



PRESS RELEASE

Gothenburg, February 11, 2011

Profit during quarter and first full-year profit reported, sales record and continued high gross margin.

Fingerprint Cards AB (publ), corp. reg. no.: 556154-2381, (FPC)

Fourth-quarter report, including full-year summary for 2010

Highlights:

- Sales rose 34% to SEK 18.2 M (13.6), and 58% for the full-year to SEK 60.9 M (38.5).
- Gross profit increased to SEK 9.1 M (2.4), and for the full-year to SEK 30.8 M (9.8).
- The result after financial items rose to profit of SEK 1.0 M (loss: 11.6), and for the full-year to profit of SEK 2.0 M (loss: 24.5).
- The gross margin increased to 50% (18), and for the full-year to 51% (25).
- Earnings per share rose to SEK 0.03 (loss: 0.38), and for the full-year to SEK 0.05 (loss: 1.11).
- Cash and cash equivalents at the end of the quarter and year totaled SEK 30.8 M (50.1).
- The order backlog on December 31, 2010 totaled SEK 11.0 M (36.5).
- Launch of FPC1080A, the world's smallest and most energy-efficient fingerprint sensor optimized for mobiles.
- Fully subscribed private placement of warrants to personnel.
- New orders during the quarter totaling SEK 17.3 M from HST in China.
- FPC ranked 8th in Deloitte Sweden Technology Fast 50 with 1,319% growth.
- Anders Blom appointed VP Business Development.
- Mats Svensson elected to the Board of Directors.

Notable events after the close of the reporting period:

- Edge Electronics designated new distributor for US market.
- Contract regarding market partnership with SMIC in China.

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Fingerprint Cards AB (FPC) develops, produces and markets biometric components that through analysis and matching of an individual's unique fingerprint verify the person's identity. The technology consists of biometric sensors, processors, algorithms and modules that can be used separately or in combination with each other. The competitive advantages offered by FPC's technology include unique image quality, extreme robustness, low power consumption and complete biometric systems. With these advantages and the ability to achieve extremely low manufacturing costs, the technology can be implemented in volume products, such as smart cards and mobile telephones, where extremely rigorous demands are placed on such characteristics. FPC's technology can also be used in IT and Internet products for security and access control. Fingerprint Cards AB (FPC) is listed on Nasdaq OMX Stockholm (FING B) and has its head office in Gothenburg, Sweden.

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CEO's comments on the interim report

In 2010, we jointly finalized a complete turnaround, and transformed a loss of SEK 25 M into profit of SEK 2 M. We increased full-year sales by 58%, generated the company's best figures to date in three of four quarters and, last but not least, delivered the first full-year profit ever. While we are naturally proud of the turnaround that we have now achieved, this is merely the beginning. In the coming years, we will endeavor, and have the potential, to build a globally leading company in biometrics.

I am incredibly proud of the TEAM that we have created together, and that in 2010 turned FPC around while simultaneously developing the world's smallest and most energy-efficient swipe sensors, optimized for mobiles. We have thus laid the foundation for continued success and a potentially sharp rise in volumes and sales, as well as addressing new market segments where mobiles and Tablet PCs comprise the largest share. The mobile market's size and the trend toward making secure payments through mobile phones constitute highly attractive challenges. The initial feedback from potential customers in the mobile world has been surprisingly positive and we have already signed a number of non-disclosure agreements (NDAs) and evaluation agreements pertaining to our sensors. We have great hopes of being able to secure our first design wins and commercial contracts in the second half of 2011.

From a shareholder's perspective, 2010 was a pleasant year in which FPC ranked third on the OMX Nasdaq Nordic Exchange with a share-price increase of 171 %. One of our principal objectives is to continue to champion shareholders' interests by advancing FPC sustainably so as to promote fundamental value growth.

Improvements have been made in all areas of the company's processes and flows, from development, procurement and production to deliveries, sales and market initiatives. The most recent building block is the creation of a Business Development function headed by Anders Blom. FPC is currently significantly better equipped ahead of the coming challenges and business opportunities than it was a year ago.

