

Interim Report

January – March, 2011

Press release, May 6, 2011

Continued strong sales growth

Highlights of the first quarter of 2011:

- Net sales for the first quarter rose to SEK 135.1 m (104.1), an increase of 29.8 percent.
- Operating profit (EBIT) rose to SEK 6.0 m (4.5), an increase of 33.3 percent.
- Profit for the period increased to SEK 5.1 m (5.0).
- Earnings per share after tax were SEK 0.27 (0.26).
- Cash flow from current activities was negative SEK 12.6 m (negative 3.7).
- Order intake amounted to SEK 131.5 m (121.2), an increase of 8.5 percent. The Care range increased with 28 percent.
- Doro signed new distribution and retail agreements with Mobistar, Belgium, and Tesco, UK. After the period Doro further signed retail agreements with TeleChoice in Australia and Amplifon in Italy.

DORO GROUP (SEK m)	2011	2010	Rolling 12	2010
	Jan-Mar	Jan-Mar	months	Full-year
Income/Net sales	135.1	104.1	663.8	632.8
Operating profit/loss after depreciation and write-downs, EBIT	6.0	4.5	48.5	47.0
Operating margin, EBIT %	4.4	4.3	7.3	7.4
Profit/loss after financial items	5.5	5.1	46.8	46.4
Profit/loss for the period	5.1	5.0	57.2	57.1
Average number of shares, thousands	19,108	19,108	19,108	19,108
Average number of shares, after dilution*, thousands	19,108	19,108	19,108	19,108
Earnings per share before tax, SEK	0.29	0.27	2.45	2.43
Earnings per share before tax, after dilution*, SEK	0.29	0.27	2.45	2.43
Earnings per share after tax, SEK	0.27	0.26	2.99	2.99
Earnings per share after tax, after dilution*, SEK	0.27	0.26	2.99	2.99

* The effect of dilution is only taken into account when the share price is above the strike price of the warrant.



Comments by the CEO, Jérôme Arnaud:

“I am pleased to report that sales for the first quarter of the year amounted to SEK 135 m (104), an increase of 30 percent. This growth is explained by favorable sales development in North America, both US and Canada, and in the UK. Sales in mainland Europe developed somewhat more weakly. The main reasons are the continued phase-out of certain products in the Home range and some reduced re-ordering in Care following some customers high year-end stock level. This is a seasonal effect in the first quarter. Sell-through of our Care products in all regions is still reported strong.

In this report we start to disclose operating margin per market region in our effort to continue to improve transparency. Margins are an effect of costs allocated per region proportionally to sales. With only one quarter reported, comparison with the same quarter last year needs to be interpreted cautiously. I am happy to see that the overall gross margin actually increased slightly compared to last year.

The sales increase was 41.8 percent if we use the same exchange rates as last year. The order intake in the first quarter of the year amounted to SEK 132 m, an increase by 9 percent. Using the same exchange rates as last year, the increase in order intake was correspondingly higher. The Care range actually grew by 28 %. We also see an even stronger order intake so far in the second quarter.

Operating profit (EBIT) amounted to SEK 6.0 m (4.5), an increase of 33 percent. The operating margin was in line with the corresponding quarter in 2010 at 4.4 percent (4.3). That means we are able to report an improved operating profit for the ninth consecutive quarter compared with the corresponding quarter in previous year.

Doro is relatively well protected from the crisis in Japan, as the supply of most of its components comes from China. The few components we have from Japan are integrated in only a few Doro products. The effect on current production has been minimal and we do not foresee any interruption in production.

Cash flow from operating activities was negative in the amount of SEK 12.6 m (3.7), which is primarily a seasonal effect resulting from both customer and staff bonuses due to higher volumes and results. The overall cash flow and financial evolution is strong.

At the Mobile World Congress in Barcelona, we launched some important new models with functions meeting the requirements that senior consumers now seek in our devices; including an easy-to-use camera. In addition, Doro disclosed the first product available in 3G, a technology that operators demand, as well as our first launch of products within the area of mobile health.

In the first quarter, Doro's network of retailers was supplemented by Mobistar in Belgium and Tesco in the UK for sales of Doro's two best-selling mobile phones. Following the close of the period, Doro further signed sales agreements in Australia and Italy, two countries that we believe have a strong potential for our category of mobile phones.

As further announced in our last quarter's results, we have entered into a new strategic phase where we, besides continuing our organic growth through geographical expansion, are making concrete steps into the area of mobile health applications adapted for seniors. This includes developing devices using the Android operating system. We believe that this market termed “mobile Health” or just “mHealth”, will offer strong growth for senior telecom devices and hence is particularly interesting for Doro's continued growth.

