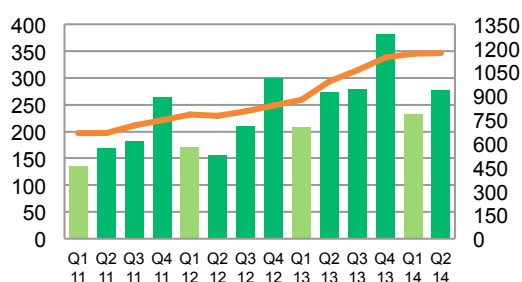


## Improved order intake and gross margin

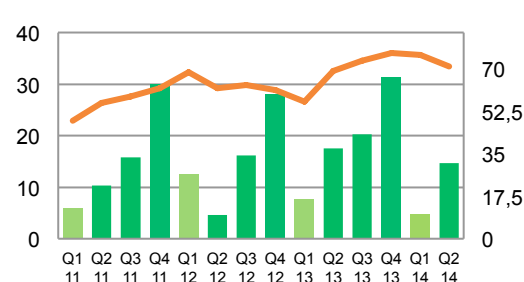
### Highlights of the second quarter, 2014:

- Order intake amounted to SEK 296.2 m (249.9), an increase of 18.5 percent.
- Net sales amounted to SEK 276.9 m (273.0), an increase of 1.4 percent.
- Operating profit (EBIT) totalled SEK 14.7 m (17.5). The operating margin was 5.3 percent (6.4).
- Profit after tax for the period amounted to SEK 9.4 m (12.2).
- Earnings per share after tax amounted to SEK 0.45 (0.63).
- Cash flow from current activities amounted to SEK 47.0 m (40.5).
- Unchanged outlook: Doro expects growth in 2014, mainly during the second half of the year.

Sales per quarter and rolling 12 months, SEKm



EBIT per quarter and rolling 12 months, SEKm



DORO GROUP (SEK m)	2014		2013		Rolling	
	April-June	April-June	Jan-June	Jan-June	12 months	2013 Full-year
<b>Net sales</b>	<b>276.9</b>	273.0	<b>509.9</b>	481.9	1170.5	1142.5
<i>Net sales growth, %</i>	<b>1.4</b>	74.4	<b>5.8</b>	47.4	17.9	36.4
<b>EBITDA</b>	<b>25.3</b>	25.3	<b>41.3</b>	39.4	115.6	113.7
<i>EBITDA margin, %</i>	<b>9.1</b>	9.3	<b>8.1</b>	8.2	9.9	10.0
<b>EBIT</b>	<b>14.7</b>	17.5	<b>19.4</b>	25.1	73.2	78.9
<i>EBIT margin, %</i>	<b>5.3</b>	6.4	<b>3.8</b>	5.2	6.3	6.9
<b>Profit after tax</b>	<b>9.4</b>	12.2	<b>11.4</b>	19.4	52.6	60.6
<b>Earnings per share after tax, SEK</b>	<b>0.45</b>	0.63	<b>0.55</b>	1.00	2.56	3.07
<i>Equity/assets ratio, %</i>	<b>44.4</b>	30.1	<b>44.4</b>	30.1	-	38.3



## CEO Jérôme Arnaud:

### Confidence in feature phones while smartphones ramp-up

The second quarter ended up being almost on par compared to last year, both in terms of sales and EBITDA. However, improved order intake has provided an order book that is up 36 percent, which supports our outlook of growth in 2014.

Nordics is still lower compared to previous year but sales have improved compared to the first quarter this year. Moreover, the order intake has improved by 13 percent versus the same quarter last year, which acknowledges a more stable trend in the Nordics. In US and Canada we keep seeing a stable sell-through of our products to end-customers, but lowered partner inventory has affected our sales in the quarter. Good performance in DACH, UK and EMEA compensates for the regions above.

Our profitability and gross margin have improved since the first quarter. In spite of increased marketing efforts, our EBITDA-margin is now back at the same level as the second quarter last year. Our EBIT-margin is still lower compared to last year due to increased depreciations related to smartphone investments.

Cash flow from operations was strong and amounted to SEK 47 m, reinforced both by improved earnings and change in working capital. Doro continues to have a strong balance sheet and cash position to execute on our growth strategy.

