

Significantly improved cash flow for the year

- Success with graphic displays slows down margin and earnings

- French Intermarché selects Pricer's solution – Estimated value SEK 50 M
- Strategic deal with electronics chain Media Saturn – Value SEK 65 M
- Japanese Inageya upgrades – Estimated value SEK 35 M
- Additional business with Coop Norway – Installations in some 150 stores
- Harald Bauer replaced Fredrik Berglund as CEO
- Both net sales and operating profit are expected to be better in 2014 than 2013

Subsequent events

- Group Auchan Schiever upgrades hypermarkets – Value SEK 10 M
- French retailer Coop Atlantique new customer – Estimated order value is SEK 20 M

Fourth quarter

Order entry:	SEK 114 M (76)
Net sales:	SEK 151.9 M (144.2)
Gross margin:	19.5 percent (27.7)
Operating profit:	SEK -4.4 M (11.5)
Operating margin:	-2.9 percent (8.0)
Net profit:	SEK -4.9 M (-16.0)
Cash flow:	SEK 52.5 M (9.3)
Basic earnings per share:	SEK -0.04 (-0.15)

Full year

Order entry:	SEK 523 M (512)
Net sales:	SEK 524.6 M (549.2)
Gross margin:	24.2 percent (31.2)
Operating profit:	SEK 7.8 M (69.7)
Operating margin:	1.5 percent (12.7)
Net profit:	SEK 4.2 M (35.6)
Cash flow:	SEK 56.5 M (23.2)
Basic earnings per share:	SEK 0.04 (0.33)



Comments from the CEO, Harald Bauer

2013 presented a number of challenges. The continuing economic downturn in Europe has impeded growth. Customers have in growing numbers switched to graphic labels, which are more expensive to produce than the previous generation of labels. The proportion of graphic labels has increased value-wise during the year from 10 to 40 percent. The switching to graphic labels is in essence a good thing. These displays allow retailers to communicate other important information than just the price, such as product information and promotional offers. They open the door for an improved market potential at existing customers and at new market segments. This broadens demand for our solutions.

We have continued work on developing our products both to reduce costs and increase quality. Temporary problems at suppliers in connection with new product models have led to extra one-time costs in the fourth quarter of about SEK 6.5 M.

The economic downturn in Europe has meant that some of our larger customers have concluded fewer and smaller deals with us than expected. On the other hand, we made key strategic gains during the year with other customers in the food industry and in electronic retail chains, such as with Intermarché and Media Saturn.

The number of pilot installations remained at a high level during the year, which fills us with optimism about the future.

During the year we passed a milestone in our history – Pricer installed its hundred millionth label.

I am optimistic about 2014. We have already publicised new important deals and several test projects which are up-and-running are yielding encouraging results. In all, we anticipate that 2014 will see improved sales and operating profit compared with 2013.

Market development

Sales have, as expected, improved during the fourth quarter. In general the market is affected by the continued weak economic climate, particularly in southern Europe, although a slight improvement has been noted. Another effect of the current economic climate is that ongoing projects are taking longer to complete.

Pricer has during the year won a number of strategically important deals. Both new and existing customers in several geographical markets and new market segments have chosen the Pricer solution. By using the Pricer solution, customers have the possibility of further rationalising and improving profitability by simply and quickly being able to adjust prices in stores. The increased interest for omni-channel, i.e., sales through various sales channels, creates new needs for the Pricer system as it allows the customer to change price and product information in all channels in real time.

The increased sales of graphic displays reflects customer needs, and shows that customers understand the benefits. It is not only price information that is displayed, but the system also allows customers to present information about products or direct marketing information on the shelf edge.

Europe, Middle East and Africa

Net sales in the region were SEK 443.9 M (454.1) during the year. Net sales have increased by 16 percent in the fourth quarter.

