

Interim Report

January – June, 2011

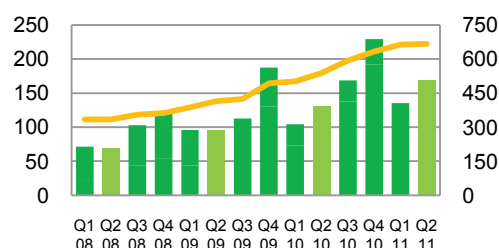
Press release, August 17, 2011

Continued strong growth and improved operating margin

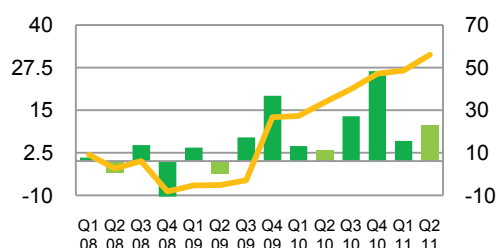
Highlights of the second quarter of 2011:

- Net sales rose to SEK 164.9 m (130.8), an increase of 26 percent.
- Operating profit (EBIT) rose to SEK 10.4 m (3.0), an increase of 247 percent. The EBIT margin improved to 6.3 percent (2.3).
- Profit for the period increased to SEK 7.9 m (7.3).
- Earnings per share after tax were SEK 0.41 (0.38).
- Cash flow from current activities was SEK 3.5 m (2.1).
- Order intake amounted to SEK 181.0 m (151.7), an increase of 19 percent. The Care product range increased by 36 percent.
- Prylos SAS was acquired after the close of the period. The acquisition is not expected to have any material effect on Doro's result for 2011.

Sales per quarter and rolling 12 months, SEKm



EBIT per quarter and rolling 12 months, SEKm



DORO GROUP	2011	2010	2011	2010	Rolling	2010
SEKm	Apr-Jun	Apr-June	Jan-Jun	Jan-Jun	12months	Full-year
Income/Net sales	164.9	130.8	300.0	234.9	697.9	632.8
Operating profit/loss after depreciation and write-downs, EBIT	10.4	3.0	16.4	7.4	56.0	47.0
Operating margin, EBIT, %	6.3	2.3	5.5	3.2	8.0	7.4
Profit/loss after financial items	8.1	8.2	13.6	13.3	46.7	46.4
Profit/loss for the period	7.9	7.3	13.0	12.3	57.8	57.1
Average number of shares, thousands	19,108	19,108	19,108	19,108	19,108	19,108
Average number of shares, after dilution*, thousands	19,108	19,108	19,108	19,108	19,108	19,108
Earnings per share before tax, SEK	0.42	0.43	0.71	0.70	2.44	2.43
Earnings per share before tax, after dilution*, SEK	0.42	0.43	0.71	0.70	2.44	2.43
Earnings per share after tax, SEK	0.41	0.38	0.68	0.65	3.02	2.99
Earnings per share after tax, after dilution*, SEK	0.41	0.38	0.68	0.65	3.02	2.99

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



CEO Jérôme Arnaud: A strong and active quarter in line with our strategy

“The second quarter was a strong one in all regards, with increased sales for the 15th consecutive quarter. The operating margin also rose and was significantly better than in the corresponding period in 2010. Order intake was strong as well. In total, order bookings rose by 19 percent, despite the continued phasing out of portions of the Home product range. In the Care product range, order bookings rose by 36 percent.

Strong order intake for the Care range

Extended international footprint

Over the second quarter, we continued to strengthen our geographical presence by signing several important partnership agreements with retailers such as Tele-Choice of Australia, which sells one of our phones through its webshop and 153 stores nationwide, and Amplifon of Italy with its 400 stores. We have also strengthened our presence in the UK through an agreement with Virgin Media, which sells one of our phones through its webshop, 78 proprietary stores and other affiliated outlets. Through our US partner Consumer Cellular, we are now also represented at Sears Roebuck & Co, which has 800 stores.

We have also secured new agreements with additional operators who all commenced sales of our new 3G phone in July. These are Sonera of Finland and, after the close of the period, 3 of Sweden. In addition, Orange, which has already been selling our phones in various countries, has expanded its distribution of Doro devices to Spain. The addition of yet another country illustrates the confidence that Orange has in Doro.

