five years	7,861	8,926	4,989	6,638

The Group has some small operational leasing contracts for vehicles and other technical equipment. All contracts are on normal market conditions. The Group's contracts for rented premises were entered into on market conditions. Most of the Group's rental contracts relate to the Parent Company's premises, which are rented until 31 July 2015, and office premises for the Group's French company, Pricer SAS. The contract on these premises runs until beyond 2014.

The consolidated accounts for 2010 include a cost of 3,496 (5,105) in respect of operational leasing. Payments are minimum payments and not variable.

Note 24 Pledged assets and contingent liabilities

Assets pledged	G 2010	G 2009	PC 2010	PC 2009
To secure own liabilities and provisions				
Floating charges	34,625	37,655	34,625	34,625
Pledged shares in subsidiaries	-	115,012	-	17,455
Bank deposits	1,005	1,288	222	222
Total	**35,630**	**153,955**	**34,847**	**52,302**

Contingent liabilities	G 2010	G 2009	PC 2010	PC 2009
Bank guarantees	1,005	1,288	222	222
Total	**1,005**	**1,288**	**222**	**222**

Floating charges (chattel mortgages) are a type of general collateral in the form of an undertaking to the bank. Pledged assets have reduced in 2010 when debentures have been converted to shares and pledges returned. In the Parent Company, the item bank guarantees refers to guarantees to customs authorities. In the case of subsidiaries, guarantees are issued to tax and customs authorities and to landlords. Blocked funds in the companies' bank accounts are available for the guarantees.

Note 25 Related party transactions

The Parent Company has a related party relationship with its subsidiaries, see Note 26.

Summary of related party transactions

	Year	Sales of goods and services to related party	Purchase of services from related party	Interest income	Liability to related party at 31 December	Receivable from related party at 31 December
Subsidiaries	2010	238,256	7,026	730	9,009	158,066
Subsidiaries	2009	147,783	7,275	1,067	14,440	122,905

Transaction with key management personnel

Individuals in senior positions receive no benefits other than Board fees and salary. See also Note 4 Employees and personnel costs. There have been no significant transactions with related parties that have a material impact on the financial standing and results of Pricer other than conversion of loan in June 2010.

Note 26 Group companies

Participations in Group companies	PC 2010	PC 2009
Accumulated acquisition value		
Opening balance	1,092,784	1,100,817
Adjustment shareholder contribution Pricer Inc 2008	-	-9,030
Shareholder contribution, Pricer Inc.	-41	445
Shareholder contribution, Pricer SAS	135	109
Shareholder contribution, Pricer E.S.L. Isreal Ltd.	36	443
	1,092,914	*1,092,784*
Accumulated impairment losses		
Opening balance	-891,798	-891,798
Impairment loss on Pricer E.S.L. Israel Ltd.	-17,492	-
Total accumulated impairment losses	-909,290	-891,798
Carrying value of participations in Group companies	**183,624**	**200,986**

Note 26 Group companies (cont'd)

Specification of Parent company shareholdings and participations in Group companies:

Group company /Corp. ID. no./Domicile	Holding%	Number of shares/ partici- pations	Currency	Carrying amount at 31 Dec 2010	Carrying amount at 31 Dec 2009
Pricer Inc., (22-3215520) Dallas, USA	100	223 000	USD	9,061	9,102
Pricer SAS, (RCS 395 238 751) Paris, France	100	2 138	EUR	169,020	168,886
Pricer Communication AB, 556450-7563, Sollentuna, Sweden	100	100 000	SEK	4,980	4,980
Pricer Ishida Explorative Research (PIER) AB, 556454-7098, Sollentuna, Sweden	50	130	SEK	192	192
Pricer E.S.L. Israel Ltd (511838732 formerly Eldat Communication Ltd.), Tel Aviv, Israel	100	56 667 922	NIS	-	17,455
Dormant companies				371	371
Participations in Group companies				**183,624**	**200,986**

The Group consolidates its equity interest in PIER AB in the same way as of other subsidiaries, since it is entitled to formulate the subsidiaries' financial and operative strategies with the object of obtaining financial benefits.

Note 27 Cash flow statement

Cash and cash equivalents	G 2010	G 2009	PC 2010	PC 2009
Cash and cash equivalents include the following sub-components:				
Cash and cash equivalents	69,867	102,843	49,144	91,039
Total according to the statement of financial position	**69,867**	**102,843**	**49,144**	**91,039**
Total according to the statement of cash flow	**69,867**	**102,843**	**49,144**	**91,039**

Short-term investments have been classified as cash and cash equivalents according to the following criteria:
- they are associated with an insignificant risk for value fluctuations
- they are readily convertible into cash
- they have a maturity of less than three months from the date of acquisition

	G 2010	G 2009	PC 2010	PC 2009
Interest				
Interest received	182	242	163	242
Interest paid	-1,242	-3,734	-1,228	-3,734