Pricer has won a procurement process with the third-largest grocery retailer in France, Intermarché. It has selected Pricer's solution for the stores that are not yet equipped with electronic shelf label systems. Intermarché incorporates some 1,800 stores with independent retailers, each one deciding if and when to invest. For 2013, over 100 stores have installed the Pricer system and about 300 stores have yet to install it.

One of the world's leading electronics chains, Media Saturn, has selected Pricer's e-paper graphic displays for all its stores in the Netherlands in order to enable its omni-channel strategy. The value of the project exceeded SEK 65 M in 2013.

It is encouraging that one of our larger French customers, Carrefour, has resumed installations of Pricer's system in line with the agreement entered into in September 2010. These installations were put on hold in 2012 and were resumed in 2013.

Americas

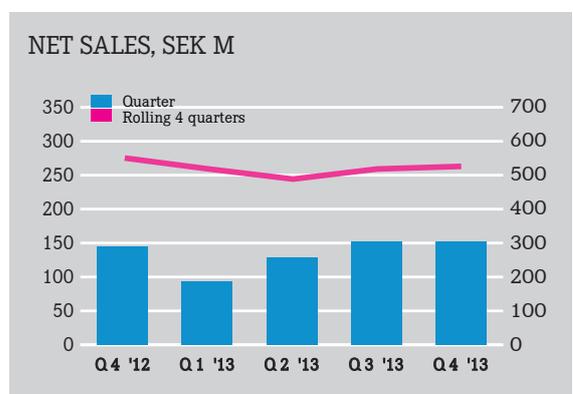
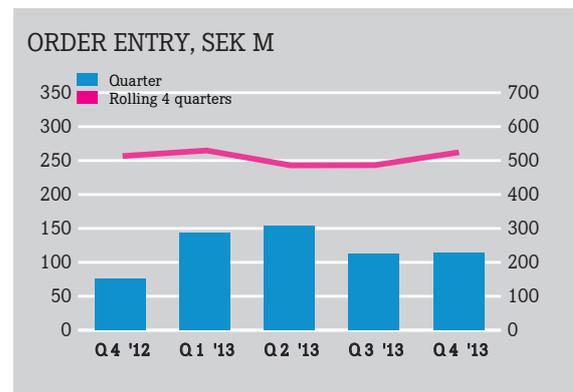
Net sales in the region were SEK 51.6 M (64.8) during the year. The hardware retail chain Patrick Morin, in Montreal, Canada, decided to equip its 17 stores with Pricer systems. The value of this project is estimated at SEK 10 M.

Mexico's second largest retailer, Soriana S.A., extended the cooperation with Pricer, following a re-evaluation. Soriana is equipping at least 120 additional stores with Pricer's system in 2013 and 2014. Pilot projects and smaller installations are in progress in a number of retail chains in various sectors in several countries.

Asia and the Pacific

Net sales in the region were SEK 29.1 M (30.3) during the year. Even if revenue in the region is low there are certain signs of recovery in the Japanese market in which Pricer has 18 million labels installed.

Inageya, a leading supermarket chain in the Tokyo area, has decided to upgrade its stores with new Pricer labels. The value of this deal is estimated to exceed SEK 35 M and is planned to be completed within one year.



Orders, net sales and financial performance for the quarter

Orders in the fourth quarter were SEK 114 M (76). Excluding the currency effect, the increase was 47 percent. At the end of the year, the order backlog amounted to SEK 102 M (88), an increase of 16 percent.

Net sales were SEK 151.9 M (144.2) during the quarter, which was 5 percent higher than the fourth quarter 2012. Excluding currency effect, the increase was 4 percent.

Gross profit was SEK 29.6 M (39.9) and the gross margin was 19.5 percent (27.7) for the quarter. Gross margin has fallen due to effects of product and customer mix, mainly from the increased sales of graphic displays. Temporary problems at suppliers in connection with new product models have led to extra one-time costs of about SEK 6.5 M, affecting the result.

Operating expenses were SEK 34.0 M (28.4) during the quarter, an increase of 20 percent due to an increase in head count, primarily in sales and product development, and more development projects being finished leading to increased amortizations. Compensation to parting CEO Fredrik Berglund has also been accounted for in 2013.

