



Interim Report

January – June 2009

Press release, August 19, 2009

Continued revenue increase, up 46 percent in second quarter

Highlights in the second quarter of 2009:

- Net sales in Q2 rose to SEK 99.2 m (68.1), an increase of 45.7 percent.
- The operating result (EBIT) amounted to a negative SEK 3.5 m (negative: 3.6), while the pre-tax result amounted to a negative SEK 4.8 m (negative: 4.3).
- Earnings per share after tax: Negative SEK 0.27 (negative: 0.25).
- Cash flow for the second quarter was positive at SEK 4.3 m (negative: 10.0), mainly due to a decrease in working capital.
- Order intake amounted to SEK 97.1 m (79.1), an increase of 22.8 percent.
- After the end of the period: Announcement of a retail alliance with the Carphone Warehouse Group PLC. Doro easy-to-use mobiles will be available in-store and online in nine European countries.
- The positive sales trend in the first half of 2009, combined with the build-up of marketing and product investments, is now expected to generate a positive profit trend, with clear improvement of the full-year operating result (EBIT), compared to the previous year.

DORO GROUP (SEK m)	2009	2008	2009	2008	Rolling	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	12 month	Full-year
Income/Net sales	99.2	68.1	193.9	139.5	416.9	362.5
Operating profit/loss after depreciation and write-downs, EBIT	-3.5	-3.6	0.5	-2.5	-5.2	-8.2
Operating margin, EBIT, %	-3.6	-5.3	0.2	-1.8	-0.2	-2.3
Profit/loss after financial items	-4.8	-4.3	-4.7	-3.7	-11.1	-10.1
Profit/loss for the period	-4.8	-4.3	-4.7	-3.7	-12.5	-11.5
Average number of shares, thousands	17,408	17,408	17,408	17,408	17,408	17,408
Earnings per share before tax, SEK	-0.27	-0.25	-0.27	-0.21	-0.64	-0.58
Earnings per share after tax, SEK	-0.27	-0.25	-0.27	-0.21	-0.72	-0.66



Comments by the CEO, Jérôme Arnaud:

“The second quarter of 2009 was characterized by a continued increase in revenues, mainly from sales within Care Electronics. Group sales rose by 45.7 percent and order intake was SEK 97.1 m, an increase of 22.8 percent compared to the corresponding quarter in 2008.

Sales by our Care Electronics business unit amounted to SEK 55.8 m (27.4), more than double the figure compared to second quarter of 2008. We foresee continued growth of Care Electronics, based on the success of the easy-to-use mobile phones. During the third quarter, we are introducing the Doro PhoneEasy® 410gsm, our first GSM phone in a stylish clamshell model. This model features large buttons and characters for simpler dialing. Its elegant and simple design makes it the obvious choice for seniors.

Sales in Home Electronics amounted to SEK 43.4 m (40.7). As general market conditions remain weak for this product range, we are pleased to note that Doro products are maintaining decent sales levels, although our margins have been impacted to some extent. Sales were up 6.6 percent, as compared to a decrease of 1.5 percent in first quarter of 2009, and 25.7 percent in 2008.

Our cash flow has improved as an effect of our focus on working capital, at the same as we have increased our stocks in order to be able to supply the market with new models.

As previously announced, we are investing in building brand awareness surrounding our easy-to-use mobiles and increasing sales. The focus on Care Electronics has been marked by our change of corporate color, from the familiar red to a crisp green. During July and August, Doro is marketing its brand and products in Germany, Norway and Sweden by means of television commercials. The commercials can also be viewed on our website. In addition, we are increasing our knowledge regarding our senior citizen target groups by investing in studies in this area.

Entering the third quarter, we have been proud to announce a retail alliance with Europe's largest independent mobile phone retailer, Carphone Warehouse Group PLC. Doro Easy Mobiles and accessories will soon be available through Carphone Warehouse and Phone House stores in the UK, the Republic of Ireland, Sweden, the Netherlands, Belgium, France, Germany, Spain and Portugal.

