

Interim report

April – June 2013

Press release, August 21, 2013

Doro AB | Corporate reg. No. 556161-9429



Exceptional organic revenue growth in the quarter – acquisitions further strengthens growth

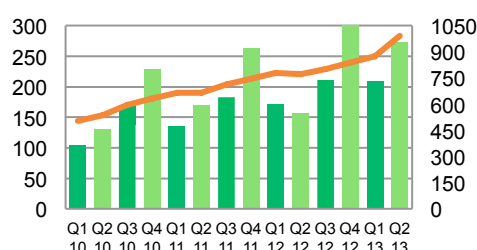
Highlights of the second quarter, 2013:

- Net sales amounted to SEK 273.0 m (156.5), an increase of 74 percent. Adjusted for acquisitions and currency effects, growth amounted to 73 percent compared to previous year.
- Operating profit (EBIT) totalled SEK 17.5 m (4.6). EBIT margin improved to 6.4 percent (2.9). Operating profit excluding one time acquisition costs totalled SEK 23.5 m.
- Profit after tax for the period amounted to SEK 12.2 m (6.0).
- Earnings per share after tax amounted to SEK 0.63 (0.31).
- Cash flow from current activities amounted to SEK 40.5 m (26.0).
- Order intake amounted to SEK 249.9 m (206.9), an increase of 21 percent.
- Doro acquired its German distributor IVS Industrievertretung Schweiger GmbH "IVS".
- Full-year outlook for 2013 remains.

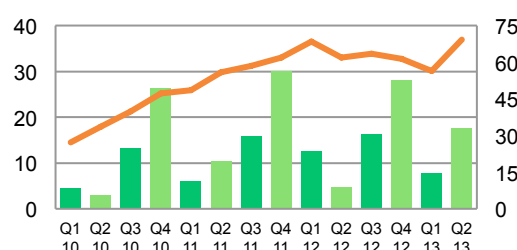
Highlights after the period:

- Doro acquired French software design company Isidor.

Sales per quarter and rolling 12 months, SEKm



EBIT per quarter and rolling 12 months, SEKm



DORO GROUP (SEK m)	2013	2012	2013	2012	Rolling	2012
	April-June	April-June	Jan-June	Jan-June	12 months	Full Year
Net sales	273.0	156.5	481.9	326.9	992.5	837.5
<i>Net sales growth, %</i>	74.4	-5.1	47.4	9.0	28.5	12.4
EBITDA	25.3	9.2	39.4	26.8	95.7	83.1
<i>EBITDA margin, %</i>	9.3	5.8	8.2	8.2	9.6	9.9
EBIT	17.5	4.6	25.1	17.2	69.3	61.4
<i>EBIT margin, %</i>	6.4	2.9	5.2	5.3	7.0	7.3
Profit after tax	12.2	6.0	19.4	8.6	63.7	52.9
Earnings per share after tax, SEK	0.63	0.31	1.00	0.44	3.29	2.73
<i>Equity/assets ratio, %</i>	30.1	44.6	30.1	44.6	30.1	40.5



CEO Jérôme Arnaud: Strong sales momentum in all regions

Improved market share in all regions

The second quarter was exceptional in many aspects for Doro. Our strong order intake in the first quarter was transformed into even stronger revenue growth in the second quarter. We have an exciting momentum with market gains in all regions. The organic growth in the quarter, excluding the acquisition of our German partner IVS and currency adjusted, amounted to 73 percent. On a rolling twelve months pro forma basis, including acquisition of IVS, we are now close to SEK 1.2 billion in sales.

Increased profitability with gradually improved economies of scale

Our increased profitability trend continues, and our EBIT margin for the quarter improved, despite continued investments in product development and one time transaction costs related to acquisitions. The result has also been improved by lower cost of technology. Even though profit growth is not on par with growth of sales, economies of scale will gradually improve our margin.

Strong growth in North America thanks to successful product launches

Our success in US & Canada continued with quadrupled sales compared to the corresponding quarter last year, as we have renewed our offering of feature phones range. I am also very pleased to point out that the Nordic region, where our market position is the strongest, continues to show both solid growth and profitability. The same goes for EMEA and UK – regions where we gradually strengthen our partnerships and increase our market share.

Acquisition of IVS developing according to plan

In mid-May, we announced the acquisition of our German partner IVS – giving us the number one position of senior mobile phones in Germany for the first six month of 2013. The deal opens up new market channels, with better access to other German speaking markets. Through IVS, we are, with launches already in the third quarter, also widening our product range with mobile phones more suitable for countries where price competition is stronger.