With our new Board members Sigrun Hjelmqvist and Mats Svensson, FPC has added valuable industrial experience in operational leadership and board work.

We began 2011 by signing a new distributor agreement in the US with Edge Electronics, which we believe is the right partner for bolstering sales and market shares in the US. We also reached a partnership agreement concerning the marketing of our FPC 1080A swipe sensor with SMIC, the largest silicon manufacturer in China. Under this agreement, SMIC will market our sensor to its other customers and business networks in China.

In 2011, our focus will be on industrializing swipe sensors and securing design wins with one or a few of the 20-odd mobile manufacturers to which we have already demonstrated the FPC1080. This is an effort that, when finally resulting in a commercial contract, entails incorporation into mobiles that will be delivered to the market six to 12 months later. Accordingly, any major impact on sales from swipe sensors will not be noticed until 2012. In the Indian, Brazilian, Korean, Japanese and US markets, we will continue to focus on trying to repeat the major market successes that we have achieved with our area sensors in China.

I feel a great deal of optimism and strong faith in the future ahead of 2011, and the new era of strong growth and profitability to which we now aspire.

Sales and earnings

Fourth quarter

In the fourth quarter, the Group's sales trend remained positive and rose to SEK 18.2 M (13.6), up 34% year-on-year, which is a new sales record for a quarter. Gross profit and the gross margin for the quarter also progressed favorably to SEK 9.1 M (2.4) and 50% (18), respectively, which was a significant increase on the year-earlier period in both cases. Compared with the third quarter, the gross margin remained unchanged at a high level. Profit after financial items increased during the quarter to SEK 1.0 M (loss: 11.6), compared with the fourth quarter of 2009.

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Full-year 2010

For the full-year 2010, the Group's revenues totaled SEK 60.9 M (38.5), up 58% compared with full-year 2009, thus achieving a new record for revenues during a fiscal year. Gross profit and the gross margin for the full fiscal year were also better year-on-year at SEK 30.8 M (9.8) and 51% (25). Profit after financial items for full-year 2010 rose to SEK 2.0 M (loss: 24.5).

The order backlog at the close of the quarter and the year amounted to SEK 11.0 M (36.5).

Parent Company

The Parent Company's net sales for the fourth quarter increased to SEK 18.2 M (13.6) and profit after financial items rose to SEK 1.0 M (loss: 11.6). For the full-year, net sales rose to SEK 60.9 M (38.5) and profit after financial items to SEK 1.8 M (loss: 24.6).

Production and technology development

As in previous quarters, most production volume derived from area sensors. As a result of a proactive effort that was under way throughout the year, a potential lack of components was successfully avoided and production progressed as planned throughout 2010. FPC made advances in the production of silicon by commencing the qualification of a new and more modern production line, and anticipates an opportunity for further production yield improvements in the coming year. On the packaging side of production, we worked on and successfully improved our turnaround times during the quarter, while maintaining a high production yield. This is generating shorter production times and thus lower tied-up capital in production. Accordingly, production is more streamlined than before, although this effort is continuously pursued to achieve improvements and cost savings.

During the year, product development was dominated by the development of a new swipe sensor, and early in the fourth quarter, we produced the first version of the finished silicon chip, which comprises the actual sensor in the product. The detailed analysis and testing conducted by FPC during the quarter showed that the silicon functions very well and that only a few minor adjustments will be needed. FPC has also developed packaged prototypes featuring this chip, which essentially have the same appearance and function as the final product. These have been shown to potential customers together with a newly developed software system and examples of applications, resulting in highly positive feedback. The project is now in an industrialization phase, during which tools and manufacturing equipment for volume production must be developed and verified. Overall, the project has been a major success to date, since the world's smallest sensor optimized for mobile phones and tablet PCs has been developed very quickly, at the same time as FPC has managed to achieve a globally leading performance level for image quality and energy consumption.