Operating profit was SEK -4.4 M (11.5) during the quarter. This resulted in a negative operating margin (last year 8.0 percent).

Net financial items were SEK 0.4 M (0.0) for the quarter.

Net profit was SEK -4.9 M (-16.0) for the quarter. Translation differences in other comprehensive income consisted of positive currency revaluation of net assets in foreign subsidiaries in euro, primarily goodwill.

Orders, net sales and financial performance for the full year

Orders in the period were SEK 523 M (512), an increase of 2 percent compared to last year. Excluding currency effect, the increase was 4 percent.

Net sales were SEK 524.6 M (549.2) during the year, 5 percent lower than in 2012. Excluding currency effect, the decrease was 3 percent.

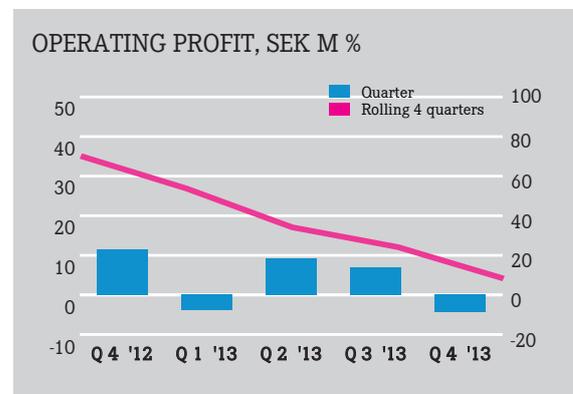
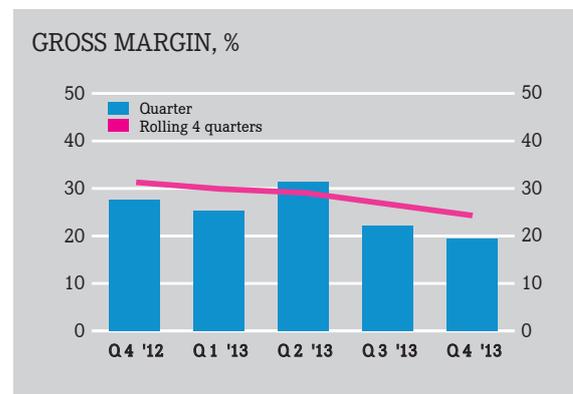
Gross profit was SEK 127.0 M (171.3) and gross margin was 24.2 percent (31.2) for the year. Gross margin has fallen due to effects of product and customer mix and extra one-time costs in connection with new product models.

Operating expenses were SEK 119.2 M (101.6) during the year, an increase of 17 percent.

Operating profit was SEK 7.8 M (69.7) during the year. This resulted in an operating margin of 1.5 percent (12.7).

Net financial items were SEK -0.1 M (-3.1) for the year.

Net profit was SEK 4.2 M (35.6) for the year. Translation differences in other comprehensive income consisted of positive currency revaluation of net assets in foreign subsidiaries in euro, primarily goodwill.



	CURRENCY EFFECTS ORDER ENTRY & SALES			
	Q 4 2013	Q 4 2012	Full year 2013	Full year 2012
% Change in Order entry	50%	-49%	2%	-21%
whereof currency effect	3%	-4%	-2%	0%
% Change in Order entry adjusted for currency effect	47%	-45%	-4%	-21%
% Change in Sales	5%	-25%	-4%	-10%
whereof currency effect	1%	-2%	-2%	0%
% Change in Sales adjusted for currency effect	4%	-23%	-2%	-10%

NET SALES AND OPERATING PROFIT, SEK M				
	Q4 2013	Q4 2012	Full year 2013	Full year 2012
Net sales	151.9	144.2	524.6	549.2
Cost of goods sold	-122.3	-104.3	-397.6	-377.9
Gross profit	29.6	39.9	127.0	171.3
Gross margin, %	19.5%	27.7%	24.2%	31.2%
Expenses	-34.0	-28.4	-119.2	-101.6
Operating profit	-4.4	11.5	7.8	69.7
Operating margin, %	-2.9%	8.0%	1.5%	12.7%