Adjustments for non-cash items				
Amortisation/ depreciation	10,828	9,870	19,554	1,246
Interest-rate differences	334	871	334	871
Phased costs of employee stock options	402	1,609	270	981
Exchange-rate differences/translation differences	15,638	1,550	13,536	2,176
Change in provisions	247	-217	-5,180	-49
Total non-cash items	**27,449**	**13,683**	**28,514**	**5,225**

Note 28 Significant events after the close of the financial year

Pricer and Japanese Ishida agreed in February 2011 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. Additionally, Ishida will pay 50 percent more in unit royalties per installed graphic display. Furthermore, Pricer will waive the remaining SEK 13 M in license fees that Ishida was supposed to pay in the beginning of 2011.

Note 29 Critical estimates and assumptions

Estimates and assumptions that affect the Group's accounting policies have been made on the basis of known conditions at the date of publication of the Annual Report. Such estimates and assumptions may be revised as a result of changes in the business environment.

The areas where assumptions and estimates have a significant impact on Pricer are presented below. No separate audit committee has been established. Instead, the significant accounting policies and estimates, and the application of these policies and estimates, are dealt with by Board of Directors as a whole.

Exposure to foreign currencies
Fluctuations in foreign exchange rates can have a relatively major impact on the company in general. Note 22 provides a detailed analysis of exposure to foreign currencies and the risks associated with fluctuations in exchange rates.

Impairment testing of goodwill
A large proportion of the Group's assets consists of goodwill. Several estimates and assumptions have been made about future conditions as a basis for estimating the cash flow used to determine the recoverable amount. Based on the recoverable amount, the amount of any impairment is then calculated. The value of the goodwill item depends on continued growth in the ESL market and Pricer's ability to maintain profitability.

Note 30 Information about the Parent Company

Pricer AB is a Swedish-registered public limited company domiciled in Sollentuna, Sweden. The shares of the Parent Company are registered on NASDAQ OMX Stockholm, Small Cap. The address of the head office is Bergkällavägen 20-22, SE-192 79 Sollentuna, Sweden.

The Board and CEO declare that the annual report was prepared in accordance with generally accepted accounting principles in Sweden and the Group's financial statements were prepared in accordance with the international accounting standards referred to in the European Parliament's and Council's regulation (EG) No. 1606/2002 of 19 July 2002 concerning the application of international accounting standards. The annual report and the Group's financial statements provide a true and fair picture of the performance and financial position of the Parent Company and the Group. The administration report for the Parent Company and the Group provides a true and fair picture of the development of the operations, financial position and performance of the Group and the Parent Company and also describes material risks and uncertainties to which the Parent Company and the other companies in the Group are exposed.

The Annual Report and the consolidated financial statements, as presented above, were approved for publication on 30 March 2011. The income statement and balance sheet of the Parent Company and statement of consolidated comprehensive income and statement of consolidated financial position will be submitted to the Annual General Meeting for adoption on 4 May 2011.

Sollentuna, 31 March 2011

Peter Larsson
Chairman of the Board

Mikael Bragd

Bo Kastensson
Board

Bernt Magnusson

Fredrik Berglund
CEO

Our audit report was submitted on 4 April 2011
KPMG AB

Åsa Wirén Linder
Authorised Public Accountant
Auditor in charge

Tomas Gerhardsson
Authorised Public Accountant

Audit report

To the annual meeting of the shareholders of Pricer AB
Corporate identity number 556427-7993

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the managing director of Pricer AB for the year 2010. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 14-46. The Board of Directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the managing director and significant estimates made by the Board of Directors and the managing director when preparing the annual accounts and the consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the Parent Company and the statement of consolidated comprehensive income and statement of consolidated financial position for the group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the managing director be discharged from liability for the financial year.