Finally I would also like to report strong interest from staff in participating in Doro's warrant program. All Doro's personnel were invited to subscribe for warrants and the fact that 60 percent of the employees chose to participate demonstrates strong support for the company."

Net sales

Doro's sales for the first quarter amounted to SEK 135.1 m (104.1), an increase of 29.8 percent. Using the same exchange rates as for the previous year, organic growth amounted to 41.8 percent for the first quarter.

Operating result (EBIT)

For the first quarter of 2011, the Group's profit before tax and financial items amounted to SEK 6.0 m (4.5), an increase of 33.3 percent, as a result of a slightly higher gross margin and reduced depreciation of the investments in the market of the Americas, which was fulfilled in the third quarter 2010.

Cash flow, investments and financial position

The cash flow from current activities in the first quarter was negative in an amount of SEK 12.6 m (negative 3.7). This is mainly explained by the lower working capital attributable to normal seasonal payments of personnel and customer bonuses.

In line with IFRS, current hedge contracts that have been valued among net financial items, affected the net earnings negatively for the first quarter by SEK 0.9 m.

At the end of the first quarter Doro was net debt free, with a net cash of SEK 64.8 m, after the dividend payment decided by the Annual General Meeting, and to be compared with a net cash of SEK 24.2 m at the end of the first quarter 2010. The company has unused check facilities of SEK 32.0 m.

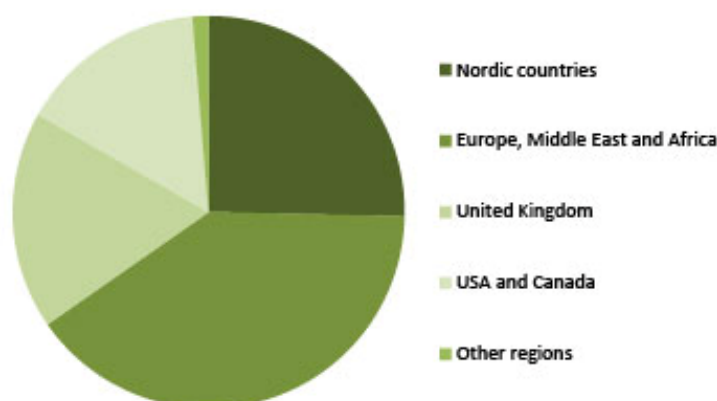
The equity/asset ratio improved to 44.9 percent (34.0) at the end of the period.

New reporting structure as of 2011

As of the first quarter 2011, Doro reports by geographical region, Nordic, UK, EMEA (Europe, Middle East and Africa), USA and Canada and other Regions. Doro now also reports consolidated gross margin.

Geographic regions

Sales per region, %



Nordic

Sales in the Nordic region decreased by 5.0 percent to SEK 34.2 m, primarily due to some customers reducing their stock and reduced sales within the Home range. Nordic market is so far the most penetrated for Doro's Care products and Doro's

market position and profitability is hence still strongest in this geographic market with an EBIT-margin of 14.3 percent for the first quarter.

United Kingdom

In the United Kingdom sales grew 238 percent to SEK 24.3 m, as a result of the distribution agreement with Orange and Tesco. The UK also reports a significantly improved EBIT margin after allocation of costs. We have however not yet reached break-even due to the continued investments in market and product development.

EMEA

In EMEA, sales decreased by 6.9 percent to SEK 54 m with a reduced EBIT margin of 1.3 percent due to continued phase-out of certain products in the Home range and some reduced re-ordering in Care due to some major customers wanting to reduce their stock.

USA and Canada

The USA and Canada reported a substantial growth as a result of both of the partnerships in US and Canada. Sales increased from SEK 0.2 m to SEK 20.8 m. As a result of Doro's investment this region now turned profitable with an EBIT margin of 7.7 percent.

Other Regions

Other regions only account for SEK 1.8 m and the negative EBIT relates to early market costs for business development.

Personnel

At the end of the quarter, the headcount was 61 (59). Of these, 30 (26) are based in Sweden, 16 (18) in France, 6 (5) in the United Kingdom, 3 (4) in Norway and 6 (6) in Hong Kong.

In accordance with the mandate given by the Annual General Meeting on March 23, 2011, all of Doro's employees have been offered warrants. Thirtysix employees have subscribed for 679,770 warrants. Doro AB has subscribed for 265,830 warrants, enabling the Company to potentially sell these at market prices to new employees following the close of the subscription period.