New models now in store

Doro’s strengthened product development organization has enabled new launches of two new easy-to-use models with functions that are in demand. New features include a specially-adapted camera, 3G technology and remote programming of the phone book and calendar functions, as well as a new design. These models have, in practice, been available in stores since July and have not therefore affected sales for the quarter to any material extent.

Improved position in mHealth and other services for seniors

Today, 25 percent of all mobile phones sold globally are smartphones. Often based on the Android platform, smartphones are also increasingly in demand among our target group. Alongside the development of new markets and products, our growth strategy therefore entails the development of Android smartphones for seniors. These phones will support a selection of relevant services, including mHealth.

To reinforce this development, we acquired Prylos SAS following the close of the period. This provides us with an Android-based platform for new products and services, as well as an enhanced and focused development team in telecom solutions for seniors. With the acquisition, we expect to be able to extend the content of our new competitive offering and to hasten the pace of its launch.”

The Group, Second quarter 2011

Growth over 15 consecutive quarters

Organic growth amounted to 36.4 percent

Improved EBIT margin

Net sales and operating profit

Doro's sales for the second quarter amounted to SEK 164.9 m (130.8), an increase of 26 percent. Growth is primarily driven by the UK and the new markets – the US and Canada. Sales volumes in the Nordic and EMEA regions are beginning to recover after having been affected during the first half of the year by the phasing out of certain portions of the Home product range.

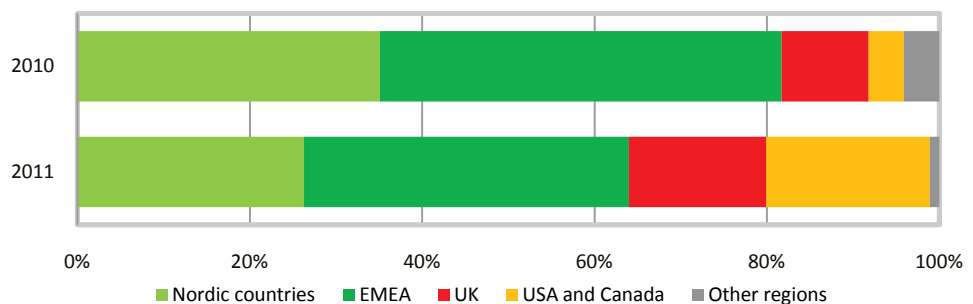
Using the same exchange rates as for the previous year, organic growth amounted to 36.4 percent for the second quarter.

Operating profit (EBIT) amounted to SEK 10.4 m (3.0), an increase of 247 percent.

The operating margin thus rose to 6.3 percent (2.3) despite increased marketing costs. The improved EBIT margin is attributable to the increased sales volume and the fulfilled depreciations of investments in the US. This has also offset a slightly lower gross margin compared to last year. The gross margin may vary from quarter to quarter, primarily due to geographical distribution of sales as well as product mix.

Geographic regions

Sales per region, %



Improved EBIT margin in the Nordic and EMEA regions

Nordic

Sales in the Nordic region, where we have the greatest penetration, decreased by 5.7 percent to SEK 43.3 m, primarily due to reduced sales within the Home range. The EBIT margin remains healthy primarily due to Doro's strong market position.

Significant sales growth in the US, Canada and the UK

United Kingdom

In the United Kingdom sales continue to grow. Over the period, they rose by 99.2 percent to SEK 26.3 m. This was an effect of the distribution agreement with Orange and Tesco, and to a certain extent of the new agreement with Virgin Media. Due to continued market investments, the EBIT margin is still negative.

EMEA (Europe, Middle East and Africa)

In EMEA, sales increased by 1.8 percent to SEK 62.1 m, with an improved EBIT margin.

USA and Canada

Operations in the US and Canada reported substantial growth. However, Consumer Cellular's agreement with Sears Roebuck & Co has yet to make an impact. Sales increased by 492 percent from SEK 5.3 m to SEK 31.4 m, with an increased EBIT margin.