The transition from feature phones to smartphones is significantly slower for the senior segment than for the overall market. Doro continues to launch new and innovative models for the feature phone market and is globally dominating this market. The feature phones performance in Doro is confirmed by recent listings with new major customers.

During the first half of 2014, smartphones accounted for 7 percent of Doro's European mobile sales. We expect an increase of that share during the second half of the year, supported by the launch of our next smartphone in September.

Improved order intake in the Nordics. Continued good development in UK, DACH and EMEA

Improved gross margin

Strong cash flow gives solid financial position

The shift from feature phones to smartphones significantly slower

Smartphones now 7 percent of Doro's European mobile sales

## Important events during and after the period

### *Product launches*

- In June Doro introduced the Doro PhoneEasy® 624 in the Nordic markets. The Doro PhoneEasy® 624 is an updated version of the successful Doro PhoneEasy 622®.

### *Geographical and partner expansion*

- In May the leading Austrian operator Telekom Austria (A1) listed Doro and the Doro PhoneEasy® 508 became available at A1 stores.
- In June Doro secured a strategic listing with Telekom Deutschland, which will offer two of Doro's feature phone models, the Doro PhoneEasy® 508 and Doro PhoneEasy® 612 across Germany in stores and on-line.
- In July Doro announced an extended retail partnership with Optus, the second largest telecom operator in Australia, with the Doro PhoneEasy® 623 available at Optus retail stores nationwide.

## Group, second quarter 2014

### **Net sales and earnings**

Doro's net sales for the second quarter amounted to SEK 276.9 m (273.0), an increase of 1.4 percent compared with the second quarter of 2013. The increase in net sales is an effect of the IVS acquisition in May 2013. Currency adjusted growth for the second quarter is negative and amounts to -2.9 percent. Organic sales, excluding IVS, decreased by 17 percent or 12 percent if adjusted for Doro feature phones (Primo range) accounted for in IVS. However, order intake for the second quarter excluding the acquisition of IVS exceeds the level of previous year.

Gross margin improved to 40.1 percent (37.4) as an effect of a more favourable product mix and lower technology costs for the quarter. This improvement has been offset by increased marketing spending. As a result, EBITDA for the quarter amounted to SEK 25.3 m (25.3), with an EBITDA margin of 9.1 percent (9.3). EBIT in the second quarter was SEK 14.7 m (17.5), with an EBIT margin of 5.3 percent (6.4). Depreciations have increased due to launches of products, especially smartphones. Exchange rate effects had a positive impact on EBIT of SEK 3.1 m compared to previous year.

Net financial items for the second quarter were SEK -1.7 m (-0.3). Group tax for the quarter amounted to SEK -3.6 m (-5.0). The net profit for the quarter amounted to SEK 9.4 m (12.2).

### **Cash flow, investments and financial position**

Cash flow from current activities in the second quarter amounted to SEK 47.0 m (40.5), as an effect of a change in working capital of SEK 23.2 m (15.7). Cash and cash equivalents at the end of the second quarter amounted to SEK 89.1 m (111.2), affected by payment of dividend of SEK -31.7 m (-24.2) as well as a new share issue of SEK 14.1 m, as a result of an incentive program in the company, during the quarter.

The equity/assets ratio was 44.4 percent (30.1.) at the close of the period. This means that the equity/asset ratio is back to the level before the acquisition of IVS. The net cash balance was SEK 42.7 m (65.8).

Second quarter growth amounted to 1.4 percent

EBITDA on par but EBIT affected by increased depreciations

Good cash flow as an effect of change in working capital

## Geographical regions

### *Nordic region*

Improved situation in the Nordics compared to the first quarter

Sales in the Nordic region during the second quarter amounted to SEK 63.0 m (70.6). As in the first quarter, a decrease in the feature phone market has affected sales in the Nordics, even though this market has improved somewhat and the order trend turned positive in the second quarter. Moreover, the sales of smartphones have improved and represent over 10 percent of Doro's total mobile sales – a portion that is expected to increase during the year.