ISSUED AND OUTSTANDING SHARES			
Stated in thousands of shares	Serie A	Serie B	Total
At the beginning of the year 2013-01-01	226	109 666	109 892
Issued and converted shares	-	750	750
Treasury shares	-	- 750	-750
As at the end of the period 2013-12-31	226	109 666	109 892

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

Cash flow and financial position

Quarter

Cash flow from operating activities was SEK 55.5 M (9.3) and has improved significantly in the fourth quarter mainly due to decreased customer receivables.

Full year

Cash flow from operating activities was SEK 56.5 M (23.2).

Working capital was SEK 269.6 M (305.7) at the end of the year. Working capital has decreased by 12 percent since the beginning of the year. However, in relation to rolling annual sales, working capital has increased to 52 percent (40).

Cash and cash equivalents at the end of the period were SEK 48.9 M (45.7). In addition to available cash, Pricer has an unutilised revolving credit facility of SEK 50 M and an additional SEK 50 M in credit facility.

Total assets amounted to SEK 801.2 M (809) at the end of the year and consisted of intangible assets of SEK 269.0 M (247.2) primarily from the acquisition of Eldat in 2006 and goodwill totalling of SEK 225.7 M (217.4). The increase is explained by capitalized development projects.

To reduce the Group's currency exposure, forward contracts are entered into. The derivatives are measured at fair value and hedge accounting is applied. The Group only holds Level 2 instruments in the hierarchy of fair value as described in the Annual Report 2012. The fair value at period end consists of assets of SEK 0.1 M (0.5) and liabilities of SEK 1.1 M (0.5).

Equity

In May 2013 the share savings programme for employees decided at the Annual General Meeting in April was launched. A total of 750,000 shares were issued and re-purchased at par value and are now held by the Company for the promise of matching shares

in three years. The value of the promised shares is treated according to IFRS 2 and expensed during the period.

The shares owned by Ishida Co Ltd in Pricer Ishida Explorative Research (PIER) AB have been purchased during the period and there is no more non-controlling interest in the consolidated accounts. The company has been dormant for some time and will now be dismantled.

Capital expenditure

Quarter

Capital expenditure was SEK 3.5 M (7.8) for the quarter and comprised mainly capitalised development costs of SEK 3.5 M (3.2).

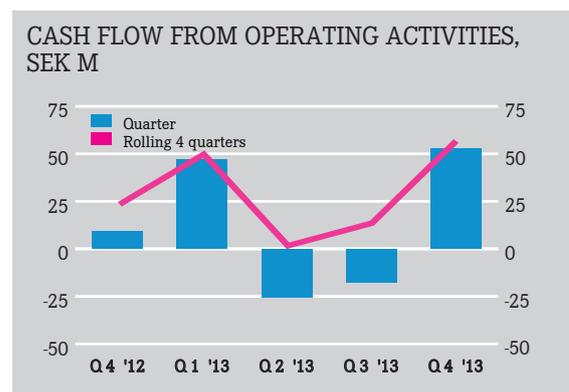
Full year

Capital expenditure was SEK 26.1 M (17.9) for the year and comprised mainly capitalised development costs of SEK 20.3 M (11.1).

Miscellaneous

Parent Company

Net sales in the Parent Company were SEK 433.3 M (439.6) and net profit was SEK -7.5 M (22.3) for the year. The Parent Company had cash and cash equivalents of SEK 37.6 M (29.8) at the end of the year.



Employees

The average number of employees for the year was 77 (73) and, at the end of the year, the company had 77 (73) employees.

Fredrik Berglund submitted his resignation as CEO in November and left his position in December. He is entitled to another five months compensation. Harald Bauer replaced as acting CEO and a recruitment process for a new CEO is ongoing.

