

# Interim report

January – March 2013

Press release, May 14, 2013



## 75 percent growth in order intake – acquisition secures market leadership in Germany

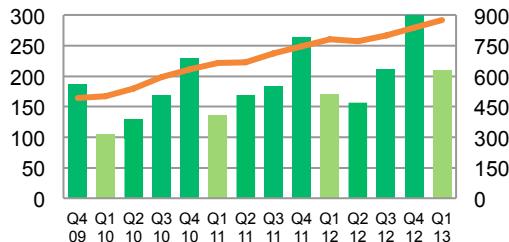
### Highlights of the first quarter, 2013:

- Net sales amounted to SEK 208.9 m (170.4), an increase of 22.6 percent.
- Operating profit (EBIT) totalled SEK 7.7 m (12.6). The operating margin was 3.7 percent (7.4).
- Profit after tax for the period amounted to SEK 7.4 m (2.5).
- Earnings per share after tax amounted to SEK 0.38 (0.13).
- Cash flow from current activities amounted to SEK 18.3 m (-32.9).
- Order intake amounted to SEK 252.2 m (143.6), an increase of 75.6 percent.
- Outlook full year 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.

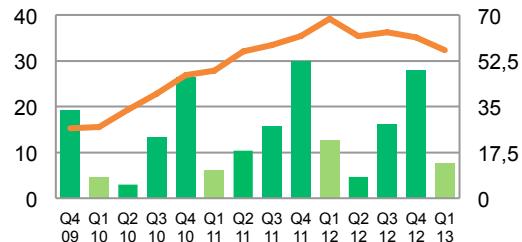
### Highlights after the period:

- Doro acquires its German distributor IVS Industrievertretung Schweiger GmbH "IVS"

Sales per quarter and rolling 12 months, SEKm



EBIT per quarter and rolling 12 months, SEKm



DORO GROUP (SEK m)	2013	2012	Rolling	2012
	Jan-March	Jan-March	12 months	Full-year
<b>Net sales</b>	<b>208.9</b>	<b>170.4</b>	<b>876.0</b>	<b>837.5</b>
<i>Net sales growth, %</i>	<i>22.6%</i>	<i>26.1%</i>	<i>12.2%</i>	<i>12.4%</i>
<b>EBITDA</b>	<b>14.2</b>	<b>17.5</b>	<b>79.8</b>	<b>83.1</b>
<i>EBITDA margin, %</i>	<i>6.8%</i>	<i>10.3%</i>	<i>9.1%</i>	<i>10.0%</i>
<b>EBIT</b>	<b>7.7</b>	<b>12.6</b>	<b>56.5</b>	<b>61.4</b>
<i>EBIT margin, %</i>	<i>3.7%</i>	<i>7.4%</i>	<i>6.4%</i>	<i>7.3%</i>
<b>Profit after tax</b>	<b>7.4</b>	<b>2.5</b>	<b>57.8</b>	<b>52.9</b>
<b>Earnings per share after tax, SEK</b>	<b>0.38</b>	<b>0.13</b>	<b>2.99</b>	<b>2.73</b>
<i>Equity/assets ratio, %</i>	<i>46.7%</i>	<i>44.3%</i>		<i>40.5%</i>



**Substantial increase of order intake and order book combined with lower cost for goods sold**

**Proud to present the acquisition of IVS – our German market leading distributor**

**Acquisition in Germany gives us a market share of some 33 percent**

**The acquisition will contribute to Doro earnings per share in 2013**

**Reporting of Consumer and Care to be implemented later this year**

**Exciting pipeline in plan for smartphones**

**We are well positioned to take advantage of our growth track**

## **CEO Jérôme Arnaud: Order growth of 75 percent and market-leading position in Germany secured by acquisition**

The year has started off in a reassuring way. Our sales increased by 22.6 percent in the first quarter compared to the corresponding period last year. Adjusted for currency fluctuations, our sales rose by 27.1 percent. The growth was primarily driven by an accelerating demand in the US, Canada and UK. Our order intake was up 75 percent year on year, giving us support for continuous growth through the second quarter. Even April has started in a strong way.