Solid platform and two major listings achieved in DACH

### *DACH (Germany, Austria and Switzerland)*

Sales in the DACH region amounted to SEK 69.3 m (28.0) in the quarter. With the acquisition of IVS in May 2013 Doro has achieved a solid platform and increased market share in the region. Listings with two major operators were signed during the quarter and the new Primo by Doro product range continues to develop well.

### *EMEA (Europe, Middle East and Africa)*

Sales in the EMEA region amounted to SEK 66.2 m (67.1) during the second quarter. During the quarter major operators have continued to launch Doro feature phones with 3G technology.

Higher UK profitability following a period of strong growth

### *United Kingdom*

The UK region showed sales of SEK 45.9 m (39.3) in the second quarter. Doro continues to increase its market share in the region and following a period of strong growth, profitability in the region continued to improve during the quarter.

Relative slow down in US and Canada reflects strong comparable quarter and changes in partner inventories

### *US and Canada*

In US and Canada sales amounted to SEK 28.4 m (71.0). The development in the region during the quarter should be seen in the light of strong comparable quarter last year with extraordinary shipments as an effect of a new product launch. The so called "sell-through" to consumers is still good but since year-end, the distribution partner has implemented changes in the supply chain with lowered inventories.

### *Other regions*

For the quarter, Other regions accounted for sales of SEK 2.1 m (0.2). The improvement reflects reactivated listings with the Australian operator Optus.

### *Central (not related to any specific region)*

For the quarter, income and income adjustments not related to any region amounted to 2.0 m (-3.2).

**Personnel**

At the end of the period, the headcount was 158 (141). Of these, 41 (36) are based in Sweden, 37 (24) in France, 10 (8) in the UK, 8 (8) in Hong Kong, 3 (3) in Norway, and 59 (62) in Germany.

**Parent Company**

The Parent Company's net sales for the second quarter amounted to SEK 217.4 m (257.7). The profit before tax amounted to SEK 5.3 m (14.4).

**Unchanged outlook for 2014**

Doro expects growth in 2014, mainly during the second half of the year.

**The Doro share**

Doro's shares are quoted on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap – Telecom/IT list. As per June 30, 2014, Doro's market capitalization was SEK 623.4 m, which can be compared with SEK 659.8 m on June 30, 2013. During the period April 1, 2014 to June 30, 2014, the share price decreased from SEK 42.1 to SEK 29.4. This is equivalent to a decrease of 30.2 percent, which can be compared with the increase of 5.1 percent in the OMX Stockholm PI over the same period.

The share price decrease had a negative impact on the attractiveness of the new warrant program, which was approved at the Annual General Meeting, May 12 2014. Due to the rapid evaluation of the share price none of the entitled chose to subscribe to the program.

The board of directors emphasizes the importance of incorporating the staff's reward to the company's future earnings and value trend, and therefore propose a new warrant program based on a lower price level to be proposed at an extraordinary general meeting on August 21<sup>st</sup>, 2014.

As per June 30, 2014, there were 8,100 shareholders (7,523).

On June 30, 2014, the largest shareholders were:

Shareholder	Number of shares	Proportion of shares and votes, %
Clearstream Banking S.A	1,631,902	7.7
Försäkringsaktiebolaget Avanza Pension	1,590,082	7.5
Nordea Investment Funds	1,257,428	5.9
AIF clients	1,109,673	5.2
FCP Objectif investissement, microcaps	809,000	3.8
Originat AB	650,000	3.1
Nordnet Pensionsförsäkring AB	489,139	2.3
Hajskaeret Invest AB	380,000	1.8
Swedbank Robur Fonder	346,426	1.6
KAS Bank Client Accnon Treaty 30%	298,926	1.4

Source: Euroclear Sweden AB and Doro AB.

### 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 pages 12-13 of the 2013 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 Accounting of legal entities. Deferred tax assets are considered to the extent the company believes that this can be utilized in the foreseeable future, which the Company considers to be 3-4 years. The accounting principles and calculation methods applied are consistent with those that were applied when drawing up the previous year's accounts.