Stockholm, 4 April 2011
KPMG AB

Åsa Wirén Linder
Authorised Public Accountant
Auditor in charge

Tomas Gerhardsson
Authorised Public Accountant

Five-year summary

Five-year summary

All amounts in SEK M unless otherwise stated	2010	2009	2008	2007	2006
INCOME STATEMENT DATA					
Net sales	447.2	327.3	427.0	432.3	409.9
Cost of goods sold	-283.9	-201.0	-266.7	-300.3	-320.2
Gross profit	**163.3**	**126.3**	**160.3**	**132.0**	**89.7**
Other operating income	-	-	6.2	20.6	-0.2
Selling expenses	-55.0	-63.4	-64.7	-57.9	-49.0
Administrative expenses	-31.4	-22.1	-26.0	-56.8	-46.4
Research and development costs	-16.1	-15.6	-20.4	-31.9	-35.1
Operating profit	**60.8**	**25.2**	**55.4**	**6.0**	**-41.0**
Financial items	-6.3	-7.8	8.7	-7.2	-8.1
Profit before tax	**54.5**	**17.4**	**64.1**	**-1.2**	**-49.1**
Income tax	1.7	2.5	43.6	2.2	1.1
Profit for the year	**56.2**	**19.9**	**107.7**	**1.0**	**-48.0**
Attributable to:					
Owners of the Parent Company	56.2	19.9	107.7	1.1	-46.5
Non-controlling interests	0.0	0.0	0.0	-0.1	-1.5
	56.2	19.9	107.7	1.0	-48.0
BALANCE SHEET DATA					
Intangible fixed assets	249.1	282.3	297.9	265.8	282.2
Tangible fixed assets	2.8	2.6	3.7	5.6	8.1
Financial fixed assets	41.4	41.5	41.1	0.1	0.2
Inventories	78.0	57.5	65.7	28.8	64.6
Accounts receivable	184.0	117.2	155.5	117.3	89.8
Other current assets	16.8	11.3	19.1	14.8	18.0
Cash and cash equivalents	69.9	102.8	75.8	100.1	31.5
Total assets	**642.0**	**615.2**	**658.8**	**532.5**	**494.4**
Equity attributable to owners of the Parent Company	546.5	513.1	509.8	356.4	353.1
Non-controlling interests	0.1	0.1	0.1	0.1	0.1
Long-term liabilities	2.7	5.9	52.8	80.9	17.3
Current liabilities	92.7	96.1	96.1	95.1	123.9
Total liabilities and equity	**642.0**	**615.2**	**658.8**	**532.5**	**494.4**

All amounts in SEK M unless otherwise stated	2010	2009	2008	2007	2006
CASH FLOW DATA					
Profit after financial items	54.5	17.4	64.1	-1.2	-49.1
Adjustment for non-cash items	27.4	13.5	-1.6	12.3	15.4
Paid income tax	-0.3	-	-	-0.1	-0.5
Change in working capital	-96.9	25.2	-60.4	19.4	-19.8
Cash flow from operating activities	**-15.3**	**56.1**	**2.1**	**30.4**	**-54.0**
Cash flow from investing activities	**-12.0**	**-8.2**	**-2.4**	**4.9**	**-9.8**
Change in loan financing	-	-22.6	-32.1	34.3	23.0
Change in shareholder financing	-	-	-	0.0	0.3
Cash flow from financing activities	**0.0**	**-22.6**	**-32.1**	**34.3**	**23.3**
Cash flow for the year	**-27.3**	**25.3**	**-32.4**	**69.6**	**-40.5**
KEY RATIOS					
Capital data					
Working capital	186.1	112.0	144.1	80.1	102.1
Capital employed	476.7	432.5	478.7	329.9	366.6
Acid-test ratio, %	284	227	168.2	131.9	98.7
Net loan debt	-47.8	-80.7	-31.2	-26.6	13.4
Financial data					
Equity/assets ratio, %	85	83	77	67	71
Net debt/equity ratio, times	-0.09	-0.16	-0.06	-0.07	0.04
Margin data					
Operating margin, %	14	8	13	1	-10
Net margin, %	13	6	25	0	-12
Capital turnover rate, times	0.98	0.72	1.06	1.24	1.82
Return data					
Return on capital employed, %	13	6	14	2	-18
Return on equity, %	11	4	25	0	-19
Other data					
Order book at 31 December	80	78	63	71	75
Average number of employees	54	67	70	95	102
Number of employees at end of year	56	57	68	83	110
Total payroll	41	41	43	65	48

Corporate governance report

Introduction

Pricer AB (publ) (referred to below as "Pricer" or "the Company"), with corporate registration number 556427-7993, is a Swedish public Company domiciled in Sollentuna. Pricer is listed at NASDAQ OMX Stockholm, Small Cap.

The Swedish code for corporate governance ("the Code"), initially introduced in 2004, was revised initially as of 1 July 2008 and then once more as per 28 February 2010. The new rules shall apply in the accounting year beginning soonest after 28 February 2009. This leads to that this report for year 2010 is based on the Code prevailing as of 28 February 2010. The Code is available at the web page of the Swedish Corporate Governance Board (www.bolagsstyrning.se).

Pricer hereby submits its Corporate Governance Report for financial year 2010. The report does not comprise a part of the formal Annual Report documents but has been reviewed by the Company's auditors who have issued a specific statement.

External control instruments

The external control instruments that affect the control of Pricer consist mainly of the Swedish Companies Act, the Annual Accounts Act, the Pubic Listing Rules and Regulations of Issuers of NASDAQ OMX and the Code.

Internal control instruments

The internal control instruments that affect the control of Pricer consist mainly of the Articles of Association, which are approved by the Annual General Meeting, and the control documents established by the Board of Directors. These include the working procedures for the Board of Directors, Instructions for the President, Instructions for the Remuneration Committee, the Information Policy, Finance Policy, Ethical Regulations and Equality Policy.