Market and sales

In 2010, FPC's sales continued to increase, amounting to SEK 60.9 M, which constitutes the company's highest full-year sales to date and corresponds to a rise of 58% compared with 2009. The FPC1011F area sensor still accounts for most sales, although deliveries of modules, processors and sensors in the form of wafers are also being made. Sales for the fourth quarter totaled SEK 18.2 M, up 34% year-on-year. During the fourth quarter of the year, FPC secured two orders from China totaling SEK 17.3 M.

China, which remains FPC's principal market, is dominated by sales to banks and the financial sector. With an installation base of more than 125 different national, regional, governmental and cooperatively owned banks, FPC is the primary supplier of biometric identification for employees and customers in the Chinese banking sector. To further increase its presence in China, FPC opened an Asian office in Shanghai during the second quarter of the year.

During the year, Brazil, India and Israel were added to the countries that FPC cultivates through distributors or representatives. By year-end, FPC was represented by 11 distributors covering 19 countries or regions. In markets where FPC is not represented, sales are made directly to customers.

During the year, FPC was recognized by the international analysis company Frost & Sullivan with the "Best Product Line Strategy" award, which was the result of FPC's product strategy and market potential.

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In November, FPC ranked 8th, with growth of 1,319%, in the Deloitte Sweden Technology Fast 50, where Deloitte designates Sweden's fastest growing companies in the past five-year period.

During the final month of the year, for the first time, FPC presented official information concerning the world's smallest and most energy-efficient swipe sensor, the FPC1080A, which is optimized for mobiles. The swipe sensor will also be offered to manufacturers of other products and solutions, such as laptops, tablet PCs, gaming consoles, USB sticks and various types of biometric card solutions.

At December 31, the order backlog was SEK 11 M. We have modified our sales process in China through HST, which now places somewhat smaller orders although more frequently throughout the year.

Future prospects

The global economic situation has continued to improve, although growth in China is expected to decline somewhat in 2011 from very high levels. However, FPC continues to foresee strong demand in China, as well as initial demand from such other markets as Korea, India, Brazil and Japan. FPC has high expectations that the major interest with which our new swipe sensors were initially received by mobile manufacturers and other potential customers will result in orders in the second half of 2011 and onward. Accordingly, FPC anticipates a sales increase of 30 – 50% in 2011, with increasing momentum as of the second quarter onward, and that the gross margin will remain high, albeit somewhat lower than 2010's record level.

Organization and Personnel

The number of employees at December 31, 2010 was 17 (13), of whom none were women (-).

Financial position

At the end of the quarter and year, the Group's disposable cash and cash equivalents, including short-term investments, totaled SEK 30.8 M (50.1), of which SEK 15 M has been pledged as collateral for an unutilized operating credit of SEK 15 M. The Group's working capital amounted to SEK 52.1 M (61.7), and consolidated shareholders' equity was SEK 78.0 M (74.4). The equity/assets ratio for the Group was 91% (87).

The Parent Company's disposable cash and cash equivalents, including current investments, totaled SEK 28.9 M (50.1). All values refer to the situation pertaining at December 31, 2010.

Fixed assets, investments and depreciation

Investments in capitalized development expenditures rose during the fourth quarter to SEK 4.6 M (0.7). No investments were made in machinery and equipment during the fourth quarter (-), although SEK 0.4 (-) was paid in advance for production equipment under development. Accumulated depreciation for the fourth quarter increased to SEK 1.7 M (1.5). Investments in capitalized development expenditures for the full-year rose to SEK 16.7 M (1.5). Investments in machinery and equipment increased to SEK 3.7 M (0.1), and SEK 0.4 M (-) was paid in advance for production equipment under development. Accumulated depreciation for the full fiscal year increased to SEK 6.4 M (4.0).

Cash flow

Cash flow from operations, including changes in working capital, rose during the fourth quarter to SEK 2.1 M (0.1), cash flow to investments, which primarily pertained to the swipe-sensor project, increased to a negative SEK 5.1 M (neg: 0.6) and cash flow from financing activities amounted to SEK 1.0 M (40.3). Combined, this resulted in a net change in cash and cash equivalents during the quarter of a negative SEK 2.0 M (pos: 39.8).