Third quarter report to be published on Nov 7

### Financial calendar 2014-2015

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

Quarterly report period Jan-Sep 2014: November 7, 2014

Year-end report period Jan-Dec 2014: February 12, 2015

### For further information, please contact:

President & CEO, Jérôme Arnaud, +46 (0)46 280 50 05

CFO, Christian Lindholm, +46 (0) 46 280 50 06

### Doro's report to be presented via audiocast

Analysts, investors and the media are welcome to attend a presentation via [www.doro.com](http://www.doro.com) or by telephone from 9:00 a.m. CET on Aug 21, 2014. Doro's President and CEO Jérôme Arnaud will hold the presentation and take questions.

Before the start of the presentation, the materials will be made available on the Company's website.

Report to be presented at an Audiocast, Aug 21 at 9:00 a.m. CET

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

### Call-in details:

Sweden: + 46 (0)8 505 564 74

France: +33 (0)170 722 195

United Kingdom: +44 (0)20336 453 74

United States: + 1 855 7532 230

Lund, Sweden, August 21, 2014

### Board of Directors

Doro AB (publ) | Company registration number 556161-9429

Doro AB (publ)

Magistratsvägen 10

SE-226 43 Lund, Sweden

Tel: +46 (0)46 280 50 00 | [www.doro.com](http://www.doro.com)

The Board of Directors and CEO confirm that this Q2 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 interim report has not been reviewed by the Company's auditors.

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### About Doro

Doro AB is a Swedish public company formed in 1974. It released its pioneering 'easy-to-use' mobile phone in 2007 and today is the global market-leader within the category. Doro products and solutions are available in more than thirty countries spanning five continents. These include; mobile phones and smart devices, applications and software, fixed line telephony, telecare and mobile health solutions. Doro removes barriers to adoption of new technologies and holds numerous international awards in recognition of its product designs and innovations. Doro shares are quoted on the Nasdaq OMX Stockholm exchange, Nordic List, Small Companies. Net sales of SEK 1,142.5 million (EUR 128.9 million) were reported for 2013. [www.doro.com](http://www.doro.com)

# Financial Reports

<b>INCOME STATEMENT (SEK m)</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
<b>Doro Group</b>	<b>April-June</b>	<b>April-June</b>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Full Year</b>
Income/net sales	276.9	273.0	509.9	481.9	1142.5
Operating cost	-251.6	-247.7	-468.6	-442.5	-1028.8
Operating profit/loss before depreciation and write-downs, EBITDA	25.3	25.3	41.3	39.4	113.7
Depreciation according to plan	-10.6	-7.8	-21.9	-14.3	-34.8
Operating profit/loss after depreciation and write-downs, EBIT	14.7	17.5	19.4	25.1	78.9
Net financial items	-1.7	-0.3	-3.3	-0.2	-0.7
Profit/loss after financial items	13.0	17.2	16.1	24.9	78.2
Taxes	-3.6	-5.0	-4.7	-5.5	-17.6
<b>Profit/loss for the period</b>	<b>9.4</b>	<b>12.2</b>	<b>11.4</b>	<b>19.4</b>	<b>60.6</b>
Average number of shares, thousands	21 017	19 349	20 912	19 349	19 740
Average number of shares after dilution*, thousands	21 032	19 349	20 975	19 349	19 772
Earnings per share before tax, SEK	0.62	0.89	0.77	1.29	3.96
Earnings per share before tax, after dilution*, SEK	0.62	0.89	0.77	1.29	3.96
Earnings per share after tax, SEK	0.45	0.63	0.55	1.00	3.07
Earnings per share after tax, after dilution*, SEK	0.45	0.63	0.54	1.00	3.06

\*The effect of dilution is considered only when the effect on earnings per share is negative.

<b>STATEMENT OF COMPREHENSIVE INCOME (SEK m)</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
<b>Doro Group</b>	<b>April-June</b>	<b>April-June</b>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Full Year</b>
Profit/loss for the period	9.4	12.2	11.4	19.4	60.6
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>					
Translation differences	3.1	2.0	4.3	0.2	2.5
Effects from cash flow hedges	1.4	-3.8	4.0	-1.3	-1.7
Deferred tax	-0.3	0.8	-0.9	0.3	0.4
<b>Total result</b>	<b>13.6</b>	<b>11.2</b>	<b>18.8</b>	<b>18.6</b>	<b>61.8</b>

(Related to Parent Company's shareholders)