General meetings of shareholders

The influence of shareholders in Pricer is exercised at meetings of shareholders (Annual General Meeting or, whenever necessary, extraordinary shareholder meetings), which are the Company's supreme decision-making body. The Annual General Meeting appoints the members and Chairman of the Board, elects the auditors, makes decisions regarding changes in the Articles of Association, approves the income statement and balance sheet and the distribution of the Company's profit or loss, renders decisions regarding discharge from liability for the Board of Directors and President, and establishes the amounts of fees paid to Board members and the principles for remuneration of the President and senior executives. The Annual General Meeting of Pricer is usually held in April or May in Upplands Väsby. Pricer announces the time and place of the Annual General Meeting as soon as a decision on the matter has been made by the Board of Directors, but no later than in conjunction with publication of the third-quarter report. Information about the meeting's time and place is also available on the Company's website. Notice of shareholder meetings is made in the form of an advertisement in Post- och Inrikes Tidningar and Svenska Dagbladet. Those shareholders who are listed in their own names in the shareholders' register maintained by Euroclear Sweden AB on the record day and notify the Company of their intention to participate in the Annual General Meeting within the stipulated time are entitled to participate in the Annual General Meeting and exercise their voting rights. Shareholders who are unable to attend the meeting may be represented by proxy. All information regarding the Company's shareholder meetings, such as notification, entitlement to submit issues to be announced in the notification, minutes, etc. is available on Pricer's website.

In view of the composition of the Company's ownership interests, it has not been considered necessary, nor justified with respect to the Company's economic condition, to offer simultaneous interpretation to another language, or translations of all or parts of the general meeting material, including the minutes.

The 2010 Annual General Meeting was held on 23 April, 2010 with 25 percent of the votes in the Company represented by 43 shareholders. The minutes of the Annual General Meeting are available on Pricer's website. The Annual General Meeting decided among other things to authorise the Board of Directors, until the next Annual General Meeting, at one or several occasions, decide to issue up to 50,000,000 Class B shares. The Board shall be able to issue shares without preferential rights for existing shareholders with or without decision of issue in kind.

The time and place for the 2011 Annual General Meeting was announced in the financial report published at 1 November 2010 and is also available on the Company web page. Pricer's website presents information about how and when shareholders must submit their requests for business to be addressed at the meeting.

Nomination Committee

The Nomination Committee's assignment is to evaluate the Board's composition and work, formulate proposals for submission to the Annual General Meeting concerning election of a Chairman of the Meeting, election of Board members and the Chairman of the Board and, when necessary, elections of auditors. The Nomination Committee also formulates proposals for submission to the Annual General Meeting regarding fees paid to Board members and auditors. Furthermore, the Nomination Committee also has to propose principles on how a new Nomination Committee shall be appointed.

In accordance with the Code, the Nomination Committee shall consist of a minimum of three members, one of whom shall be appointed Chairman. The Annual General Meeting appoints the members of the Nomination Committee, or specifies procedures for their appointment.

The 2010 Annual General Meeting resolved that the Chairman of the Board, prior to the 2011 Annual General Meeting, should be authorised to contact the Company's three largest shareholders (based on known voting rights immediately before the announcement is made) and request that they each appoint one representative, and that in addition to the Chairman of the Board, they would comprise the Nomination Committee during the period until a Nomination Committee has appointed by authorisation from the 2011 Annual General Meeting. In addition, it was resolved that the Nomination Committee should include one representative who is independent in relation to the Company and its major shareholders to represent minor shareholders. If any shareholders refrain from exercising their right to appoint a representative, the next largest shareholder in terms of voting rights shall be offered the opportunity to appoint a representative. The names of the Nomination Committee members shall be announced no later than six months prior to the Annual General Meeting.

Prior to the 2011 Annual General Meeting, the Nomination Committee of Pricer was announced in a press release issued on 21 October 2010 and, in addition to Chairman of the Board Peter Larsson, has consisted of Salvatore Grimaldi (appointed by Sagri Development AB), Thomas Bill (appointed by Monterro Holding Ltd), Theodor Jeansson (appointed by himself and close relatives) and John Örtengren (appointed by Aktiespararna (Swedish Shareholders' Association)). Salvatore Grimaldi has served as Chairman of the Nomination Committee.

The majority of the Nomination Committee's members are independent in relation to the Company and corporate management. With the exception of the Chairman, all members of the Nomination Committee are independent in relation to the Company's largest shareholders, in terms of voting rights, or groups of shareholders that cooperate with regard to governance of the Company. The Company has only one shareholder, Sagri Development AB, representing at least one tenth of the total number of votes in the Company. Sagri Development represents 10.7 percent of the number of votes.