During the full-year, cash flow from operations improved to a negative SEK 0.8 M (neg: 11.4), cash flow to investments, which primarily pertained to the swipe-sensor project, increased to a negative SEK 20.4 M (neg: 1.5) and cash flow from financing activities amounted to SEK 2.0 M (40.3).

The net change in cash and cash equivalents for the full-year 2010 amounted to a negative SEK 19.3 M (27.4).



Warrants program

The Extraordinary General Meeting on March 3, 2010 resolved to issue warrants with a term extending until August 31, 2012. The company's employees hold 3,433,000 of the program's warrants. The exercise price is SEK 7.48. On full subscription with the support of all warrants in this program, 3,433,000 new Class B shares may be issued, and share capital will increase by SEK 686,000, corresponding to a dilution effect of 7.79% of the total number of shares and 6.09% of the voting rights. The Extraordinary General Meeting on November 9, 2010 resolved to issue 958,000 warrants with a term extending until February 9, 2013. The exercise price is SEK 15.74. On full subscription with the support of all warrants in this program, 958,000 new Class B shares may be issued, and share capital will increase by SEK 191,600, corresponding to a dilution effect of 2.17% of the total number of shares and 1.75% of the voting rights.

These warrants programs jointly correspond to a dilution effect of approximately 9.97% of the total number of shares and about 7.84% of the total voting rights in the company.

Significant uncertainties and risks

FPC's operational and strategic risks and uncertainties that are continuously in focus encompass:

Sales

FPC conducts business activities in a relatively young market, rendering it difficult to predict future trends for the operation. FPC's performance depends on the continued expansion of the biometrics market. Delayed penetration into more applications and markets will affect sales and earnings. FPC is dependent on the Chinese market, where it has an established reseller with a strong position for FPC's technology. The loss of the distributor could seriously impact revenues and profit. Measures for limiting the vulnerability of having a limited number of customers include the continuous development of the business activities, sales and marketing to penetrate more markets and fields of application.

Financing

It cannot be ruled out that further capital may be needed to finance FPC's operations, development and expansion. This need may arise in an unfavorable market situation and on terms that are less favorable than the Board considers them to be today. External financing in a more difficult credit and investment climate could affect FPC's operations, while borrowing, if at all possible, could entail restrictions that would limit the company's latitude. It cannot be guaranteed that capital can be raised when the need arises, or raised on acceptable terms. By gradually achieving successes in the market, and securing a satisfactory margin, a positive cash flow can be created, which will contribute to reducing the need for capital contributions.

Development

FPC's success depends largely on its ability to lead and adapt to technology trends. Since 2009, FPC has been conducting a significant development project regarding a new swipe sensor product for such applications as mobile telephones. The project is being conducted in close cooperation with consultants and suppliers. Since the project is extensive and complex, delays in the time schedule cannot be ruled out. Serious delays, disruptions or unforeseen events could have a negative impact on FPC's future operations. However, these risks can be reduced by using resources based on knowledge and experience of technically advanced development projects and by improving project management systems.

Competence

Biometrics is still a relatively new area, showing high growth and requiring advanced technical knowledge from employed personnel. FPC has a number of key persons important to the successful development of FPC's operations. The departure of such key persons from the company could result in operational disruptions and increased costs for recruitment of replacements. To manage this risk, FPC works continuously to ensure that the necessary conditions are in place to retain competencies, while efforts are made not to link knowledge to specific individuals.

Production

FPC does not conduct any proprietary production. Manufacturing, sales and delivery of FPC's technology and products depend on fulfillment of contractual requirements with respect to, for example, volume, quality and delivery time. Production and delivery problems among suppliers could have a negative impact on the company through delays or quality problems affecting deliveries to customers. Although production is planned up to six months in advance, binding orders from customers are normally not received that far in advance. Uncertainty in sales forecasts could lead to excessive stock accumulation and have an adverse effect on liquidity. The concentration of production to a few suppliers and the associated possibility of ensuring low costs must be weighed against this

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risk. A method for limiting this risk is to assume control of parts of the production process. Examples of such activities are investments in proprietary tools and machinery.