Our net profit in the quarter improved year on year while our EBITDA-earnings weakened somewhat and totalled SEK 14.2 million (17.5). This deviation is mainly due to positive currency effects of SEK 8.7 million in the corresponding quarter last year, whereas the first quarter this year was currency neutral. We have also further increased our efforts and investments within product development and marketing compared to previous year. These investments will continue going forward. However, less cost regarding technology and production will have a partial compensating effect on our gross margin during 2013.

Today, I am proud to announce the acquisition of IVS - our German distributor since six years. IVS is the market-leader in the German mobile phone market for seniors. We know their team, culture and strengths well and we are delighted to welcome them into Doro. IVS has achieved good growth for us over the years, and we are confident that we together can push the Doro brand, sales and profitability even better by fully join forces.

With our strong market presence - we have for some time actively been seeking the best strategic move to strengthen our market position in Germany and achieve the same market leadership as we have in other markets and more tactically cover the low price segment. By the addition of IVS we will have a market share of approximately 33 percent in the German senior mobiles retail market. This gives us an excellent position with coverage also into new channels, such as web beside retail where IVS has a really good track record. Combined with our relations with operators it is all in all a very good mix indeed going forward. Furthermore, IVS will enable us to grow faster into the other German speaking markets and to the expanding Eastern European markets.

IVS is a profitable company and I am confident that we will see a good contribution to the Doro earnings per share already this year. With IVS sales of € 33 million in 2012, Doro 2012 proforma revenues amounts to SEK 1 050 m. By furthermore achieving better economical scale our overall efforts to optimize margins will improve. We are the undisputable leader in senior mobiles, ready to move into new channels and segments over the years to come. This makes me excited about our opportunities.

As per last quarterly report we planned to report our activities according to our new main segments: Consumer and Care. This reporting is now expected to be implemented later this year, along with regional sales, as our sales in business unit Care still is in an early stage and does not adequately provides basis for full monitoring as per date. The Care segment is a strategic growth area for us over the years to come.

Looking at product portfolio momentum, we see continued success in the quarter with the performance of Doro PhoneEasy 612® and Doro PhoneEasy 618® - especially in US, Canada and UK. Our first smartphone has now been launched in the Nordics and a few other markets as previously stated. Overall, the demand for smartphones among seniors is growing rapidly. Consequently, our efforts of developing smartphones have increased and we have an exciting pipeline. At the industry's leading fair, the Mobile World Congress (MWC) in February, we announced the coming release of our next smartphone, which is planned to be launched in the third quarter 2013.

While the macroeconomics and consumer sentiment remain uncertain, the long-term fundamentals in our niche of addressing seniors remain attractive. We are well positioned to continue our growth track, capturing opportunities in the Silver Economy.

## Important events during and after the period

### Product launches

- In February, at the Mobile World Congress in Barcelona, Doro confirmed its intention to attract new and younger seniors with its second smartphone that is to be launched during the third quarter 2013.
- At the MWC in Barcelona, Doro also introduced the Doro PhoneEasy® 622, a modern and stylish feature phone with smart technology aiming at the consumer market, and the Doro Secure® 681, the company's second handset specifically adapted for the delivery of telecare services both inside and outside the home.

### Geographical and partner expansion

- In April Doro signed a new distribution partnership with Alltron AG in Switzerland. Alltron focuses on three target groups: value-added resellers, e-tail and retail.
- On May 14 Doro announced the acquisition of its German distributor IVS, with a turnover of €33 million in 2012.

## Group, first quarter 2013

### Net sales and earnings

**First quarter growth amounted to 22.6 percent, through major improvements in UK, North America and Nordics**

Doro's net sales for the first quarter amounted to SEK 208.9 m (170.4), an increase of 22.6 percent compared with the first quarter of 2012. The increase in net sales is achieved via improvements in especially in US, Canada, UK and the Nordics with good customer reception of new product launches. If the same exchange rates are applied as for the preceding year, growth for the first quarter amounted to 27.1 percent.