Recently, the US certification process for our GSM models within Care Electronics passed an important milestone, establishing conditions for initial shipments to commence already during the third quarter of 2009. However, further milestones need to be passed for full scale sales development.

The Group's operating result (EBIT) remains the same as for the corresponding period in 2008, as a result of increased costs associated with the our growth strategy in Care Electronics. Furthermore, Doro has made some provisions for non-core products, resulting in non-recurring costs being taken in second quarter.

To sum up, the second quarter was yet another that demonstrated the progress of the new Doro. We see strong demand for Care products in all our geographical regions. The agreement with Carphone Warehouse and our progress in the US are significant signs of confidence in Doro's products and the company itself.”

Net sales

Doro's sales amounted to SEK 99.2 m (68.1) for the second quarter, an increase of 45.7 percent. Net sales for the quarter include SEK 4.2 m following the amicable settlement of a dispute in Japan dating from 1999, which also affects the result. Excluding this non-recurring item and using the same exchange rate as for the previous year, organic growth would amount to 29.1 percent.

Operating result (EBIT)

The result before tax and financial items for the second quarter amounted to negative SEK 3.5 m (negative: 3.6). The loss for the first half of 2009, in spite of favorable sales growth, is primarily explained by the expansion of the Care Electronics and provisions for non-core products.

Cash flow, investments and financial position

The cash flow from operations in the second quarter was positive in an amount of SEK 4.3 m (negative: 10.0). This sustained improvement is mainly due to the reduction of working capital. In order to comply with IFRS the current hedge contracts have been valued among net financial items, affecting the result negatively by SEK 3.4 m.

On June 30, 2009, Doro had a net debt of SEK 26.9 m (30.2). The company had pre-agreed credit facilities of SEK 59.0 m. The equity/asset ratio was 16.3 percent (25.1) at the end of the period.

Business units

As of January 1, 2009, Home Electronics and Business Electronics were merged to form the Home Electronics business unit.

Care Electronics

Care Electronics supplies telecom and electronic products adapted to the needs of senior citizens. The business unit's sales in Q2 rose to SEK 55.8 m (27.4) a growth of 104 percent, which represents 56.3 percent of Doro's total sales.

Home Electronics

Home Electronics offers domestic phones and other products for the modern family and also provides simple telecom solutions for enterprises by means of analog and VoIP technologies. Sales during the quarter amounted to SEK 43.4 m (40.7), an increase of 6.6 percent.

Regions

Doro's largest markets are Continental Europe, with 48.2 percent of Group sales, the Nordic region (36.2 percent) and the UK (13.7 percent). Doro also operates through distributors in other selected markets (1.9 percent).

Personnel

At the end of the period, the headcount was 61 (56). Of these, 27 are based in Sweden, 18 in France, 6 in the United Kingdom, 4 in Norway and 6 in Hong Kong.

Parent company

The Parent company's net sales for the second quarter amounted to SEK 50.7 m (29.0). The profit before tax for the second quarter was SEK 8.0 m (negative: 1.5).

Events after the close of the period

Doro has signed a European-wide retail agreement with The Carphone Warehouse Group PLC for its range of easy-to-use mobile handsets. Doro Easy Mobiles will be available in-store and online in nine European countries: the UK, the Republic of Ireland, Sweden, Holland, Belgium, France, Germany, Spain and Portugal.

Doro share

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

Outlook

The positive sales trend in the first half of 2009, combined with the build-up of marketing and product investments, is now expected to generate a positive profit trend, with clear improvement of the full-year operating result (EBIT), compared to the previous year. The more

precise revenue growth trend for the second half of 2009 will, amongst other factors, be dependent on some remaining test milestones in the US, as well as sales development with European key customers.

Risks

Risks and instability factors are mainly related to supplier disruption, product adaptation and certifications, customer relations, exchange rate fluctuations and loan financing, which is more difficult following the general crisis in the banking sector. Apart from these risks and the instability factors described on pages 22–23 and 40–42 of the 2008 Annual Report, no other risks of any significance were 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 Swedish Financial Reporting Board RFR 2.2 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, with the following exceptions due to new or revised standards and interpretations adopted by the EU and which will be applied from January 2009. The change affecting the Group is the revised IAS 1 Presentation of Financial Statements. In addition, Doro's external reports on operating segments are, since last year, presented in the same way as its internal reports, thus Doro is in compliance with the new standard IFRS 8.