Other regions

Other regions only account for SEK 1.8 m (5.4) and the negative EBIT relates to costs for business development for new markets.

The operating margin for the different regions may vary from quarter to quarter since the allocation of overhead costs is based on sales.

Profit/loss for the period

Profit for the second quarter amounted to SEK 7.9 m (7.3).

Net financial items for the period were SEK 7.5 m lower than in the year-earlier period. This is primarily due to the fact that current forward rate agreements have, in accordance with IFRS, been assessed under financial items, affecting net financial items negatively by SEK 2.0 m.

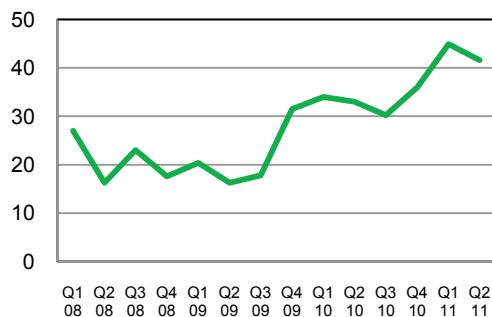
Improved profit for the period despite lower valuation of forward rate agreements

Cash flow, investments and financial position

Cash flow from current activities over the period amounted to SEK 3.5 m (2.1). The improvement is mainly attributable to increased EBIT that was, to a certain extent, offset by increased working capital as a consequence of increased volumes.

The equity/asset ratio improved to 41.6 percent (32.9) at the end of the period.

Equity/ asset ratio, %



At the end of the period, Doro had no interest-bearing liabilities (SEK 7.4 m), and a net cash balance of SEK 65.9 m (19.4). The company has unused check facilities of SEK 32.0 m.

Personnel

At the end of the quarter, the headcount was 62 (59). Of these, 29 (27) are based in Sweden, 16 (17) in France, 7 (5) in the United Kingdom, 3 (4) in Norway and 7 (6) in Hong Kong.

Parent Company

The Parent Company's net sales for the year's second quarter amounted to SEK 164.3 m (130.8). The profit before tax amounted to SEK 5.3 m (13.8).

Events after the close of the period

A retail agreement was signed with 3 of Sweden which, effective from July, will sell the Doro PhoneEasy® 615 camera phone.

Doro acquired French-based Prylos SAS, which has 12 employees. The acquisition provides Doro with an Android-based platform for its new product launches, as well as a focused development team in telecom solutions for seniors. The acquisition will strengthen Doro's strategy to grow in mHealth – health solutions based on mobile telephony.

Doro has also continued to develop its partnership with the Orange Group through a sales agreement with Orange in Spain. Effective from July, the mobile operator

will sell Doro's PhoneEasy® 410gsm via the Internet and 2,100 stores throughout Spain.

Outlook

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

Doro share

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

On June 30, 2011, Doro's market capitalization amounted to SEK 559.9 m, compared with SEK 393.6 m on June 30, 2010. During the period April 1, 2011– June 30, 2011, the share price slightly decreased from SEK 30.6 to SEK 29.30.

The number of shareholders on June 30, 2011 was 5,738.

Major shareholdings as at June 30, 2011

Holder	No. Of Shares	Shares and votes, %
Nordea Investment Funds	1,845,702	9.7
Försäkringsbolaget Avanza Pension	1,349,415	7.1
Originat AB	1,100,000	5.8
ABN AMRO Bank	851,691	4.5
Handelsbanken fonder	747,528	3.9
Clearstream Bankning S.A.	576,432	3.0
Kastensson Holding AB	506,000	2.6
UBS (Luxemburg) S.A.	433,672	2.3
Catella Fondförvaltning	423,000	2.2
Euroclear Bank S.A.	412,109	2.2

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–September 2011:	November 9, 2011
Year-end report 2011:	February 2012
Annual General Meeting	March 2012