The Nomination Committee has held one meeting since the 2010 Annual General Meeting, in addition to telephone contact. An account of the Nomination Committee's work will be presented at the 2011 Annual General Meeting. No remuneration is paid to members of the Committee.

Board of Directors

Size and composition of Board

Members of the Board of Directors are appointed by the Annual General Meeting for the period of time until the close of the next Annual General Meeting. In compliance with the Code, the Chairman of the Board is also appointed by the Annual General Meeting.

The Board of Directors of Pricer, as stipulated by the Articles of Association, shall consist of no fewer than three and no more than seven members, and the exact number of Board members is established by the Annual General Meeting. The Annual General Meeting held on 23 April 2010 re-elected Mikael Bragd, Bo Kastensson, Peter Larsson and Bernt Magnusson. Daniel Furman stepped down. Peter Larsson was elected to serve as Chairman of the Board. No deputies to Board members elected by the Annual General Meeting were appointed. All members of the Board are considered independent in relation to the Company, corporate management and the Company's largest owners.

Member attendance at Board Meetings is shown in the illustration below. Additional information about the Board members, such as experience and present assignments, shareholdings in the Company, etc., is presented on page 54.

Board member attendance

Board members	Present at meetings	Of total number of meetings
Mikael Bragd	10	10
Daniel Furman	2	3
Bo Kastensson	10	10
Peter Larsson	10	10
Bernt Magnusson	10	10

It is the opinion of the Board of Directors that, with regard to the Company's business activities, development phase and other conditions, the Board has an appropriate composition characterised by versatility and diversity in terms of the members' expertise, experience and background. Gender equality is uneven today, but efforts will be made to establish greater equality in the future.

Work by Pricer's Board of Directors

The Chairman of the Board is responsible for organising and leading the work of the Board of Directors to ensure that its duties are performed in compliance with applicable laws, regulations and directives. It is also the responsibility of the Chairman of the Board to ensure that the Board's work is evaluated every year, and that the Nomination Committee is provided with results of the evaluations. The Chairman of the Board continuously monitors the business operations in dialogue with the President and is responsible for providing other Board members with information and documentation that is required for them to perform their duties.

The Board is responsible for the Company's strategy and organisation and the management of the Company's business activities. The Board shall ensure that the Company's organisation is formulated so the financial accounts, asset management and the Company's financial position in general are controlled in a secure and satisfactory manner. The Board continuously controls the Company's and the Group's financial position, which is reported monthly, so that the Board is able to fulfil its statutory evaluation obligation, listing regulations and sound Board practices. The work of the Board is governed by special working procedures. In general, the Board shall address issues of significant importance to the Group, such as strategy plans, budgets and forecasts, product planning, capital requirements and financing and acquisitions of companies, business activities and substantial assets

During the 2010 financial year, the Board held ten meetings. Member attendance at Board Meetings is shown in the illustration above. The Board's work follows a procedural plan, or agenda. In consultation with the Chairman of the Board, the President of the Company formulates the agenda for each meeting and establishes the background information and documentation that is required to render decisions on the business at hand. Other members of the Board may request that certain issues be included in the agenda. Prior to every scheduled meeting, the President provides the Board of Directors with a status report in writing that should contain a minimum of the following points: market, sales, production, research and development, finances, personnel and legal disputes.

The President and Chief Financial Officer shall participate in all Board meetings, with the exception of meetings that address issues which may cause conflicts of interest, such as when remuneration for the President is established and when the work performed by the President is evaluated. The Company's auditors normally participate partly in two Board meetings during the year, and did so in 2010.

The meetings were held at the Company's head office in Sollentuna and via telephone. Gunnar Mattsson (born 1964), Advokatfirman Lindahl, Uppsala, serves as the Board's secretary.

Evaluation of Board of Directors

The Chairman of the Board is responsible for evaluations of work performed by the Board each year, and the Nomination Committee is provided with copies of these evaluations. The

Corporate governance report (cont'd)

evaluations are conducted in the form of anonymous questionnaires and/or interviews, and address issues such as the Board composition, work methods and responsibilities. The results are presented to the Nomination Committee.

Remuneration of the Board of Directors

In accordance with a proposal by the Nomination Committee, a resolution was passed at the 20109 Annual General Meeting to pay total fees to the Board of Directors amounting to SEK 1,050,000, to be distributed as follows: SEK 450,000 to the Chairman of the Board and SEK 200,000 to each of the other three members of the Board. No other remuneration or financial instruments over and above the fees were paid or made available, with the exception of out-of-pocket expenses.

Board committees

The Board has appointed a Remuneration Committee to address questions regarding remuneration and terms of employment for the President and senior executives and formulate proposals for guidelines for remuneration of the President and senior executives, which the Board submits for resolution to the Annual General Meeting.