Expansion of our software team by acquiring Isidor

In July, we also acquired our French software design partner Isidor, strengthening our ability to swiftly introduce new products, especially smartphones. As previously announced, Doro's second smartphone is due to be launched in the third quarter.

Second quarter growth a challenge to repeat, but our growth track remains

Our business unit Care is still in an early stage that not yet adequately provides basis for separate financial reporting, but it remains a strategic growth opportunity for us over the years to come.

As we now move into the second half of the year, the exceptional organic growth of the second quarter will be a challenge to repeat. However, we still have a strong organic growth momentum and the integration of both IVS and Isidor are well underway. As a consequence Doro is well positioned to continue it's growth track - capturing opportunities in the Silver Economy.

Important events during and after the period

Product launches

- August 1st, Meteor introduced Doro PhoneEasy® 606 in Ireland
- July 30th, Argos listed two Doro handsets in-store in UK
- June 25th, Rogers listed two new Doro handsets in Canada
- June 17th, Phones 4u listed second handset from Doro in UK

Geographical and partner expansion

- In April Doro signed a new distribution partnership with Alltron AG in Switzerland.
- On May 13 Doro announced the acquisition of its German partner IVS, with a turnover of EUR 33 m in 2012, giving Doro a market share of approximately 33 percent in the German senior mobiles retail market.
- On July 3, Doro announced the acquisition of its French software design partner Isidor SAS, for EUR 2.0 m in cash, with a maximum additional payment up to EUR 3.0 m based on achieved results.

Group, second quarter 2013

Net sales and earnings

Doro's net sales for the second quarter amounted to SEK 273.0 m (156.5), an increase of 74 percent compared with the second quarter of 2012. The Group sales, excluding the acquisition of IVS that was consolidated from mid May, amounted to SEK 258.6 m, implying an organic growth of 65 percent and currency adjusted to 73 percent compared to the same quarter previous year. The increase in net sales was achieved via exceptional growth in North America as well as improvements in all other key regions.

EBITDA in the second quarter amounted to SEK 25.3 m (9.2) EBIT for the quarter was SEK 17.5 m (4.6). The EBIT margin improved to 6.4 percent (2.9). Transaction costs, related to the acquisition of IVS, had a negative effect of SEK 6 m (0). Acquisition costs were however offset by lower direct product costs related to technology, as provisions from 2012 have been possible to be released with a positive effect on the operating result. Changes in exchange rates had a negative effect on EBIT of SEK -4 m compared to last year's exchange rate.

Net financial items for the second quarter were SEK -0.3 m (2.0). Group tax for the quarter amounted to SEK -5.0 m (-0.6). The net profit for the quarter amounted to SEK 12.2 m (6.0).

Cash flow, investments and financial position

Cash flow from current activities in the second quarter amounted to SEK 40.5 m (26.0). Change in working capital was SEK 15.7 m (18.1) despite strong quarterly sales growth. Change in liquid funds amounted to SEK -34.1 m (17.7). In the second quarter dividend of SEK 24.2 m was paid out, whereas last year dividend was paid out in the first quarter. Acquisition related cash flow, including first payment and assumption of net debt in IVS amounted to SEK 80.0 m and a new loan of SEK 45 m, for the purpose of partly financing the acquisition, was taken. Cash and cash equivalents at the end of the second quarter amounted to SEK 65.8 m (105.1).

The equity/assets ratio was 30.1 percent (44.6) at the close of the period. At the end of the period, Doro had interest bearing liabilities of SEK 45m (2) with a net cash balance of SEK 66 m (105). At the end of June, Doro had unutilized overdraft facilities of SEK 67 m (32).

Improved running rate EBIT margin

Strong operating cash flow despite increased sales

Net cash balance burdened by paid out dividend and acquisitions

Geographical regions

Nordic region increased growth due to good sales of new launches

Nordic region

Sales in the Nordic region during the second quarter amounted to SEK 69.8 m (55.5), an increase of 25.7 percent compared with the corresponding quarter in 2012 due to good sales of new launches. Our position remains strong in the region - an effect of a strong distribution network in retail, high brand awareness and attractive product mix.