Next report November 9

Interim Reports

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

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Lund, Sweden, August 17, 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)	2011	2010	2011	2010	2010
Doro Group	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Income/Net sales	164.9	130.8	300.0	234.9	632.8
Operating cost	-151.8	-123.7	-278.3	-218.6	-569.7
Operating profit/loss before depreciation, EBITDA	13.1	7.1	21.7	16.3	63.1
Depreciation according to plan	-2.7	-4.1	-5.3	-8.9	-16.1
Operating profit/loss after depreciation and write-downs, EBIT	10.4	3.0	16.4	7.4	47.0
Net financial items	-2.3	5.2	-2.8	5.9	-0.6
Profit/loss after financial items	8.1	8.2	13.6	13.3	46.4
Taxes	-0.2	-0.9	-0.6	-1.0	10.7
Profit for the period	7.9	7.3	13.0	12.3	57.1
Average number of shares, thousands	19,108	19,108	19,108	19,108	19,108
Average number of shares after dilution*, thousands	19,108	19,108	19,108	19,108	19,108
Earnings per share before tax, SEK	0.42	0.43	0.71	0.70	2.43
Earnings per share before tax, after dilution*, SEK	0.42	0.43	0.71	0.70	2.43
Earnings per share after tax, SEK	0.41	0.38	0.68	0.65	2.99
Earnings per share after tax, after dilution*, SEK	0.41	0.38	0.68	0.65	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)	2011	2010	2011	2010	2010
Doro Group	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Profit/loss for the period	7.9	7.3	13.0	12.3	57.1
Translation differences and others	0.6	-0.9	-0.1	-1.4	-3.4
Total result	8.5	6.4	12.9	10.9	53.7

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m)	2011	2010	2010
Doro Group	Jun 30	Jun 30	Dec 31
Intangible assets	26.8	20.9	25.5
Tangible assets	4.7	5.3	4.5
Financial assets	30.5	15.8	30.8
Inventories	45.7	60.3	55.0
Current receivables	130.3	109.3	131.8
Cash and bank balances	65.9	26.8	89.5
Total assets	303.9	238.4	337.1
Shareholders' equity	126.4	78.5	121.3
Interest-bearing liabilities	0.0	7.4	0.0
Non interest-bearing liabilities	177.5	152.5	215.8
Total shareholders' equity and liabilities	303.9	238.4	337.1

STATEMENT OF CASH FLOWS (SEK m)	2011	2010	2011	2010	2010
Doro Group	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Operating profit/loss after depreciation, EBIT	10.4	3.0	16.4	7.4	47.0
Depreciation according to plan	2.7	4.1	5.3	8.9	16.1
Net financial items	0.2	0.8	0.3	0.6	-0.4
Taxes	-1.0	-1.0	-1.8	-1.0	-7.4
Changes in working capital	-8.8	-4.8	-29.3	-17.5	25.1
Cash flow from current activities	3.5	2.1	-9.1	-1.6	80.4
Investments	-3.2	-6.5	-6.7	-9.2	-20.6
Cash flow from investment activities	-3.2	-6.5	-6.7	-9.2	-20.6
Loans raised	0.0	1.6	0.0	-1.4	-8.8
Dividend	0.0	0.0	-9.5	0.0	0.0
Premium for warrant program	0.7	0.0	1.7	0.0	0.0
Cash flow from financial activities	0.7	1.6	-7.8	-1.4	-8.8
Translations difference and other	0.1	-0.5	0.0	-1.4	-1.9
Change in liquid funds	1.1	-3.3	-23.6	-13.6	49.1
Net cash	65.9	19.4	65.9	19.4	89.5

STATEMENT OF CHANGES IN EQUITY (SEK m)	2011	2010	2010
Doro Group	Jan-Jun	Jan-Jun	Full-year
Opening balance	121.3	67.6	67.6
Total result for the period	12.9	10.9	53.7
Dividend	-9.5	0.0	0.0
Other allocated capital, warrants program	1.7	0.0	0.0
Closing balance	126.4	78.5	121.3