Parent Company

The Parent Company's net sales for the year's first quarter amounted to SEK 133.9 m (104.1). The profit before tax amounted to SEK 2.7 m (18.5).

Events after the close of the period

Doro announced a deal with Australian retail chain TeleChoice to distribute the Doro PhoneEasy®410gsm model through their online shop and their 153 retail stores nationwide.

Doro has also entered into an agreement with retailer Amplifon, an Italian chain with 400 stores around the country that specializes in helping people with impaired hearing.

Outlook

The results of the first quarter confirm the previous outlook presented: Sales and operating profit (EBIT) are expected to continue to grow in 2011.

Doro share

Doro is listed on the Nasdaq OMX Stockholm, Nordic list, Small Cap – Telecom/IT.

On March 31, 2011, Doro's market capitalization amounted to SEK 584.7 m, compared with SEK 443.3 m for the first quarter 2010. During the period January 3

2011–March 31, 2011, the share price slightly decreased from SEK 31.40 to SEK 30.60.

The number of shareholders on March 31, 2011 was 5,865.

Major shareholdings as at March 31, 2011

Holder	No. of Shares	Shares and votes, %
Nordea Investment Funds	1,701,801	8.9
Försäkringsbolaget Avanza Pension	1,621,259	8.5
Originat AB	1,100,000	5.8
Handelsbanken fonder	673,099	3.5
Clearstream Bankning S.A.	593,582	3.1
ABN AMRO Bank	550,325	2.9
Kastensson Holding AB	506,000	2.6
Danske Bank International S.A.	422,172	2.2
Catella Fondförvaltning	420,636	2.2
SIX SIS AG	404,051	2.1

Source: Euroclear Sweden AB and Doro

Related-party transactions

No transactions took place between Doro and related parties that had a material impact on the Company's financial position and results.

Risks

Risks and instability factors are mainly related to supplier disruption, product adaptation and certification, customer relations, exchange rate fluctuations and loan financing. Apart from these risks and the instability factors described on page 24 and 53–55 of the 2010 Annual Report, no other risks of any significance have been identified during the most recent period.

Accounting principles

This Interim Report has been prepared on behalf of the Group according to IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3 Accounting of legal entities. The accounting principles and calculation methods applied are consistent with those that were applied when drawing up the previous year's accounts.

Financial calendar 2011

The Board has set the following dates for the publication of Doro's Interim Reports:

January–June 2011: August 17, 2011
January–September 2011: November 9, 2011
Year-end report 2011: February 2012

Interim Reports

The Interim Reports are available at www.doro.com under Corporate and Press Website.

For further information, please contact:

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Vice President & CFO, Annette Borén, +46 (0)70 630 00 09

Doro's interim report to be presented via audiocast

Analysts, investors and the media are welcome to attend a presentation via www.doro.com or by telephone from 09:00 a.m. CET on May 6, 2011.

Doro's President and CEO Jérôme Arnaud and CFO Annette Borén will participate.

Approximately 1 hour before the start of the presentation, the presentation materials will be made available on the Company's website.

Please call about five minutes before the advertised starting time to access the telephone conference.

Call-in details:

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SE: +46 (0)8 505 598 53

US: +1 866 458 40 87

Lund, Sweden, May 6, 2011

The Board

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The Board of Directors and CEO confirm that this Interim Report provides a fair overview of the Company's and Group's business, position and results and describes the significant risks and uncertainties faced by the Company and its subsidiaries.

This report has not been reviewed by the company's auditors.

About Doro

Doro is a Swedish company focusing on the development, marketing and sales of telecom products specially adapted to the growing worldwide population of seniors. With over 35 years of experience in telecommunications, and sales in more than 30 countries on 5 continents, Doro is the world's leading brand for easy-to-use mobile phones. Doro created the Care Electronics category and in recent years, its products have received several highly distinguished international design awards. The company had sales of SEK 633 m in 2010. Doro's shares are quoted on the Nasdaq OMX Stockholm, Nordic list, Small companies. Read more about Doro at www.doro.com

Financial Reports

INCOME STATEMENT (SEK m) Doro Group	2011 Jan-Mar	2010 Jan-Mar	2010 Full-year
Income/Net sales	135.1	104.1	632.8
Operating cost	-126.5	-94.9	-569.7
Operating profit/loss before depreciation, EBITDA	8.6	9.2	63.1
Depreciation according to plan	-2.6	-4.7	-16.1
Operating profit/loss after depreciation and write-downs, EBIT	6.0	4.5	47.0
Net financial items	-0.5	0.6	-0.6
Profit/loss after financial items	5.5	5.1	46.4
Taxes	-0.4	-0.1	10.7
Profit for the period	5.1	5.0	57.1
Average number of shares, thousands	19,108	19,108	19,108
Average number of shares after dilution*, thousands	19,108	19,108	19,108
Earnings per share before tax, SEK	0.29	0.27	2.43
Earnings per share before tax, after dilution*, SEK	0.29	0.27	2.43
Earnings per share after tax, SEK	0.27	0.26	2.99
Earnings per share after tax, after dilution*, SEK	0.27	0.26	2.99

* The effect of dilution is only taken into account when the share price is above the strike price of the warrant.