Acquisition of IVS gives Doro excellent opportunities in the DACH region

DACH (Germany, Austria and Switzerland)

The DACH region has become more significant in the Group as an effect of the acquisition of IVS that was consolidated as of May 15. Sales totalled SEK 27.9 m (8.1) in the quarter. With the addition of IVS, Doro has a market share of approximately 33 percent in the German senior mobiles retail market. This gives Doro an excellent position with coverage also into new channels as IVS gives Doro a strengthened position not only within retail but also in web. Furthermore, IVS will enable Doro to grow faster into the other German speaking markets. IVS sales amounted to EUR 33 m in 2012.

Renewed product range in France had positive effect

EMEA (Europe, Middle East and Africa)

Sales in the EMEA region amounted to SEK 66.2 m (51.0) during the second quarter, up 29.8 percent compared to last year. The increase in sales is mainly related to a renewed product range among the French telecom operators Orange and SFR.

The UK region improved through new and current partners

United Kingdom

The UK region showed sales of SEK 38.6 m (23.7) in the second quarter, amounting to a growth of 62,8 percent. The strong growth was primarily an effect of Doro's broadened network of partners and success with current partners, resulting in a significant increased market share.

The US and Canada now among Doro's biggest regions

US and Canada

US and Canada performed exceptionally well during the second quarter. Sales amounted to SEK 70.4 m (16.5), an increase of 326 percent driven by an updated product line, for example the Doro PhoneEasy® 618, Doro PhoneEasy® 620 and Doro PhoneEasy® 520X.

Other regions

For the quarter, sales in Other regions were not material for the group.

Personnel

At the end of the period, the headcount was 141 (74). Of these, 36 (33) are based in Sweden, 24 (25) in France, 8 (7) in the UK, 8 (6) in Hong Kong, 3 (3) in Norway, and 62 (0) in Germany, whereof 61 from the IVS acquisition.

Parent Company

The Parent Company's net sales for the year's second quarter amounted to SEK 257.7 m (154.9). The profit before tax amounted to SEK 14.4 m (3.3).

Events after the close of the period

Doro acquired on July 3rd, its French software design partner Isidor SAS. The acquisition secures and strengthens Doro's development team and gives Doro increased opportunities to shorten the introduction time of smartphones for seniors and programs for easy access to the Internet for tablets and computers. The acquisition is expected to support the rapid launch of Doro's new products, which will contribute positively to the Group's profit for 2013. The purchase price for Isidor amounts to EUR 2.0 m in cash, with a maximum additional payment up to EUR 3.0 m based on achieved results during the next three years, on a cash and debt free basis. The Groups surplus value arising from the acquisition has not been finally established or allocated. Annual revenues, beside Doro, were at the time of the acquisition not material and headcount seven. The acquisition is small and therefore not specified in detail in this report.

On July 16, Doro announced the appointment of Bernt Ingman as interim CFO for the company, taking over after Håkan Tjärnemo who has decided to pursue other career opportunities after only a short period in Doro. Bernt Ingman was previously CFO at Husqvarna AB and Munters AB, and during 2012 interim CFO with Gunnebo AB.

The German partner IVS was acquired in mid May. A notice of an Extraordinary Shareholders Meeting to decide on share issue was sent out on August 19.

Full-year outlook for 2013

For 2013 it is expected that both sales growth and operating result (EBIT) will increase compared to last year despite pressure on gross margin. This outlook excludes the effects of the announced acquisition of IVS, which is expected to contribute positively to Doro's earning per share in 2013.

The Doro share

Doro's shares are quoted on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap – Telecom/IT list. As per June 30, 2013, Doro's market capitalization was SEK 659.8 m, which can be compared with SEK 506.9 m on June 31, 2012.

During the period March 31, 2013 to June 30, 2013, the share price increased from SEK 28.8 to SEK 34.1. This is equivalent to an increase of 18.4 percent, which can be compared with the decrease of 3.6 percent in the OMX Stockholm PI over the same period.

As per June 28, 2013, there were 7,523 shareholders (6,560).

On June 28, 2013, the largest shareholders were:

Shareholder	Number of shares	Proportion of shares and votes, %
Försäkringsaktiebolaget Avanza Pension	1,908,518	9.9
Nordea Investment Funds	1,230,918	6.4
Originat AB	1,100,000	5.7
FCP Objectif investissement, microcaps	579,000	3.0
Catella Fondförvaltning	539,000	2.8
Kastensson Holding AB	513,000	2.6
Nordnet Pensionsförsäkring AB	458,045	2.4
Hajskaeret Invest AB	430,000	2.2
ABN AMRO BANK NV, W8IMY	378,057	2.0
Swedbank Robur Fonder	346,426	1.8

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. Acquisitions involve risks, such as integration of businesses. Sales may be adversely affected, cost of integration may be higher than anticipated and synergies lower than expected. Apart from these risks and the instability factors described on pages 25-26 of the 2012 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. No new or revised IFRS, that came into force in 2013, have any significant impact on the Group.