During 2010, the Remuneration Committee consisted of the Chairman of the Board Peter Larsson and the member of the Board Bo Kastensson, both of whom are independent of the Company and corporate management, and the Company's major shareholders.

The assignment and the decision-making authority delegated to the Remuneration Committee are presented in the working instructions for the Committee, as adopted by the Board. The working instructions also show the manner in which the Remuneration Committee is to report to the Board.

The Remuneration Committee held one meeting during 2010, with both members of the Committee and the President and Chief Financial Officer also present. Minutes of this meeting were kept and presented to the Board of Directors.

According to the Company's Act, the Company should have an Audit Committee to survey the financial reporting and efficiency of internal control and risk management. The Board of Directors can form the Audit Committee under the conditions that the members of the Board are not employees of the Company and that at least one of the members is independent and has accounting and audit competence. The Company meets these requirements and the Board of Directors has elected to in its entirety constitute the Audit Committee.

President and senior executives

President

The President is appointed and dismissed by the Board of Directors, and his/her work is evaluated continuously be the Board. Fredrik Berglund was appointed President on 24 August 2010 and replaced Charles Jackson.

Fredrik Berglund, President of Pricer, manages the Company's day-to-day business operations. Written instructions define the division of responsibilities between the Board of Directors and the President. The President reports to the Board and presents a special CEO report at every Board meeting, which contains information on how the operations have developed in relation to decisions by the Board. Additional information about the President, his experience, current assignments and shareholdings in the Company is presented in the Annual Report on page 54.

Other than assignments for the Company's subsidiaries and associated companies, Fredrik Berglund is member of the board of directors of Tilgin AB and EmblaCom AB. Neither Fredrik Berglund, nor any closely associated individual or legal entity, has any significant shareholding or part ownership interest in companies with which Pricer has major business relations.

Executive management

Pricer's executive management team consists of six members with day-to-day responsibility for different segments of the operations. For a presentation of the members of executive management, reference is made to page 54.

Remuneration to President and senior executives

The Company has established a Remuneration Committee, on which information in presented above in the section entitled "Board committees."

The 2010 Annual General Meeting adopted the Board's proposed guidelines for remuneration of senior executives. The President's remuneration is established by the Board of Directors. Remuneration of other senior executives is established by the President after consultation with the Remuneration Committee.

Compliance with Swedish stock market regulations etc. during the past financial year

Pricer was not the subject of any decisions by the NASDAQ OMX Nordic Exchange Stockholm's Disciplinary Committee during 2010 or any statements by the Securities Council on issues concerning breaches of NASDAQ OMX Nordic Exchange Stockholm's regulations or generally acceptable practices on the stock market.

Information about the auditors

Auditors are appointed by the Annual General Meeting based on proposals issued by the Nomination Committee. At the 2008 Annual General Meeting, the audit Company KPMG AB was elected as the Company's auditors for the forthcoming four-year period. The auditor-in-charge is authorised public accountant Åsa Wirén Linder. For additional information about the auditors, see page 54.

The Annual General Meeting also resolved that remuneration of the auditors will be paid in compliance with approved invoices. Also see Note 4, remuneration to auditors.

Board of Directors' report on internal control regarding financial reporting

Introduction

In accordance with the Swedish Companies' Act and the Swedish Code of Corporate Governance ("the Code"), the Board of Directors is responsible for internal control. Since this presentation was prepared in compliance with Section 10.5 of the Code, it is limited to the internal control of financial reporting.

Pricer's process of internal control shall provide reasonable assurance of the quality and accuracy of its financial reporting. It shall also ensure that financial reports are prepared in compliance with appropriate laws and directives, and the requirements that apply to publicly listed companies in Sweden. The internal control is normally described in accordance with the framework for internal control that has been issued by COSO (Committee of Sponsoring Organisations of the Treadway Commission). In accordance with this framework, the internal control is presented with the following components: control environment, risk assessment, control activities, information and communication and follow-up.

Control environment

Internal controls of financial reporting are based on organisational and system structures, decision-making channels and distribution of responsibility, all of which must be documented clearly and communicated in control documents, policies and manuals. The Board of Directors has established working procedures that regulate the Board's responsibilities and the Board's committee work. To maintain an effective control environment and good internal control, the Board has delegated practical responsibility to the President and prepared instructions for the President. To ensure the quality of its financial reporting, the Company has established a number of internal control instruments, consisting mainly of a Financial Policy, Information policy and Reporting instructions. Guidelines have also been established for issues related to business ethics, which are intended to clarify and strengthen the Group's philosophy and values. These include Pricer's ethical regulations and equality policy.

Risk assessment

The Board of Directors is responsible for significant financial risks and risks associated with the identification and handling of errors in the financial reports. A risk assessment is conducted every year to identify inherent risks in the financial reports. The risk assessment is reconciled with the auditors and may include processes critical to the Group's earnings and financial position, such as geographically remote operations and recently established or acquired units.