Rights

The operations are heavily dependent on FPC protecting its technology through patents and intellectual property rights. The strategy is to protect the most important areas but it is not possible to guarantee that all patent applications will be granted. FPC does not believe that its technology infringes upon any other company's intellectual property. If patents cannot be obtained, this could have a negative effect on the company's earnings and financial position.

Political risks

FPC has operations in many markets with vastly different conditions. Changes to laws and regulations regarding such areas as foreign ownership, taxes, government involvement, royalties and customs, for example, coupled with other political and economic risks, such as acts of war or terrorism, could affect the company's earnings and financial position.

Exchange rates

Purchasing and sales are largely denominated in USD. Net exposure in USD is hedged to 80–90% using forward contracts to offset exchange-rate fluctuations. Fluctuations in other exchange rates have a limited impact on earnings. A 1% change in the exchange rate between the SEK and USD would have an impact of +/- SEK 0.4 M on earnings in 2011 if unhedged.

Changes in management

In November 2010, Anders Blom was appointed Vice President Business Development, member of the management team and commercially responsible for the ongoing swipe sensor initiative. Anders Blom has extensive experience from sales, market and business development positions in IT and Telecoms from ST Ericsson, TAT (The Astonishing Tribe), Teleca/AU-system, Appium and SEMA Group.

Future reporting dates

Interim report January – March: April 27, 2011

Annual Report for 2010 will be published in the week commencing May 23, 2011

Six-month-interim report January-June: August 18, 2011

Interim report July-September: October 27, 2011

Certification

The Board of Directors and the CEO certify that this year-end report provides a fair and accurate overview of the operations, financial position and earnings of the Parent Company and the Group and that it describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Gothenburg, February 10, 2011

Board of Directors

Tommy Trollborg
Chairman of the Board

Christer Bergman

Urban Fagerstedt

Anders Hultqvist

Sigrun Hjelmquist

Mats Svensson

Johan Carlström
President and CEO



AUDITORS' REVIEW REPORT

Introduction

We have reviewed this year-end report for Fingerprint Cards AB (publ), Corp. Reg. No. 556154-2381 for the period January 1, 2010 to December 31, 2010. The Board of Directors and the President and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this year-end report based on our review.

Scope and focus of the review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Reports Performed by the Independent Auditor of the Entity, issued by FAR SRS. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain such assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, a conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act.

Gothenburg, February 10, 2011

KPMG AB

Johan Kratz
Authorized Public Accountant

Year-end report



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Condensed consolidated statement of comprehensive income

(SEK M)

Net sales

Cost of goods sold

Gross profit

Sales expenses

Administrative expenses

Development costs

Other operating income/expenses

Operating profit/loss

Net financial items

Tax

Profit/loss for the period

Other comprehensive income/loss

Total comprehensive income/loss for the period

Profit/loss for the year attributable to:

Parent Company shareholders

Holdings without controlling influence

Profit/loss for the period

Total comprehensive income/loss for the period attributable to:

Parent Company shareholders

Total comprehensive income/loss for the period

Profit/loss per share for the period

Before dilution, SEK

After dilution, SEK

Oct-Dec 2010	Oct-Dec 2009	Jan-Dec 2010	Jan-Dec 2009
18.2	13.6	60.9	38.5
-9.0	-11.2	-30.1	-28.7
9.1	2.4	30.8	9.8
-1.3	-1.3	-5.9	-5.4
-3.3	-2.5	-9.5	-9.6
-3.1	-9.7	-14.4	-18.6
-0.4	-0.6	0.6	-0.8
0.9	-11.7	1.6	-24.6
0.1	0.1	0.4	0.1
-	-	-	-
1.0	-11.6	2.0	-24.5
-	-	-	-
1.0	-11.6	2.0	-24.5
1.0	-11.6	2.0	-24.5
-	-	-	-
1.0	-11.6	2.0	-24.5
1.0	-11.6	2.0	-24.5
1.0	-11.6	2.0	-24.5
0.03	-0.38	0.05	-1.11
0.02	-0.38	0.05	-1.11