Risks and uncertainties

Pricer's results and financial position are affected by a number of risk factors that must be taken into consideration when assessing the Group and the Parent Company and their future potential. These risks primarily concern developments in the ESL market. Given the customer structure and the large size of the contracts, any delay in installations may have a significant impact on any given quarter. For additional risks, please see the annual report.

Related parties

There have been no significant transactions involving related parties that could have a material impact on the financial position and earnings of the Group or the Parent Company.

Subsequent events

Pricer has signed an agreement with French Group Schiever which operates Auchan Hypermarkets and ATAC Supermarkets. The retail chain will replace the current ESL systems used in its stores and upgrade them to Pricer's bi-directional solution. Order value is SEK 10 M. Installations are to be completed by mid-2014.

French retailer Coop Atlantique rolls out Pricer solution. The contract covers 31 Hyper- and Supermarkets that will be deployed with the Pricer solution by the end of 2015. Coop Atlantique already has seven such stores equipped with the Pricer system. The value of the project is estimated to be SEK 20 M.

Accounting principles

This interim report showing the consolidated accounts has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable regulations in the Swedish Annual Accounts Act. This interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 9, and RFR 2. Accounting principles applied for the consolidated and the Parent Company accounts are consistent with the principles applied in the most recent annual report except for the new and adjusted IFRS which apply from 1 January 2013 and are described below.

The new or amended IFRS that came into effect on 1 January 2013 has had no material effect on the consolidated financial statements, except for amended IAS 1 Presentation of Financial Statements, which has led to a new structure of the items shown in other comprehensive income. IFRS 13 Fair Value Measurement has meant additional disclosure requirements for fair value measurements. Under the amended IFRS 7 Financial Instruments: Disclosures relating to new disclosure requirements for offsetting financial assets and liabilities; there has been no off setting and no agreement exists that allows netting.

Outlook

For 2014 both net sales and operating profit are expected to be better than in 2013.

Annual General Meeting and dividend

The Annual General Meeting is planned for May 6, 2014 at 4 pm at Sheraton Hotel, Stockholm. The last day to request items to be addressed at the AGM is March 31. The Board of Directors will not propose to the AGM any dividend for 2013.

It is expected that the Annual Report for 2013 will be published in the middle of April at Pricer's website and will be sent to those who request it.

Next reporting date

The year-end report for January – March 2014 will be published on April 24, 2014.

Stockholm, February 18, 2014
Pricer AB (publ)

Harald Bauer
CEO (acting)

This report has not been subject to review by the auditors

(The year-end report is a translation of the Swedish original for the sake of convenience)

In its capacity as issuer, Pricer AB is releasing the information in this year-end report 2013 in accordance with the Swedish Securities Exchange Act (2007:528). The information was distributed to the media for publication at 8.50 CEST on Tuesday February 18 2014.

For further information, please contact:
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STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME IN SUMMARY

Amounts in SEK M	Q 4 2013	Q 4 2012	Full year 2013	Full year 2012
Net sales	151.9	144.2	524.6	549.2
Cost of goods sold	-122.3	-104.3	-397.6	-377.9
Gross profit	29.6	39.9	127.0	171.3
Selling and administrative expenses	-26.6	-23.0	-94.9	-84.4
Research and development costs	-7.4	-5.4	-24.3	-17.2
Operating profit	-4.4	11.5	7.8	69.7
Net financial items	0.4	0.0	-0.1	-3.1
Profit before tax	-4.0	11.5	7.7	66.6
Income tax	-0.9	-27.5	-3.5	-31.0
Profit for the period	-4.9	-16.0	4.2	35.6
Other comprehensive income				
<i>Items that have or may be accounted for in the profit for the period</i>				
Translation differences	10.2	6.2	12.2	-12.4
Cash flow hedges, net	0.3	1	-0.5	0.2
Tax relating to items in other comprehensive income	-0.7	4.4	-0.6	4.6
Other comprehensive income for the period	9.8	11.6	11.1	-7.6
Net comprehensive income for the period	4.9	-4.4	15.3	28.0
Profit for the period attributable to:				
Owners of the Parent Company	-4.9	-16.0	4.2	35.6
Non-controlling interest	-	0.0	-	0.0
Other comprehensive income for the period attributable to:				
Owners of the Parent Company	4.9	-4.4	15.3	28.0
Non-controlling interest	-	0.0	-	0.0