Control activities

The control activities are intended to ensure accuracy and completeness in financial reporting. Procedures and actions are designed to address the most significant risks associated with the financial statements, as identified in the risk assessment. Control activities focus on both overall and more detailed levels within the Group. For example, complete monthly financial statements are prepared and monitored by the unit and function managers and controllers. Group management meets at least once a month to review and evaluate overall business operations. Furthermore, officers from the accounting function visit companies in the Group several times a year to discuss current issues and review their earnings and financial position, and to ensure compliance with procedures and that they are developed. The Board monitors the activities through monthly reports in which the President comments on development of the activities, and their earnings and financial position. Measures and actions are implemented continuously to improve the internal control.

Information and communications

The Board of Directors has established an Information Policy that specifies what should be communicated and by whom, and the formats in which the information shall be released to ensure that the external information is correct and complete. Guidelines and procedures specify how financial information should be communicated between management and other employees in order to maintain effective and correct disclosure of information both internally and externally. Pricer's Report Instructions comprise a central control document that is updated in parallel with changes.

Follow-up

The internal control procedures are monitored and followed up continuously. The Company's financial position is addressed at every Board meeting, at which the Board receives detailed monthly reports regarding the financial position and performance of business activities. The Board monitors the internal control procedures with regard to financial reporting. The Board reviews every interim report and discusses the contents with the Chief Financial Officer and, in certain cases, the Company's auditors. The auditors conduct annual reviews of the internal controls within the framework of their audit. They report the results of their audit to the President, Chief Financial Officer and the Board of Directors. Pricer does not have a separate internal audit function. The financial accountants that are employed by the subsidiaries have a specific responsibility to report any deviations to the central accounting and control organisation. The services of the Company's elected auditors are utilised as required. Given this situation, the Board does not consider it necessary to have a separate internal audit function.

Auditors' report of the Corporate Governance Statement

To the annual meeting of the shareholders in Pricer AB
Corporate identity number 556427-7993

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2010 and that it has been prepared in accordance with the Annual Accounts Act.

As a basis for our opinion that the Corporate Governance Statement has been prepared and is consistent with the annual accounts and the consolidated accounts, we have read the Corporate Governance Statement and assessed its statutory content based on our knowledge of the company.

In our opinion, the Corporate Governance Statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, 4 April 2011
KPMG AB

Åsa Wirén Linder
Authorised Public Accountant
Auditor in charge

Tomas Gerhardsson
Authorised Public Accountant

Board of Directors

MIKAEL BRAGD • Born: 1962 • Education: Degree in Business Administration, Stockholm School of Economics, in marketing and financing • Other assignments: President and CEO of OBH Nordica and Board member of Swilkenbridge AB • Board member since: 2008 • Holding: 75,000 B shares

PETER LARSSON • Born: 1964 • Education: B.Sc. in Computer and System Science, University of Stockholm • Other assignments: Chairman of EPiServer AB and INTO AB, Member of Q-matic AB and Common Agenda Venture Management AB • Previous assignments: CEO of EpiServer AB, Protect Data AB and Pointsec Mobile Technologies AB • Board member since: 2008 • Holding: 200,000 B shares

BO KASTENSSON • Born 1951 • Education: B.A., University of Lund • Other assignments: Chairman of Caretech AB, Doro AB, Ikivo AB and Axema Control AB • Previous assignments: CEO of Bewator Group and Incentive Development• Board member since: 2008 • Holding: 4,000,000 B shares

BERNT MAGNUSSON • Born: 1941 • Education: Masters of Political Science, University of Uppsala • Other assignments: Chairman of Kwintet AB, Member of Kancera AB, Fareoffice AB, Höganäs AB, Coor Service Management AB, Nordia Innovation AB, Net Insight AB and STC Interfinans • Previous assignments: President and CEO of Nordstjernan AB, Chairman and CEO of NCC AB, Chairman of Nobel Industrier AB, Assi Domän AB, Skandia AB and Swedish Match AB • Board member since: 2009 • Holding: 463,000 B shares

Executive Management

FRANCOIS AUSTRUY
Born: 1965
Head of Operations
Education: Graduate Engineer
Employed since: 2005
Holding: 0 shares, 2,400,000 warrants

ORON BRANITZKY
Born: 1958
Vice President Sales,
General Manager Pricer Israel
Education: M.B.A, B. Sc
Employed since: 2006 (Eldat 1997)
Holding: 1,600,000 B shares,
2,400,000 warrants

HARALD BAUER
Born: 1957
CFO
Education: M.B.A
Employed since: 2004 and 1998–2000
Holding: 73,333 B shares,
2,400,000 warrants

NILS HULTH
Born: 1971
Vice President, R&D
Education: M.Sc. in Computer Science and Master of Science Evolutionary and Adaptive Systems
Employed since: 2005
Holding: 0 shares, 1,800,000 warrants