IAS 1 Presentation of Financial Statements

The effect of IAS 1 Presentation of Financial Statements is that IAS 1 divides the changes in equity as a result of transactions with owners and other changes. As a consequence a "Statement of comprehensive income" has been added.

Financial calendar

The Board has set the following dates for the publication of Doro's interim reports:

January – September 2009: November 4, 2009 – ***please note the new date, previously Nov 11!***
Year-end report 2009: February 18, 2010

Interim Reports

The interim reports are available at www.doro.com > Investors room

For further information, please contact:

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This has not been subjected to a review by the company's auditors.

Lund, August 19, 2009

The Board

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The Board 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 the Group companies.

Bo Kastensson
Chairman of the Board

Peter Blom
Member of the Board

Karin Moberg
Member of the Board

Jonas Mårtensson
Member of the Board

Jérôme Arnaud
President and CEO

About Doro

With over 30 years' experience in telephony Doro is today characterized by innovative and user-friendly consumer electronics products. The company develops markets and sells a wide range of products in two business units: Care Electronics and Home Electronics. The company's products are sold in more than 30 countries worldwide through a variety of retail outlets, including electronics stores, online stores and specialized channels. The company had sales of SEK 363 million in 2008. Doro's shares are quoted on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap. Read more about Doro at www.doro.com

Financial reports

INCOME STATEMENT (SEK m) Doro Group	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Income/Net sales	99.2	68.1	193.9	139.5	362.5
Operating cost	-100.4	-70.9	-189.7	-140.4	-366.1
Operating profit/loss before depreciation and write-downs, EBITDA	-1.1	-2.8	4.3	-0.9	-3.6
Depreciation according to plan	-2.4	-0.8	-3.8	-1.6	-4.6
Operating profit/loss after depreciation and write-downs, EBIT	-3.5	-3.6	0.5	-2.5	-8.2
Net financial items	-1.2	-0.7	-5.1	-1.2	-1.9
Profit/loss after financial items	-4.8	-4.3	-4.7	-3.7	-10.1
Taxes	0.0	0.0	0.0	0.0	-1.4
Profit/loss for the period	-4.8	-4.3	-4.7	-3.7	-11.5
Average number of shares, thousands	17,408	17,408	17,408	17,408	17,408
Earnings per share before tax, SEK	-0.27	-0.25	-0.27	-0.21	-0.58
Earnings per share after tax, SEK	-0.27	-0.25	-0.27	-0.21	-0.66

STATEMENT OF COMPREHENSIVE INCOME (SEK m) Doro Group	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Profit/loss for the period	-4.8	-4.3	-4.7	-3.7	-11.5
Translations difference and other	-0.3	0.0	0.4	0.0	2.0
Total result	-5.1	-4.3	-4.3	-3.7	-9.5

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m) Doro Group	2009	2008	2008
	30 Jun	30 Jun	31 Dec
Intangible assets	16.0	10.7	14.2
Tangible assets	8.8	5.3	5.7
Financial assets	14.2	14.2	14.2
Inventories	61.8	56.3	58.8
Current receivables	50.7	50.5	64.6
Cash and Bank balances	6.4	5.5	12.6
Total assets	158.0	142.5	170.1
Shareholders' equity	25.7	35.7	30.0
Interest-bearing liabilities	33.3	35.8	43.4
Non interest-bearing liabilities	99.0	71.0	96.7
Total shareholders' equity and liabilities	158.0	142.5	170.1