Condensed consolidated statement of financial position

Assets

Intangible fixed assets

Tangible fixed assets

Total fixed assets

Inventory

Accounts receivable

Current receivables

Prepaid expenses and accrued income

Current investments

Cash and cash equivalents

Total current assets

Total assets

Shareholders' equity and liabilities

Shareholders' equity

Current liabilities

Total shareholders' equity and liabilities

Pledged assets

Contingent liabilities

Dec 31 2010	Dec 31 2009
22.9	12.3
3.7	0.3
26.6	12.6
7.9	9.1
17.2	9.7
1.0	1.7
2.7	0.5
-	44.1
30.8	6.0
59.7	71.2
86.3	83.7
78.0	74.3
8.3	9.4
86.3	83.7
15.0	None
None	None

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Condensed consolidated statement of changes in shareholders' equity

(SEK M)

	Jan-Dec 2010	Jan-dec 2009
Shareholders' equity on the opening date	74.3	58.1
Share-based payment	1.7	0.5
New share issue	-	40.2
Total comprehensive income/loss for the year	2.0	-24.5
Shareholders' equity on the closing date	78.0	74.3

Condensed consolidated cash flow statement

(SEK M)

	Oct-Dec 2010	Oct-Dec 2009	Jan-Dec 2010	Jan-dec 2009
Profit/loss before tax for the period	1.0	-11.7	2.0	-24.7
Adjustments for non-cash items	1.5	7.5	5.6	10.2
Change in inventory	0.9	4.8	1.1	6.3
Change in current receivables	-3.4	-2.2	-8.4	-1.8
Change in current liabilities	2.0	1.8	-1.2	-1.4
Cash flow from operating activities	2.1	0.1	-0.8	-11.4
Cash flow from investing activities	-5.1	-0.6	-20.4	-1.5
Cash flow from financing activities	1.0	40.3	2.0	40.3
Change in cash and cash equivalents	-2.0	39.8	-19.3	27.4
Cash and cash equivalents on the opening date	32.8	10.3	50.1	22.7
Cash and cash equivalents on the closing date	30.8	50.1	30.8	50.1

Group operating segments

(SEK M)

	Fingerprint sensor		Other		Group	
	Jan-dec 2010	Jan-dec 2009	Jan-dec 2010	Jan-dec 2009	Jan-dec 2010	Jan-dec 2009
Net sales	60.9	38.5	-	-	60.9	38.5
Segment earnings	1.6	-24.6	-	-	1.6	-24.6
Net financial items	-	-	-	-	0.4	0.1
Profit/loss for the period					2.0	-24.5

Consolidated net sales and profit/loss for the past four quarters

(SEK M)

	Oct-Dec 2010	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010
Net sales	18.2	17.6	9.7	15.4
Cost of goods sold	-9.0	-8.7	-4.6	-7.7
Gross profit	9.1	8.9	5.1	7.7
<i>Gross margin</i>	<i>50%</i>	<i>51%</i>	<i>52%</i>	<i>50%</i>
Sales expenses	-1.3	-1.5	-1.6	-1.5
Administrative expenses	-3.3	-1.9	-2.1	-1.9
Research and development costs	-0.4	-2.7	-4.2	-4.4
Other operating income/expenses	-0.4	1.0	-0.2	0.2
Operating profit/loss	0.9	3.8	-3.0	0.1
<i>Operating margin</i>	<i>5%</i>	<i>21%</i>	<i>neg.</i>	<i>1%</i>
Net financial items	0.1	0.1	0.2	0.1
Tax	-	-	-	-
Profit/loss for the period	1.0	3.9	-2.8	0.1
Other comprehensive income/loss	-	0.0	-	-
Total comprehensive income/loss for the period	1.0	3.9	-2.8	0.1