FREDRIK BERGLUND
Born: 1961
CEO
Education: B. Sc. Business Administration
Other assignments: Member of Tilgin AB and EmblaCom AB
Employed since: 2010
Holding: 1,500,000 shares,
1,000,000 warrants

ARNAUD LECAT
Born: 1962
Vice President, Professional Solutions
Education: Graduate Engineer
Employed since: 2002
Holding: 20,500 B shares,
2,400,000 warrants

Auditors

The 2008 Annual General Meeting re-elected the auditing firm of KPMG AB with Authorised Public Accountant Åsa Wirén Linder (born 1968) as auditor in charge, to serve as the company's auditors for four years. Åsa Wirén Linder is also auditor in charge for HL Display AB, IBS AB, Seco Tools AB and Tilgin AB as well as being a board member of Far.

History

2007
Integration of Eldat is completed. Pricer reports a positive result. Pricer streamlines worldwide activities.

2008
Pricer reaches a record operating profit. Pricer installs full DotMatrix™ hypermarkets in Food.

2009
Pricer reaches 5 000 store installations. Pricer ESL and DotMatrix™ extend into Non-Food.

2010
Significant increase in net sales and result. Several important frame agreements signed.

2006
Eldat Communication Ltd. is acquired. Appulse Ltd. is sold. The activities in PIER AB is transferred to the Parent Company.

2005
Significant increase in sales and Carrefour expands deployment in France. New system generation C2 is launched.

2004
Pricer wins a major order from the French chain Carrefour. Via Ishida, Pricer is awarded a sizeable contract by Ito-Yokado in the Japanese market.

2003
The development company PIER AB is formed. Pricer acquires a majority holding in the software company Appulse Ltd. in India.

2002
A large-scale action programme is launched to restructure and streamline operations for increased customer focus.

1997
Pricer acquires Intactix, a provider of systems for retail space management. Metro installs its first systems.

1998
Collaboration with Ishida of Japan is initiated.

1999
Deliveries to the Metro stores are completed.

2000
Intactix is sold to U.S.-based JDA Software Group.

2001
Pricer's partner in Japan, Ishida, places a significant order.

1996
Pricer is introduced on the O list of the Stockholm Stock Exchange.

1995
The pilot order from Metro leads to a contract for installations in 53 Metro stores in Germany.

1994
Pilot orders are received from several international customers, such as Metro in Germany.

1993
The first Pricer system is installed for the ICA supermarket chain in Sweden.

1991
Pricer is founded in June and development of the first ESL system begins.

Shareholder information

Annual General Meeting

The Annual General Meeting of Pricer AB will be held at 3:00 p.m. on Friday, 23 April 2010, at Scandic Infra City, Upplands Väsby, Sweden. In order to participate in the AGM, shareholders must be entered in the share register maintained by Euroclear Sweden AB (formerly VPC AB) by Saturday 17 April, and must notify the company of their intention to participate no later than 4:00 p.m. on Monday 19 April. Shareholders whose shares are held in the name of a trustee must temporarily re-register the shares in their own name well in advance of 17 April. Notification can be made as follows:

- By e-mail: info@pricer.com
- By fax: +46 8 505 582 01
- By telephone: +46 8 505 582 00
- By mail: Pricer AB, Bergkällavägen 20–22, SE-192 79 Sollentuna, Sweden

The notification should include the shareholder's name, social security/corporate registration number, address and telephone number, registered shareholding and, when appropriate, the names of any participating advisors. The Nomination Committee, consisting of Salvatore Grimaldi, Thomas Bill, Theodor Jeansson, John Örtengren and Peter Larsson can be contacted via the company's head office.

Proposed dividend

The Board of Directors proposes for the first time in the history of the company a dividend of SEK 0.02 per share for the year 2010.

Financial calendar

In 2011, the quarterly financial reports will be published as follows:
Interim report January-March, 4 May 2011
Interim report January–June, 24 August 2011
Interim report January–September, 31 October 2011
Year-end report 2011, 17 February 2012

Information channels

Pricer's website www.pricer.com is a vital information channel through which the company presents press releases, interim reports, annual reports, share price data and the newsletter Pricer News. To sign up for an e-mail news subscription, visit the website. Printed materials can be ordered from the company. For other information, contact info@pricer.com.

Distribution of the annual report

For reasons of cost, the annual report is only distributed to the 500 largest shareholders and to those share-holders who so request. A digital version is available at www.pricer.com. A printout can be ordered directly from the company at info@pricer.com or by calling +46 8 505 582 00.

6 000 INSTALLATIONS.

MORE THAN 80 MILLION LABELS IN MORE THAN 40 COUNTRIES WORLDWIDE.

THREE STORES INSTALLED PER DAY IN 2010.

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