<b>STATEMENT OF FINANCIAL POSITION (SEK m) Note 2</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
<b>Doro Group</b>	<b>30 june</b>	<b>30 june</b>	<b>31 dec</b>
Intangible assets	202.5	171.8	199.6
Tangible assets	6.0	10.6	7.0
Financial assets	0.6	0.5	0.5
Deferred tax asset	19.1	15.1	20.7
Inventories	133.1	131.7	130.3
Current receivables	198.7	233.2	266.9
Cash and cash equivalents	89.1	111.2	123.9
<b>Total assets</b>	<b>649.1</b>	<b>674.1</b>	<b>748.9</b>
Shareholders' equity	288.2	203.4	287.0
Long-term liabilities	108.4	128.9	138.3
Current liabilities	252.5	341.8	323.6
Shareholders' equity	649.1	674.1	748.9
<b>Financial instruments recognized at fair value in the Balance Sheet</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	<b>30 June</b>	<b>30 June</b>	<b>31 Dec</b>
Valutakontrakt redovisade som kortfristig skuld	2.1	0.8	4.1
Valutakontrakt redovisade som kortfristig fordran	3.7	0.0	0.4

Financial instruments recognized at fair value consist of currency forward contracts and are used primarily for hedging purposes and are measured at level 2.



<b>STATEMENT OF CASH FLOWS (SEK m)</b>					
<b>Doro Group</b>	<b>2014</b>	2013	<b>2014</b>	2013	2013
	<b>April-June</b>	April-June	<b>Jan-June</b>	Jan-June	Full Year
Operating profit/loss after depreciation and write-downs, EBIT	14.7	17.5	19.4	25.1	78.9
Depreciation according to plan	10.6	7.8	21.9	14.3	34.8
Net Financial items	-0.5	-0.2	-1.7	0.0	-0.6
Unrealized exchange rate differences in cash flow hedges	1.5	2.2	-1.3	1.3	1.7
Revaluation deferred consideration	0.0	0.0	0.8	0.0	-3.6
Taxes paid	-2.5	-2.5	-6.1	-2.7	-5.6
Changes in working capital	23.2	15.7	-14.8	20.8	4.9
Cash flow from current activities	47.0	40.5	18.2	58.8	110.5
Acquisitions	-0.3	-86.0	-18.2	-86.0	-110.2
Investments	-11.7	-8.0	-18.2	-21.8	-36.5
Cash flow from investment activities	-12.0	-94.0	-36.4	-107.8	-146.7
Amortisation of debt	-0.2	-0.2	-0.4	-0.4	-0.8
New loans	0.0	43.6	0.0	43.6	44.1
Dividend	-31.7	-24.2	-31.7	-24.2	-24.2
New share issue	14.1	0.0	14.1	0.0	0.0
Warrant program, buy back	0.0	0.0	0.0	0.0	-0.2
Cash flow from financial activities	-17.8	19.2	-18.0	19.0	18.9
Exchange rate differences in cash and cash equivalents	1.7	0.2	1.5	0.1	0.1
<b>Change in liquid funds</b>	<b>18.9</b>	<b>-34.1</b>	<b>-34.7</b>	<b>-29.9</b>	<b>-17.2</b>
<b>Net Cash</b>	<b>42.7</b>	<b>65.8</b>	<b>42.7</b>	<b>65.8</b>	<b>78.7</b>

<b>STATEMENT OF CHANGES IN EQUITY (SEK m)</b>				
<b>Doro Group</b>	<b>2014</b>	2013		
	<b>30 June</b>	30 June		
<b>Opening balance</b>	<b>287.0</b>	209.0	209.0	
Total result for the period	18.8	18.6	61.8	
Dividend	-31.7	-24.2	-24.2	
Warrants	0.0	0.0	-0.2	
New share issue	14.1	0.0	0.0	
Share issue in kind	0.0	0.0	40.6	
<b>Closing balance</b>	<b>288.2</b>	203.4	287.0	