STATEMENT OF COMPREHENSIVE INCOME (SEK m) Doro Group	2011 Jan-Mar	2010 Jan-Mar	2010 Full-year
Profit/loss for the period	5.1	5.0	57.1
Translation differences and others	-0.7	-0.6	-3.4
Total result	4.4	4.4	53.7

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m) Doro Group	2011 Mar 31	2010 Mar 31	2010 Dec 31
Intangible assets	26.2	17.8	25.5
Tangible assets	4.7	6.1	4.5
Financial assets	30.6	15.8	30.8
Inventories	47.7	51.7	55.0
Current receivables	86.9	90.2	131.8
Cash and bank balances	64.8	30.1	89.5
Total assets	260.9	211.7	337.1
Shareholders' equity	117.2	72.0	121.3
Interest-bearing liabilities	0.0	5.8	0.0
Non interest-bearing liabilities	143.7	133.9	215.8
Total shareholders' equity and liabilities	260.9	211.7	337.1

STATEMENT OF CASH FLOWS (SEK m) Doro Group	2011 Jan-Mar	2010 Jan-Mar	2010 Full-year
Operating profit/loss after depreciation, EBIT	6.0	4.5	47.0
Depreciation according to plan	2.6	4.7	16.1
Net financial items	0.1	-0.2	-0.4
Taxes	-0.8	0.0	-7.4
Changes in working capital	-20.5	-12.7	25.1
Cash flow from current activities	-12.6	-3.7	80.4
Investments	-3.5	-2.7	-20.6
Cash flow from investment activities	-3.5	-2.7	-20.6
Loans raised	0.0	-3.0	-8.8
Dividend	-9.5	0.0	0.0
Premium for warrant program	1.0	0.0	0.0
Cash flow from financial activities	-8.5	-3.0	-8.8
Translations difference and other	-0.1	-0.9	-1.9
Change in liquid funds	-24.7	-10.3	49.1
Net cash	64.8	24.2	89.5

STATEMENT OF CHANGES IN EQUITY (SEK m) Doro Group	2011 Jan-Mar	2010 Jan-Mar	2010 Full-year
Opening balance	121.3	67.6	67.6
Total result for the period	4.4	4.4	53.7
Dividend	-9.5	0.0	0.0
Other allocated capital, warrants program	1.0	0.0	0.0
Closing balance	117.2	72.0	121.3

OTHER KEY FIGURES Doro Group	2011 Jan-Mar	2010 Jan-Mar	2010 Dec 31
Gross margin,%	37.7	37.4	39.3
Equity/assets ratio, %	44.9	34.0	36.0
Number of shares at the end of the period, thousands	19,108	19,108	19,108
Number of shares at the end of the period after dilution*, thousands	19,108	19,108	19,108
Equity per share, SEK	6.13	3.77	6.35
Equity per share after dilution*, SEK	6.13	3.77	6.35
Return on average shareholders' equity, %	60.5	53.9	60.4
Return on average capital employed, %	81.9	53.8	80.1
Share price at period's end, SEK	30.6	23.2	31.2
Market value, SEK m	584.7	443.3	596.2

* The effect of dilution is only taken into account when the share price is above the strike price of the warrant.

SALES PER REGION (SEK m) Doro Group	2011 Jan-Mar	2010 Jan-Mar	2010 Full-year
Nordic countries	34.2	36.0	204.4
United Kingdom	24.3	7.2	76.1
Europe, Middle East and Africa	54.0	58.0	301.2
USA and Canada	20.8	0.2	40.0
Other regions	1.8	2.7	11.1
Total	135.1	104.1	632.8