Change to hedge accounting in accordance with IFRS

Doro's overall hedging strategy continues to comply with the established treasury policy in terms of purpose, amount, maturities and currencies. What was changed on January 1, 2013 is the way that entered forward exchange contracts are reported. Until December 31, 2012, all revaluations of outstanding foreign exchange contracts have been reported among financial items. On maturity, accumulated changes in value were transferred from financial items to operating result, leading to fluctuations in operating result and financial net. From January 1, 2013, the changes in the value of forward exchange contracts classified as cash flow hedges are recognized under Other Comprehensive Income when the underlying sale/purchase has not yet been made. For those contracts that the sales/purchases have been made and thus affected sales/purchase ledger, the unrealized value of the corresponding cash flow hedge is reported either as an adjustment to the sales amount or to the cost of good sold. For more information see Doro's Annual Report 2012, p. 58-59.

The report for the third quarter will be presented on November 8th

Report to be presented at an Audiocast, August 21 at 09:00 CET

Financial calendar 2013-2014

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

Q3 report: November 8, 2013

Year-end report 2013: February 14, 2014

For further information, please contact:

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

Interim CFO, Bernt Ingman, +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 or by telephone from 09:00 a.m. CET on August 21, 2013. Doro's President and CEO Jérôme Arnaud will hold the presentation and take questions.

Approximately 1 hour before the start of the presentation, the 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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France: +33 (0)170 722 026

United Kingdom: +44 (0)20336 453 74

United States: + 1 855 7532 230

Lund, Sweden, August 21, 2013

Board of Directors

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

Doro AB (publ)

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The Board of Directors and CEO confirm that this Q1 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.

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 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. Revenues of SEK 837.5 million were reported for 2012. www.doro.com

Financial Reports

INCOME STATEMENT (SEK m)		2013	2012	2013	2012	20112
Doro Group		April-June	April-June	Jan-June	Jan-June	Full Year
Income/net sales		273.0	156.5	481.9	326.9	837.5
Operating cost		-247.7	-147.3	-442.5	-300.1	-754.4
Operating profit/loss before depreciation and write-downs, EBITDA		25.3	9.2	39.4	26.8	83.1
Depreciation according to plan		-7.8	-4.6	-14.3	-9.6	-21.7
Operating profit/loss after depreciation and write-downs, EBIT		17.5	4.6	25.1	17.2	61.4
Net financial items		-0.3	2.0	-0.2	-7.6	-11.9
Profit/loss after financial items		17.2	6.6	24.9	9.6	49.5
Taxes		-5.0	-0.6	-5.5	-1.0	3.4
Profit/loss for the period		12.2	6.0	19.4	8.6	52.9
Average number of shares, thousands		19 349	19 349	19 349	19 349	19 349
Average number of shares after dilution*, thousands		19 349	19 349	19 349	19 349	19 349
Earnings per share before tax, SEK		0.89	0.34	1.29	0.50	2.56
Earnings per share before tax, after dilution*, SEK		0.89	0.34	1.29	0.50	2.56
Earnings per share after tax, SEK		0.63	0.31	1.00	0.44	2.73
Earnings per share after tax, after dilution*, SEK		0.63	0.31	1.00	0.44	2.73

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

STATEMENT OF COMPREHENSIVE INCOME (SEK m)		2013	2012	2013	2012	2012
Doro Group		April-June	April-June	Jan-June	Jan-June	Full Year
Profit/loss for the period		12.2	6.0	19.4	8.6	52.9
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Translation differences		2.0	0.3	0.2	-0.6	-1.9
Effects from cash flow hedges		-3.8	-	-1.3	-	-
Deferred tax		0.8	0.0	0.3	0.0	0.0
Total result		11.2	6.3	18.6	8.0	51.0

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m) Note 2		2013	2012	2012
Doro Group		June 30	June 30	Dec 31
Intangible assets		171.8	64.0	59.2
Tangible assets		10.6	8.0	12.5
Financial assets		0.5	0.6	0.5
Deferred tax asset		15.1	17.1	21.0
Inventories		131.7	67.4	91.3
Current receivables		233.2	107.8	190.8
Cash and cash equivalents		111.2	107.1	141.1
Total assets		674.1	372.0	516.4
Shareholders' equity		203.4	166.0	209.0
Long-term liabilities	Note 1	166.0	91.0	100.6
Current liabilities	Note 1	304.7	115.0	206.8
Total shareholders' equity and liabilities		674.1	372.0	516.4