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Key data – Five-year summary

	Jan-Dec 2010	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2007	Jan-Dec 2006
Net sales (SEK M)	61	38	28	21	11
Net sales growth (%)	58	40	33	86	311
Gross margin (%)	50	25	neg	neg	2
Operating margin (%)	3	neg	neg	neg	neg
Profit margin (%)	3	neg	neg	neg	neg
EBITDA (SEK M)	8.3	-14.7	-20.8	-32.7	-17.1
Shareholders' equity per share (SEK)	1.97	1.87	4.78	5.53	9.07
Shareholders' equity per share after full conversion (SEK) (1)	1.78	1.87	4.64	5.37	9.07
Return on equity (%)	2.6	neg	neg	neg	neg
Cash flow from operating activities (SEK M)	-0.8	-11.3	-17.1	-31.9	-28.5
Investments (SEK M)	-20.4	-1.5	-7.8	-5.5	-2.3
Average number of employees	17	12	13	12	11
Equity/assets ratio (%)	92	89	84	91	93
Number of shares (000s)	39 670	39 670	12 153	12 153	39 670
Average number of shares (000s)	39 670	22 159	12 153	12 153	39 670
Average number of shares after dilution and conversion (000s) (1)	42 358	22 159	12 523	12 523	9 461

(1) The company has two warrant programs.

The first program from 2010 extends until August 31, 2012. The exercise price is SEK 7.48. The program was considered in calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 3,433,000 new Class B shares.

The second program from 2010 extends until February 9, 2013. The exercise price is SEK 15.74. The program was considered in calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 958,000 new Class B shares.

The term *Average number of Shares after dilution and conversion* refers to the total number of shares plus the number of shares that would arise from exercise of warrants.

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Condensed income statement, Parent Company

(SEK M)

Net sales

Cost of goods sold

Gross profit

Sales expenses

Administrative expenses

Development costs

Other operating income/expenses

Operating profit/loss

Net financial items

Tax

Profit/loss for the period

Oct-Dec 2010	Oct-Dec 2009	Jan-Dec 2010	Jan-Dec 2009
18.2	13.6	60.9	38.5
-9.0	-11.2	-30.1	-28.7
9.1	2.4	30.8	9.8
-1.3	-1.3	-5.9	-5.4
-3.3	-2.5	-9.5	-9.6
-3.1	-9.7	-14.4	-18.6
-0.4	-0.6	0.6	-0.8
0.9	-11.7	1.6	-24.6
0.1	0.1	0.2	0.1
-	-	-	-
0.9	-11.6	1.8	-24.6

Condensed balance sheet, Parent Company

(SEK M)

Assets

Intangible fixed assets

Financial fixed assets

Tangible fixed assets

Total fixed assets

Inventory

Accounts receivable

Current receivables

Current investments

Cash and cash equivalents

Total current assets

Total assets

Shareholders' equity and liabilities

Restricted shareholders' equity

Unrestricted shareholders' equity

Total shareholders' equity

Current liabilities

Total shareholders' equity and liabilities

Pledged assets

Contingent liabilities

Dec 31 2009	Dec 31 2009
22.9	12.3
2.0	-
3.7	0.3
28.6	12.6
7.9	9.1
17.2	9.7
3.7	2.2
-	44.1
28.9	6.0
57.7	71.2
86.4	83.7
49.4	49.4
28.2	24.3
77.6	73.7
8.8	10.0
86.4	83.7
15.0	None
None	None

Accounting policies

This condensed year-end report for the Group was prepared in accordance with IAS 34, Interim Financial Reporting, and applying the provisions in the Annual Accounts Act. The year-end report for the Parent Company was prepared in accordance with the Annual Accounts Act, Chapter 9, Interim reports. The application of these accounting policies complies with those presented in the Annual Report for the fiscal year ending December 31, 2009 and must be read together with them.

No new or revised IFRS that became effective in 2010 have had any significant impact on the Group.