OPERATING PROFIT AFTER DEPRECIATION, EBIT PER GEOGRAPHICAL REGION (SEK m) Doro Group	2011 Jan-Mar	2010 Jan-Mar	2010 Full-year
Nordic countries	4.9	5.5	41.5
<i>Operating margin %</i>	<i>14.3</i>	<i>15.3</i>	<i>20.3</i>
United Kingdom	-0.5	-1.3	0.0
<i>Operating margin %</i>	<i>-2.1</i>	<i>-18.1</i>	<i>0.0</i>
Europe, Middle East and Africa	1.3	4.5	17.0
<i>Operating margin %</i>	<i>2.4</i>	<i>7.8</i>	<i>5.6</i>
USA and Canada	1.6	-3.8	-10.3
<i>Operating margin %</i>	<i>7.7</i>	<i>N/A</i>	<i>-25.8</i>
Other regions	-1.3	-0.4	-1.2
<i>Operating margin %</i>	<i>-72.2</i>	<i>-14.8</i>	<i>-10.8</i>
Operating profit/loss after depreciation	6.0	4.5	47.0
Operating margin %	4.4	4.3	7.4

SALES PER COUNTRY (SEK m)	2011 Jan-Mar	2010 Jan-Mar	2010 Full-year
France	31.0	38.3	188.1
United Kingdom	21.5	6.6	67.5
Sweden	16.4	20.3	114.2
Canada	11.5	0.0	9.3
Germany	11.1	14.4	72.7
USA	9.2	0.1	29.6
Denmark	7.7	5.8	22.2
Norway	6.6	7.4	40.3
Other countries	19.4	10.7	82.6
Total	134.4	103.6	626.5
Other revenue	0.7	0.5	6.3
Total revenue	135.1	104.1	632.8

INCOME STATEMENT (SEK m) Parent Company	2011 Jan-Mar	2010 Jan-Mar	2010 Full-year
Income/Net sales	133.9	104.1	627.4
Operating cost	-126.3	-80.3	-568.2
Operating profit before depreciation and write-downs, EBITDA	7.6	23.8	59.2
Depreciation according to plan	-4.3	-5.9	-23.1
Operating profit/loss after depreciation and write-downs, EBIT	3.3	17.9	36.1
Net financial items	-0.6	0.6	-0.9
Profit after financial items	2.7	18.5	35.2
Taxes	0.0	0.0	12.9
Profit/loss for the period*	2.7	18.5	48.1

*Deviation is due to a new transfer pricing model implemented.

SUMMARY OF BALANCE SHEET (SEK m) Parent Company	2011 Mar 31	2010 Mar 31	2010 Dec 31
Intangible assets	33.7	24.1	34.8
Tangible assets	3.5	4.3	3.3
Financial assets	50.2	37.3	50.2
Inventories	48.3	52.2	55.6
Current receivables	82.6	84.9	127.9
Cash and bank receivables	62.4	21.4	88.1
Total assets	280.7	224.2	359.9
Shareholders' equity	109.4	85.6	115.2
Interest-bearing liabilities	36.0	56.4	15.0
Non interest-bearing liabilities	135.3	82.2	229.7
Total shareholders' equity and liabilities	280.7	224.2	359.9

Financial Definitions

Gross Margin: Net sales - Merchandise costs.

Gross Margin, % : Gross Margin in percentage of Net sales.

Average number of shares: Number of shares at the end of each period divided with number of periods.

Average number of shares after dilution: Average number of shares adjusted with the dilution effect from average number of new shares linked to existing warrants.

Earnings per share before tax: Profit/loss after financial items divided by the average number of shares for the period.

Earnings per share before tax, after dilution: Profit/loss after financial items divided by the average number of shares for the period after dilution.

Earnings per share after tax: Profit/loss after financial items minus tax divided by average number of shares for the period.

Earnings per share after tax, after dilution: Profit/loss after financial items minus tax divided by the average number of shares for the period after dilution.

Number of shares at the end of the period: Actual number of shares at the end of the period.

Number of shares at the end of the period, after dilution: The number of shares at the end of the period adjusted with the dilution effect from warrants is calculated as the difference between assumed number of shares issued at the exercise price and the assumed number of shares issued at the closing market price at the end of the period.

Equity per share: Shareholders' equity at the end of the period divided by the number of shares at the end of the period.

Equity per share, after dilution: Shareholders' equity at the end of the period divided by the number of shares at the end of the period, after dilution.

Net debt/Net cash: Cash and bank balances reduced with interest bearing liabilities.

Equity/assets ratio, %: Shareholders' equity as a percentage of the balance sheet total.

Return on average shareholders' equity, %: Profit/loss rolling twelve months after financial items and tax divided by average shareholders' equity.

Capital employed: Total assets reduced with non-interest bearing debt and cash and bank balances.

Return on average capital employed, %: Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.

Share price at period's end: Closing market price at the end of the period.

Market value, SEK m: Share price at period's end times the number of shares at the end of the period.