<b>OTHER KEY FIGURES</b>				
<b>Doro Group</b>	<b>2014</b>	2013		
	<b>30 June</b>	30 June		
Orderbook at the end of the period, SEK m	82.4	60.4	60.0	
Order intake, SEK m	296.2	249.9	316.3	
Gross margin %	40.1	37.4	37.5	
Equity/assets ratio, %	44.4	30.1	38.3	
Number of shares at the end of the period, thousands	21,204	19,349	20,806	
Number of shares at the end of the period after dilution, thousands *	21,204	19,349	20,930	
Equity per share, SEK	13.59	10.51	13.79	
Equity per share, after dilution SEK *	13.59	10.51	13.71	
Earnings per share after taxes paid, SEK	0.48	1.15	3.68	
Earnings per share after taxes paid, after dilution, SEK *	0.48	1.15	3.67	
Return on average share holders' equity, %	21.4	34.5	24.4	
Return on average capital employed, %	31.0	88.0	52.2	
Share price at period's end, SEK	29.40	34.10	44.00	
Market value, SEK m	623.4	659.8	915.5	

\*The effect of dilution is considered only when the effect on earnings per share is negative.

<b>SALES PER REGION (SEK m)</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
<b>Doro Group</b>	<b>April-June</b>	<b>April-June</b>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Full Year</b>
Nordic	63.0	70.6	104.8	126.2	271.5
Europe, Middle East and Africa	66.2	67.1	128.2	125.1	277.2
Dach (Germany, Austria, Switzerland)	69.3	28.0	133.8	40.4	201.3
United Kingdom	45.9	39.3	84.5	75.8	182.2
USA and Canada	28.4	71.0	53.1	112.2	204.4
Other regions	2.1	0.2	4.5	0.8	5.9
Central	2.0	-3.2	1.0	1.4	0.0
<b>Total</b>	<b>276.9</b>	<b>273.0</b>	<b>509.9</b>	<b>481.9</b>	<b>1142.5</b>

<b>OPERATING PROFIT AFTER DEPRECIATION, EBIT, PER GEOGRAPHICAL REGION (SEK m)</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
<b>Doro Group</b>	<b>April-June</b>	<b>April-June</b>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Full Year</b>
Nordic	18.7	25.0	29.3	43.1	89.5
<i>Operating Margin %</i>	29.7	35.4	28.0	34.2	33.0
Europe, Middle East and Africa	14.9	11.6	29.3	22.5	57.9
<i>Operating Margin %</i>	22.5	17.3	22.9	18.0	20.9
Dach (Germany, Austria and Switzerland)	7.2	1.9	13.9	2.6	18.4
<i>Operating Margin %</i>	10.4	6.8	10.4	6.4	9.1
United Kingdom	11.6	7.8	22.8	11.3	32.7
<i>Operating Margin %</i>	25.3	19.8	27.0	14.9	17.9
USA och Canada	5.6	13.7	11.2	23.1	39.0
<i>Operating Margin %</i>	19.7	19.3	21.1	20.6	19.1
Other regions	0.3	-0.2	0.2	-0.5	-0.8
<i>Operating Margin %</i>	14.3	-100.0	4.4	-62.5	-13.6
Central	-43.6	-42.3	-87.3	-77.0	-157.8
<i>Operating Margin %</i>	-	-	-	-	-
<b>Operating profit/loss after depreciation</b>	<b>14.7</b>	<b>17.5</b>	<b>19.4</b>	<b>25.1</b>	<b>78.9</b>
<b>Operating Margin %</b>	<b>5.3</b>	<b>6.4</b>	<b>3.8</b>	<b>5.2</b>	<b>6.9</b>

<b>INCOME STATEMENT (SEK m)</b>	2014		2013		2013
<b>Parent Company</b>	<b>April-June</b>	April-June	<b>Jan-June</b>	Jan-June	Full Year
Income/Net sales	217.4	257.7	393.6	465.7	993.8
Operating cost	-201.7	-235.7	-369.4	-431.1	-903.7
Operating profit/loss before depreciation and write-downs, EBITDA	15.7	22.0	24.2	34.6	90.1
Depreciation according to plan	-9.6	-7.6	-19.9	-14.5	-33.0
Operating profit/loss after depreciation and write-downs, EBIT	6.1	14.4	4.3	20.1	57.1
Net financial items	-0.8	0.0	-0.7	0.0	22.9
Profit/loss after financial items	5.3	14.4	3.6	20.1	80.0
Taxes	-1.1	-3.8	-1.2	-3.8	-10.5
<b>Profit/loss for the period</b>	<b>4.2</b>	<b>10.6</b>	<b>2.4</b>	<b>16.3</b>	<b>69.5</b>