EBITDA for the quarter amounted to SEK 14.2 m (17.5). It includes a small effect from exchange rate fluctuations, SEK 0.7 m, whereas in the first quarter of 2012 EBITDA were positively impacted by 8.7 million.

**Decline in EBIT margin due to exchange rate fluctuations but improvements as to direct product costs**

EBIT in the first quarter was SEK 7.7 m (12.6). The EBIT margin amounted to 3.7 percent (7.4). Likewise EBITDA, the EBIT margin was lower compared to corresponding quarter last year due to exchange rate fluctuations, but also continued spending in product development, while certain direct product costs was lowered which has had a positive impact on the operational result.

Net financial items for the first quarter were SEK 0.2 m (-9.6). Net financial items for the quarter have not been affected by any revaluation of forward contracts, in contrast to first quarter 2012 where net financial items were affected negatively by SEK 10.0 m. This is due to that Doro has adopted hedge accounting as from January 1, 2013, see further on page 6.

Group tax for the quarter amounted to SEK -0.5 m (-0.5). The net profit for the quarter amounted to SEK 7.4 m (2.5).

### Cash flow, investments and financial position

**Strong cash flow despite increased sales**

Cash flow from current activities in the first quarter amounted to SEK 18.3 m (-32.9). Change in working capital was SEK 5.0 m (-50.6) despite strong quarterly sales growth. Cash and cash equivalents at the end of the first quarter amounted to SEK 145.3 m (89.4). In the first quarter 2012, dividend of SEK 19.3 m was paid out, while this year dividend will be paid out during the second quarter.

The equity/assets ratio was 46.5 percent (44.2) at the close of the period.

At the end of the period, Doro had interest bearing liabilities of SEK 1.4 m (2.2) with a net cash balance of SEK 143.9 m (87.2). Doro also has unutilized overdraft facilities of SEK 31.5 m (32.0).

**Nordic region benefits from updated product mix**

**Acquisition of IVS changes prospect for profitability in the DACH region**

**The UK region saw a 47.2 percent increase in growth**

**The US and Canada now Doro's third biggest market**

## **Geographical regions**

### *Nordic region*

Sales in the Nordic region during the first quarter amounted to SEK 56.8 m (51.6), an increase of 10.0 percent compared with the corresponding quarter in 2012 due to an updated product mix. Profitability remains strong in the region with an operating margin of 15.1 percent in the first quarter.

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

The DACH region is a new regional segment in our reporting. Sales totalled SEK 12.6 m (12.1) in the quarter – slight improvement compared to the same period last year. Competition from the low price segment has been a challenge in this region during the quarter. However, with the acquisition of IVS, profitability will improve going forward.

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

Sales in the EMEA region amounted to SEK 59.3 m (55.3) during the first quarter, up 7.2 percent compared to last year. EBIT totalled SEK 1.0 m (1.6) in the quarter. The decrease in EBIT compared to the corresponding period last year is mainly due to more allocation of head quarter costs.

### *United Kingdom*

The UK region showed sales of SEK 37.4 m (25.4) in the first quarter, amounting to a growth of 47.2 percent. The strong growth was primarily an effect of the successful co-operation with O2. EBIT amounted to SEK -2.6 m (1.1). Apart from more allocation of head quarter costs, UK has been impacted by negative currency effects and increased marketing efforts.

### *US and Canada*

US and Canada continued to perform well during the first quarter and had a continued positive trend from previous quarters. Sales amounted to SEK 42.1 m (21.9), an increase of 92 percent driven by an updated product line, for example the PhoneEasy 618® - the first 3G model for seniors on the North American market. US and Canada is now Doro's third biggest region in terms of sales. EBIT for the first quarter was SEK 2.4 m (2.7) corresponding to an EBIT margin of 5.7 percent.