OTHER KEY FIGURES	2011	2010	2010
Doro Group	Jun 30	Jun 30	Dec 31
Gross margin, %	38.4	39.4	39.3
Equity/assets ratio, %	41.6	32.9	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	6.61	4.11	6.35
Equity per share after dilution*, SEK	6.61	4.11	6.35
Return on average shareholders' equity, %	56.4	76.4	60.4
Return on average capital employed, %	89.0	66.7	80.1
Share price at period's end, SEK	29.30	20.60	31.20
Market value, SEK m	559.9	393.6	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)	2011	2010	2011	2010	2010
Doro Group	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Nordic	43.3	45.9	77.5	81.9	204.4
Europe, Middle East and Africa	62.1	61.0	116.1	119.0	301.2
United Kingdom	26.3	13.2	50.6	20.4	76.1
USA and Canada	31.4	5.3	52.2	5.5	40.0
Other regions	1.8	5.4	3.6	8.1	11.1
Total	164.9	130.8	300.0	234.9	632.8

OPERATING PROFIT AFTER DEPRECIATION, EBIT, PER GEOGRAPHICAL REGION (SEK m)	2011	2010	2011	2010	2010
Doro Group	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Nordic	8.7	6.6	13.6	12.1	41.5
<i>Operating Margin %</i>	20.1	14.4	17.5	14.8	20.3
Europe, Middle East and Africa	3.3	0.5	4.6	5.0	17.0
<i>Operating Margin %</i>	5.3	0.8	4.0	4.2	5.6
United Kingdom	-2.3	-0.5	-2.8	-1.8	0.0
<i>Operating Margin %</i>	-8.7	-3.8	-5.5	-8.8	0.0
USA och Canada	1.2	-2.9	2.8	-6.7	-10.3
<i>Operating Margin %</i>	3.8	-54.7	5.4	-121.8	-25.8
Other regions	-0.5	-0.7	-1.8	-1.2	-1.2
<i>Operating Margin %</i>	-27.8	-13.0	-50.0	-14.8	-10.8
Operating profit/loss after depreciation	10.4	3.0	16.4	7.4	47.0
Operating Margin %	6.3	2.3	5.5	3.2	7.4

SALES PER COUNTRY (SEK m)	2011	2010	2011	2010	2010
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
France	37.5	38.6	68.5	76.9	188.1
United Kingdom	24.2	9.4	45.7	16.0	67.5
Sweden	26.2	25.6	42.6	45.9	114.2
Canada	19.9	0.0	31.4	0.0	9.3
Germany	11.2	14.6	22.3	29.0	72.7
USA	11.5	5.5	20.7	5.6	29.6
Norway	8.5	9.2	15.1	16.6	40.3
Denmark	3.4	4.8	11.1	10.6	22.2
Other countries	21.9	21.5	41.3	32.2	82.6
Total	164.3	129.2	298.7	232.8	626.5
Other revenue	0.6	1.6	1.3	2.1	6.3
Total revenue	164.9	130.8	300.0	234.9	632.8

INCOME STATEMENT (SEK m)	2011	2010	2011	2010	2010
Parent Company	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Income/Net sales	164.3	130.8	298.2	234.9	627.4
Operating cost	-152.3	-114.9	-278.6	-195.2	-568.2
Operating profit before depreciation and write-downs, EBITDA	12.0	15.9	19.6	39.7	59.2
Depreciation according to plan	-4.4	-6.5	-8.7	-12.4	-23.1
Operating profit/loss after depreciation and write-downs, EBIT	7.6	9.4	10.9	27.3	36.1
Net financial items	-2.3	4.4	-2.9	5.0	-0.9
Profit after financial items	5.3	13.8	8.0	32.3	35.2
Taxes	0.0	0.0	0.0	0.0	12.9
Profit/loss for the period*	5.3	13.8	8.0	32.3	48.1

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

SUMMARY OF BALANCE SHEET (SEK m)	2011	2010	2010
Parent Company	Jun 30	Jun 30	Dec 31
Intangible assets	32.5	33.7	34.8
Tangible assets	3.6	3.7	3.3
Financial assets	50.3	37.3	50.2
Inventories	46.3	61.8	55.6
Current receivables	125.1	107.9	127.9
Cash and bank receivables	64.0	25.2	88.1
Total assets	321.8	269.6	359.9
Shareholders' equity	115.4	99.4	115.2
Interest-bearing liabilities	37.2	44.5	15.0
Non interest-bearing liabilities	169.2	125.7	229.7
Total shareholders' equity and liabilities	321.8	269.6	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 to account for the dilution effect of the number of new shares linked to existing warrants.

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.