<b>STATEMENT OF COMPREHENSIVE INCOME (SEK M)</b>	2014		2013		2013
<b>Parent Company</b>	<b>April-June</b>	April-June	<b>Jan-June</b>	Jan-June	Full Year
Profit/loss for the period	4.2	10.6	2.4	16.3	69.5
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>					
Effects from cash flow hedges	1.4	-3.8	4.0	-1.3	-1.7
Deferred tax	-0.3	0.8	-0.9	0.3	0.4
<b>Total Result</b>	<b>5.3</b>	<b>7.6</b>	<b>5.5</b>	<b>15.3</b>	<b>68.2</b>

(Related to Parent Company's shareholders)

<b>SUMMARY OF BALANCE SHEET (SEK m)</b>	2014		2013
<b>Parent Company</b>	<b>30 June</b>	30 June	31 dec
Intangible assets	45.8	47.5	46.9
Tangible assets	3.6	7.6	4.3
Financial assets	80.8	89.0	82.8
Inventories	90.0	85.9	88.5
Current receivables	281.2	252.9	315.5
Cash and cash equivalents	46.9	93.6	94.9
<b>Summa tillgångar</b>	<b>548.3</b>	<b>576.5</b>	<b>632.9</b>
Shareholders' equity	247.4	166.0	259.5
Provisions	74.8	82.4	86.0
Longterm liabilities	34.4	43.6	44.3
Current liabilities	191.7	284.5	243.1
<b>Total shareholders equity and liabilities</b>	<b>548.3</b>	<b>576.5</b>	<b>632.9</b>

# Notes

## **Note 1 – Contingent consideration for acquisitions 2011**

In 2011 Doro acquired the two French companies Prylos SAS and Birdy Technology SAS. The acquisition included conditions for possible contingent consideration that in both cases are based on the companies' sales performances. As per December 31st 2012 and per Sept 30th, Prylos SAS had an estimated contingent consideration of SEK 1.4 m. As per December 31st 2013 the contingent consideration for Prylos SAS was estimated to zero. This estimate remains per June 30 2014. At the time of the acquisition, the equivalent estimation was SEK 1.8 m. The maximum contingent consideration amounts to EUR 800 K. For Birdy Technology SAS, the estimated contingent consideration per December 31st 2012 amounted to SEK 2.3 m. Per 30 September 2013 it was estimated to SEK 1.5 m and per 31st of December 2013 it was estimated to zero. This estimate remains as per June 30 2014. At the time of the acquisition, the equivalent estimation was SEK 4.0 m. The maximum contingent consideration amounts to EUR 600 K. During 2012, 2013 and 2014, no contingent consideration has been paid.

## **Note 2 – Contingent and deferred consideration for acquisitions 2013**

### **IVS GmbH**

As per March 31st deferred consideration of EUR 2.0 m is paid. This deferred consideration was discounted to present value of EUR 1.914 m in the purchase price analysis. The difference of EUR 0.086 m has been accounted for as a financial cost in the consolidated accounts. The contingent consideration of EUR 1.6 m is fixed but conditioned to the company reaching a minimum result. Payment shall not be made before January 10, 2015. The contingent consideration is included in the current liabilities.

### **Isidor SAS**

On December 31, the contingent consideration was estimated to SEK 11.7 m, whereof SEK 0.7 m was accounted for as a current liability and SEK 11.0 m as a long-term liability. The estimate for 2015 and 2016 remains as per June 30, 2014 but currency effects make the valuation amount to SEK 12.0 m, whereof SEK 3.0 m is accounted for as a current liability and SEK 9.0 m as a long-term liability. The current contingent consideration for 2013, SEK 0.3 m, has been paid in Q2 2014.

# 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 warrants is calculated as the difference between the assumed number of shares issued at the exercise price and the assumed number of shares issued at average market price for the period.

**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.

**Earnings per share after taxes paid:** Profit/loss after taxes paid divided by average number of shares for the period.

**Earnings per share after taxes paid, after dilution:** Profit/loss after taxes paid divided by the average number of shares for 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.

**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.