### *Other regions*

For the quarter, Other regions accounted for sales of SEK 0.7 m (4.1). EBIT amounted to SEK -0.3 m (-0.6).

### **Personnel**

At the end of the period, the headcount was 79 (77). Of these, 34 (33) are based in Sweden, 26 (26) in France, 7 (8) in the UK, 8 (7) in Hong Kong, 3 (3) in Norway, and 1 (0) in Germany.

### **Parent Company**

The Parent Company's net sales for the year's first quarter amounted to SEK 208.0 m (169.9). The profit before tax amounted to SEK 5.7 m (-0.1).

### **Events after the close of the period**

In April Doro announced having recruited Håkan Tjärnemo as new CFO starting May 15, 2013. Håkan Tjärnemo will become a member of Doro Group Management and succeeds Gunnar Modalen who has been interim CFO of Doro since October 2012.

Doro today announces the acquisition of its German distributor IVS Industrievertretung Schweiger GmbH "IVS". IVS has for 2012 a turnover of €33 million, an EBIT of €3.6 million and 64 employees within sales and marketing, operations and administration. The company is located in Amberg, Germany and was founded in 1991 by Helmut Schweiger, the present main shareholder who will remain as the Managing Director of the company. IVS is the German market leader within senior mobile phones and also operates within complementary niche consumer electronics products for the same market channels.

The acquisition is anticipated to contribute positively to Doro's earnings per share in 2013. The acquisition price for IVS, on a cash and debt free basis including maximum additional payment in 2014 and 2015, amounts to €17.6 million. The acquisition is financed by a combination of existing cash in Doro and new bank loans. Doro has an option to finance part of the acquisition with approximately 1.5 million Doro shares to be issued to the current owners of IVS. Such a share issue is subject to approval by Doro's Shareholder Meeting.

### **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.

IVS will be consolidated from the second quarter interim report.

### **The Doro share**

Doro's shares are quoted on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap – Telecom/IT list. As per March 31, 2013, Doro's market capitalization was SEK 557.2 m, which can be compared with SEK 539.2 m on March 31, 2012.

During the period January 1, 2013 to March 31, 2013, the share price increased from SEK 24.5 to SEK 28.8. This is equivalent to an increase of 17.5 percent, which can be compared with the increase of 12.0 percent in the OMX Stockholm PI over the same period.

As per March 31, 2012, there were 7,263 shareholders (6,542).

On March 31, 2013, the largest shareholders were:

Shareholder	Number of shares	Proportion of shares and votes, %
Försäkringsaktiebolaget Avanza Pension	1,888,534	9.8
Nordea Investment Funds	1,365,918	7.1
Originat AB	1,100,000	5.7
FCP Objectif investissement, microcaps	589,000	3.0
Catella Fondförvaltning	518,000	2.7
Kastansson Holding AB	513,000	2.6
Hajskærøt Invest AB	430,000	2.2
Nordnet Pensionsförsäkring AB	426,965	2.2
ABN AMRO BANK NV, W8IMY	386,287	1.9
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. 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.

### 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.

Annual General Meeting  
2013 will be held on May  
14<sup>th</sup>.

#### **Financial calendar 2013-2014**

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

Annual General Meeting 2013: May 14, 2013

Q2 report: August 21, 2013

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

CFO, Håkan Tjärnemo, +46 (0) 46 280 50 06

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

Report to be presented at  
an Audiocast, May 14 at  
09:00 CET

Analysts, investors and the media are welcome to attend a presentation via [www.doro.com](http://www.doro.com) or by telephone from 09:00 a.m. CET on May 14, 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:

Sweden: +46 (0)8 505 564 74

France: +33 (0)170 722 026

United Kingdom: +44 (0)20336 453 74

United States: +1 855 7532 230

Lund, Sweden, May 14, 2013

#### *Board of Directors*

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

Doro AB (publ)

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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 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.