Financial instruments recognized at fair value in the balance sheet		2013	2012	2012
		June 30	June 30	Dec 31
Exchange rate contracts recorded as current liability		0.8	0.0	3.0
Exchange rate contracts recorded as current receivable		0.0	2.0	0.0

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

STATEMENT OF CASH FLOWS (SEK m)		2013	2012	2013	2012	2012
Doro Group		April-June	April-June	Jan-June	Jan-June	Full Year
Operating profit/loss after depreciation and write-downs, EBIT		17.5	4.6	25.1	17.2	61.4
Depreciation according to plan		7.8	4.6	14.3	9.6	21.7
Net Financial items		-0.2	0.4	0.0	0.8	1.5
Unrealized exchange rate differences in cash flow hedges		2.2	-	1.3	-	-
Revaluation deferred consideration		0.0	0.0	0.0	0.0	-2.0
Taxes paid		-2.5	-1.7	-2.7	-1.9	-4.3
Changes in working capital		15.7	18.1	20.8	-32.5	-38.1
Cash flow from current activities		40.5	26.0	58.8	-6.8	40.2
Acquisitions		-86.0	0.0	-86.0	0.0	-0.4
Investments		-8.0	-8.4	-21.8	-15.0	-26.9
Cash flow from investment activities		-94.0	-8.4	-107.8	-15.0	-27.3
Amortisation of debt		-0.2	0.0	-0.4	-0.2	-0.8
New loans		43.6	0.0	43.6	0.0	0.0
Dividend		-24.2	0.0	-24.2	-19.3	-19.3
Cash flow from financial activities		19.2	0.0	19.0	-19.5	-20.1
Exchange rate differences in cash and cash equivalents		0.2	0.1	0.1	0.0	-0.1
Change in liquid funds		-34.1	17.7	-29.9	-41.3	-7.3
Net cash		65.8	105.1	65.8	105.1	139.5

STATEMENT OF CHANGES IN EQUITY (SEK m)		2013	2012	2012
Doro Group		June 30	June 30	Dec 31
Opening balance		209.0	177.3	177.3
Total result for the period		18.6	8.0	51.0
Dividend		-24.2	-19.3	-19.3
Closing balance		203.4	166.0	209.0

OTHER KEY FIGURES	2013	2012	2012
Doro Group	June 30	June 30	Dec 31
Order book at the end of the period, SEK m	60.4	97.7	96.7
Order intake, SEK m	249.9	206.9	213.4
Gross margin %	37.4	39.9	38.1
Equity/assets ratio, %	30.1	44.6	40.5
Number of shares at the end of the period, thousands	19 349	19 349	19 349
Number of shares at the end of the period after dilution*, thousands	19 349	19 349	19 349
Equity per share, SEK	10.51	8.58	10.80
Equity per share, after dilution*, SEK	10.51	8.58	10.80
Earnings per share after taxes paid, SEK	1.15	0.40	2.34
Earnings per share after taxes paid, after dilution*, SEK	1.15	0.40	2.34
Return on average share holders' equity, %	10.5	36.6	27.4
Return on average capital employed, %	88.0	107.6	94.5
Share price at period's end, SEK	34.10	26.20	24.50
Market value, SEK m	659.8	506.9	474.1

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

SALES PER REGION (SEK m)	2013	2012	2013	2012	2012
Doro Group	April-June	April-June	Jan-June	Jan-June	Full Year
Nordic	69.8	55.5	126.6	107.1	274.4
Europe, Middle East and Africa	66.2	51.0	125.5	106.4	231.3
DACH (Germany, Austria, Switzerland)	27.9	8.1	40.5	20.2	55.5
United Kingdom	38.6	23.7	76.0	49.1	130.9
USA and Canada	70.4	16.5	112.5	38.3	125.2
Other regions	0.1	1.7	0.8	5.8	20.2
Total	273.0	156.5	481.9	326.9	837.5