EARNINGS PER SHARE

	Q 4 2013	Q 4 2012	Full year 2013	Full year 2012
Basic earnings per share, SEK	-0.04	-0.15	0.04	0.33
Diluted earnings per share, SEK	-0.04	-0.15	0.04	0.33
Number of shares, millions	109.9	109.9	109.9	109.3
Diluted number of shares, millions	109.9	109.9	109.9	109.5

NET SALES BY GEOGRAPHICAL MARKET

Amounts in SEK M	Q 4 2013	Q 4 2012	Full year 2013	Full year 2012
Europe, Middle East and Africa	131.6	113.0	443.9	454.1
America	6.1	15.4	51.6	64.8
Asia & the Pacific	14.2	15.8	29.1	30.3
Total net sales	151.9	144.2	524.6	549.2

STATEMENT OF CONSOLIDATED FINANCIAL POSITION IN SUMMARY

Amounts in SEK M	31/12/2013	31/12/2012
Intangible fixed assets	269.1	247.2
Tangible fixed assets	7.2	7.5
Deferred tax assets	101.2	101.7
Total fixed assets	377.5	356.4
Inventories	148.4	142.0
Current receivables	226.4	264.4
Cash and cash equivalents	48.9	45.7
Total current assets	423.7	452.1
TOTAL ASSETS	801.2	808.5
Shareholders' equity	691.9	703.4
Non-controlling interest	-	0.1
Total equity	691.9	703.5
Long-term liabilities	4.1	4.3
Short-term liabilities	105.2	100.7
Total liabilities	109.3	105.0
TOTAL EQUITY AND LIABILITIES	801.2	808.5
Pledged assets	60.4	60.4
Contingent liabilities	0.8	0.8
Basic shareholders' equity per share, SEK	6.30	6.44
Diluted shareholders' equity per share, SEK	6.30	6.42

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	Full year 2013	Full year 2012
Equity at beginning of period	703.5	691.6
Result for the period	4.2	35.6
Other comprehensive income for the period	11.1	-7.6
<i>Net comprehensive income for the period</i>	<i>15.3</i>	<i>28.0</i>
Share issue	0.8	10.6
Repurchase of own shares	-0.8	-
Dividend	-27.5	-27.2
Share based payments, equity settled	0.6	0.5
<i>Total transactions with owners of the Group</i>	<i>-26.9</i>	<i>-16.1</i>
Equity at end of period	691.9	703.5
Attributable to:		
- Owners of the Parent Company	691.7	703.4
- Non-controlling interest	-	0.1
Total	691.7	703.5

STATEMENT OF CONSOLIDATED CASH FLOWS IN SUMMARY

Amounts in SEK M	Q 4 2013	Q 4 2012	Full year 2013	Full year 2012
Profit before tax	-4.0	11.5	7.7	66.6
Adjustment for non-cash items	4.6	3.5	13.5	10.2
Paid income tax	-1.1	-2.1	0.1	-15.6
Change in working capital	53.0	-3.6	35.2	-38.0
Cash flow from operating activities	52.5	9.3	56.5	23.2
Cash flow from investing activities	-3.5	-7.8	-26.1	-18.1
Cash flow from financing activities	-26.7	-	-27.5	-16.7
Cash flow for the period	22.3	1.5	2.9	-11.6
Cash and cash equivalents at beginning of period	25.9	44.1	45.7	58.8
Exchange-rate difference in cash and cash equivalents	0.7	0.1	0.3	-1.5
Cash and cash equivalents at end of period	48.9	45.7	48.9	45.7
Unutilised bank overdraft facilities	50.0	50.0	50.0	50.0
Disposable funds at end of period	98.9	95.7	98.9	95.7