STATEMENT OF CASH FLOWS (SEK m) Doro Group	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Operating profit/loss after depreciation and write-downs, EBIT	-3.5	-3.6	0.5	-2.5	-8.2
Depreciation according to plan	2.4	0.8	3.8	1.6	4.6
Net financial items	-1.2	-0.7	-5.1	-1.2	-1.9
Taxes	0.0	0.0	0.0	0.0	-1.4
Changes in working capital	6.6	-6.5	13.1	-25.2	-14.5
Cash flow from current activities	4.3	-10.0	12.3	-27.3	-21.4
Disposal of Group companies	0.0	0.0	0.0	0.0	0.0
Investments	-7.4	-1.3	-8.8	-2.8	-10.2
Cash flow from investment activities	-7.4	-1.3	-8.8	-2.8	-10.2
Loans raised	0.0	16.7	-10.1	35.7	35.3
Dividend paid out	0.0	0.0	0.0	0.0	0.0
Cash flow from financial activities	0.0	16.7	-10.1	35.7	35.3
Translations difference and other	-0.3	0.0	0.4	0.0	0.6
Change in liquid funds	-3.4	5.4	-6.2	5.6	4.3
Net debt	26.9	30.2	26.9	30.2	30.7

STATEMENT OF CHANGES IN EQUITY (SEK m) Doro Group	2009	2008	2008
	Jan-Jun	Jan-Jun	Full-year
Opening balance	30.0	39.5	39.5
Profit/loss for the period	-4.3	-3.7	-9.5
Dividend	0.0	0.0	0.0
Closing balance	25.7	35.7	30.0

OTHER KEY FIGURES Doro Group	2009	2008	2008
	30 Jun	30 Jun	31 Dec
Equity/assets ratio, %	16.3	25.1	17.6
Average number of shares, thousands	17,408	17,408	17,408
Reported equity per share, SEK	1.5	2.1	1.7
Return on average share holders' equity, %	neg	neg	neg
Return on average capital employed, %	neg	neg	neg
Share price at period's end, SEK	6.70	4.25	5.00
Market value, SEK m	116.6	74.0	87.0

SALES PER SEGMENT (SEK m) Doro Group	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Care Electronics	55.8	27.4	100.0	46.7	142.7
Home Electronics	43.4	40.7	93.9	92.8	219.8
Total	99.2	68.1	193.9	139.5	362.5

OPERATING PROFIT/LOSS AFTER DEPRECIATION, EBIT PER SEGMENT (SEK m) Doro Group	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
Care Electronics	2.1	1.8	4.8	3.1	17.9
Home Electronics	-5.6	-5.4	-4.3	-5.6	-26.1
Operating profit/loss after depreciation	-3.5	-3.6	0.5	-2.5	-8.2

INCOME STATEMENT (SEK m) Parent Company	2009	2008	2009	2008	2008
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Income/Net sales	50.7	29.0	95.9	59.5	176.2
Operating cost	-49.2	-28.2	-90.1	-64.1	-185.6
Operating profit/loss before depreciation and write-downs, EBITDA	1.5	0.8	5.8	-4.6	-9.4
Depreciation according to plan	-2.6	-1.9	-4.3	-3.3	-7.0
Operating profit/loss after depreciation and write-downs, EBIT	-1.0	-1.1	1.6	-7.9	-16.4
Net financial items	9.0	-0.4	8.3	-1.4	2.0
Profit/loss after financial items	8.0	-1.5	9.9	-9.3	-14.4
Taxes	0.0	0.0	0.0	0.0	-1.4
Profit/loss for the period	8.0	-1.5	9.9	-9.3	-15.8

SUMMARY OF BALANCE SHEET (SEK m) Parent Company	2009	2008	2008
	30 Jun	30 Jun	31 Dec
Intangible assets	25.5	24.7	24.8
Tangible assets	7.5	2.4	3.9
Financial assets	36.6	77.0	71.4
Inventories	20.3	20.3	16.1
Current receivables	26.6	21.3	40.3
Cash and Bank balances	3.8	0.0	2.7
Total assets	120.4	145.7	159.2
Shareholders' equity	39.3	36.0	29.5
Interest-bearing liabilities	33.2	27.2	88.4
Non interest-bearing liabilities	47.9	82.5	41.3
Total shareholders' equity and liabilities	120.4	145.7	159.2