OPERATING PROFIT AFTER DEPRECIATION, EBIT, PER GEOGRAPHICAL REGION (SEK m)	2013	2012	2013	2012	2011
Doro Group	April-June	April-June	Jan-June	Jan-June	Full Year
Nordic	13.9	6.5	22.5	16.5	48.1
Operating margin, %	19.9	11.7	17.8	15.4	17.5
Europe, Middle East and Africa	0.9	-1.9	2.0	-0.4	3.3
Operating margin, %	1.4	-3.7	1.6	-0.4	1.4
DACH (Germany, Austria, Switzerland)	-0.4	-1.3	-1.7	-3.4	-5.5
Operating margin, %	-1.4	-16.0	-4.2	-16.8	-9.9
United Kingdom	1.1	0.0	-1.6	1.2	5.2
Operating margin, %	2.8	0.0	-2.1	2.4	4.0
USA and Canada	2.2	1.9	4.6	4.5	12.4
Operating margin, %	3.1	11.5	4.1	11.7	9.9
Other regions	-0.2	-0.6	-0.5	-1.2	-2.1
Operating margin, %	-200.0	-35.3	-62.5	-20.7	-10.4
Operating profit/loss after depreciation	17.5	4.6	25.3	17.2	61.4
Operating margin, %	6.4	2.9	5.3	5.3	7.3

INCOME STATEMENT (SEK m)	2013	2012	2013	2012	2012
Parent Company	April-June	April-June	Jan-June	Jan-June	Full Year
Income/net sales	257.7	154.9	465.7	323.9	831.6
Operating cost	-235.7	-147.1	-431.1	-299.8	-757.6
Operating profit/loss before depreciation and write-downs, EBITDA	22.0	7.8	34.6	24.1	74.0
Depreciation according to plan	-7.6	-6.3	-14.5	-13.1	-28.8
Operating profit/loss after depreciation and write-downs, EBIT	14.4	1.5	20.1	11.0	45.2
Net financial items	0.0	1.8	0.0	-7.8	-12.4
Profit/loss after financial items	14.4	3.3	20.1	3.2	32.8
Taxes	-3.8	0.0	-3.8	0.0	4.2
Profit/loss for the period	10.6	3.3	16.3	3.2	37.0

SUMMARY OF BALANCE SHEET (SEK m)	2013	2012	2012
Parent Company	June 30	June 30	Dec 31
Intangible assets	47.5	46.0	37.8
Tangible assets	7.6	6.6	11.0
Financial assets <i>Note 2</i>	89.0	37.8	42.1
Inventories	85.9	67.4	91.3
Current receivables	252.9	103.0	183.5
Cash and cash equivalents	93.6	104.4	138.6
Total assets	576.5	365.2	504.3
Shareholders' equity	166.0	141.0	174.9
Long-term liabilities	126.0	28.2	95.4
Current liabilities	284.5	196.0	234.0
Total shareholders' equity and liabilities	576.5	365.2	504.3

Notes

Note 1 – Contingent consideration

In 2011 Doro acquired the two French companies Prylos SAS and Birdy Technology SAS. The acquisitions included conditions for possible contingent consideration that in both cases are based on the companies' sales performances. As per December 31st 2012 and per June 30th, Prylos SAS have an estimated contingent consideration of SEK 1.4 m. 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, as per December 31st 2012 and per June 30th, the estimated contingent consideration amounted to SEK 2.3 m. 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 and 2013, no contingent consideration has been paid.

Note 2 – Acquisitions

On May 13th, Doro acquired 100 percent of the German company IVS GmbH. The acquisition of IVS leads to a reinforcement of Doro's market position in Germany and the opportunity to grow faster in other German-speaking countries as well as expansion into the growing Eastern European market.

IVS operations generated sales of EUR 33 m in 2012 with an EBIT profit of EUR 3.6 m and has in 2013 until June generated sales of EUR 15 m. On the acquisition date, the headcount was 64. During Q2, acquisition costs of SEK 6.0 m were accounted for in the profit and loss.

The preliminary figures for the acquired net assets and goodwill are presented as follows.

	Fair value SEK m
Intangible assets	33.5
Fixed assets	1.5
Stock	50.0
Accounts receivable trade	62.2
Other current assets	10.0
Cash and bank	2.5
Provisions	26.2
Interest-bearing liabilities	-9.2
Accounts payable, trade	-27.1
Other current debts	-11.1
Deferred tax liability	-2.4
Acquired net assets	84.0
Goodwill	67.2
Total purchase consideration	151.2
Deferred payment	-58.1
Contingent consideration	-13.8
Net debt in acquired company	6.6
Change in the Group's cash flow resulting from the acquisition	86.0

The deferred payment is reported as a short-term liability, while the contingent consideration is reported as a long-term liability.

The contingent consideration of EUR 1.6 m is fixed but conditioned to the company reaching a minimum result. Payment shall be made on January 10, 2015 at the latest.

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.