KEY RATIOS

Amounts in SEK M	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013	Q 4 2012
Order entry	114	113	154	143	76
Order entry - rolling 4 quarters	523	485	484	528	512
Net sales	151.9	151.6	127.9	93.2	144.2
Net sales - rolling 4 quarters	524.6	516.9	487.1	516.9	549.2
Operating profit	-4.4	6.9	9.1	-3.8	11.5
Operating profit - rolling 4 quarters	7.8	23.7	33.7	53.3	69.7
Profit for the period	-4.9	5.3	7.7	-3.9	-16.0
Cash flow from operating activities	52.5	-17.4	-25.4	46.8	9.3
Cash flow from op.activities - rolling 4 quarters	56.5	13.3	1.4	49.5	23.2
Number of employees, end of period	77	79	80	79	73
Equity ratio	86%	82%	86%	86%	87%

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

STATEMENT OF INCOME

Amounts in SEK M	Full year 2013	Full year 2012
Net sales	433.3	439.6
Cost of goods sold	-375.2	-336.2
Gross profit	58.1	103.4
Selling and administrative expenses	-41.8	-35.5
Research and development costs	-24.3	-17.2
Operating profit	-8.0	50.7
Income and expenses from financial items	0.0	-2.8
Profit before tax	-8.0	47.9
Income tax	0.5	-25.6
Profit for the period	-7.5	22.3

STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Full year 2013	Full year 2012
Profit for the period	-7.5	22.3
<i>Comprehensive income for the period</i>		
<i>Items that have or may be accounted for in the profit for the period</i>		
Translation differences	3.0	-3.0
Cash flow hedges, net	-0.4	0.2
Tax relating to items in other comprehensive income	-0.6	4.6
Comprehensive income for the period	2.0	1.8
Net comprehensive income for the period	-5.5	24.1

PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	2013-12-31	2012-12-31
Intangible fixed assets	40.4	29.8
Tangible fixed assets	6.0	5.7
Financial fixed assets	379.1	371.4
Total fixed assets	425.5	406.9
Inventories	120.1	115.4
Current receivables	134.3	185.1
Cash and cash equivalents	37.5	29.8
Total current assets	291.9	330.3
TOTAL ASSETS	717.4	737.2
Shareholders' equity	609.6	642.2
Total equity	609.6	642.2
Provisions	11.1	8.1
Long-term liabilities	0.1	0.1
Current liabilities	96.6	86.8
Total liabilities	107.8	95.0
TOTAL EQUITY AND LIABILITIES	717.4	737.2
Pledged assets	59.6	59.6
Contingent liabilities	-	-

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in SEK M	Full year 2013	Full year 2012
Equity at beginning of period	642.2	634.2
Net comprehensive income for the period	-5.5	24.1
Share issue	0.8	10.6
Repurchase of own shares	-0.8	-
Dividend	-27.5	-27.2
Share based payments, equity settled	0.4	0.5
Equity at end of period	609.6	642.2

About Pricer

Pricer provides the retail industry's leading electronic display and Electronic Shelf Label (ESL) platform, solutions, and services for intelligently communicating, managing, and optimizing price and product information on the retail floor. The platform is based on a two-way communication protocol to ensure a complete traceability and effective management of resources. The Pricer system significantly improves consumer benefit and store productivity by simplifying work in the store.

Pricer, founded in 1991 in Uppsala, Sweden, offers the most complete and scalable ESL solution. Pricer has installations in over 50 countries with the largest ESL world market share. Customers include many of the world's top retailers and some of the foremost retail chains in Europe, Japan and the USA. Pricer, in co-operation with qualified partners, offers a totally integrated solution together with supplementary products, applications and services.

Pricer AB (publ.) is quoted on the Nasdaq OMX Stockholm, Small Cap list. For further information, please visit www.pricer.com

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