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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 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](http://www.doro.com)

# Financial Reports

INCOME STATEMENT (SEK m)	2013		2012
	Jan - March	Jan - March	Full Year
Doro Group			
Income/net sales	<b>208.9</b>	170.4	837.5
Operating cost	<b>-194.7</b>	-152.9	-754.4
Operating profit/loss before depreciation and write-downs, EBITDA	<b>14.2</b>	17.5	83.1
Depreciation according to plan	<b>-6.5</b>	-4.9	-21.7
Operating profit/loss after depreciation and write-downs, EBIT	<b>7.7</b>	12.6	61.4
Net financial items	<b>0.2</b>	-9.6	-11.9
Profit/loss after financial items	<b>7.9</b>	3.0	49.5
Taxes	<b>-0.5</b>	-0.5	3.4
<b>Profit/loss for the period</b>	<b>7.4</b>	2.5	52.9
Average number of shares, thousands	<b>19 349</b>	19 349	19 349
Average number of shares after dilution*, thousands	<b>19 349</b>	19 349	19 349
Earnings per share before tax, SEK	<b>0.41</b>	0.16	2.56
Earnings per share before tax, after dilution*, SEK	<b>0.41</b>	0.16	2.56
Earnings per share after tax, SEK	<b>0.38</b>	0.13	2.73
Earnings per share after tax, after dilution*, SEK	<b>0.38</b>	0.13	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
	Jan - March	Jan - March	Full Year
Doro Group			
Profit/loss for the period	<b>7.4</b>	2.5	52.9
Translation differences	<b>-1.8</b>	-0.9	-1.9
Effects from cash flow hedges	<b>2.5</b>	-	-
<b>Total result</b>	<b>8.1</b>	1.6	51.0

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m)	2013	2012	2012
	31-mar	31-mar	31 dec
Doro Group			
Intangible assets	<b>66.9</b>	60.0	59.2
Tangible assets	<b>10.7</b>	8.3	12.5
Financial assets	<b>0.5</b>	0.5	0.5
Deferred tax asset	<b>21.0</b>	17.2	21.0
Inventories	<b>87.3</b>	67.1	91.3
Current receivables	<b>132.9</b>	117.8	190.8
Cash and cash equivalents	<b>145.3</b>	89.4	141.1
<b>Total assets</b>	<b>464.6</b>	360.3	516.4
Shareholders' equity	<b>217.1</b>	159.6	209.0
Long-term liabilities	Note 1	<b>93.9</b>	87.4
Current liabilities		<b>153.6</b>	113.3
<b>Total shareholders' equity and liabilities</b>		<b>464.6</b>	360.3
			516.4

STATEMENT OF CASH FLOWS (SEK m)		2013 Jan - March	2012 Jan - March	2012 Full Year
<b>Doro Group</b>				
Operating profit/loss after depreciation and write-downs, EBIT	7.7	12.6		61.4
Depreciation according to plan	6.5	4.9		21.7
Net Financial items	0.2	0.4		1.5
Unrealized exchange rate differences in cash flow hedges	-0.9	-		-
Revaluation deferred consideration Note 1	0.0	0.0		-2.0
Taxes paid	-0.2	-0.2		-4.3
Changes in working capital	5.0	-50.6		-38.1
Cash flow from current activities	18.3	-32.9		40.2
Acquisitions Note 1	0.0	0.0		-0.4
Investments	-13.8	-6.6		-26.9
Cash flow from investment activities	-13.8	-6.6		-27.3
Amortisation of debt	-0.2	-0.2		-0.8
Dividend	0.0	-19.3		-19.3
Cash flow from financial activities	-0.2	-19.5		-20.1
Exchange rate differences in cash and cash equivalents	-0.1	0.0		-0.1
<b>Change in liquid funds</b>	4.2	-59.0		-7.3
<b>Net Cash</b>	<b>143.9</b>	<b>87.2</b>		<b>139.5</b>

STATEMENT OF CHANGES IN EQUITY (SEK m)		2013 March 31	2012 March 31	2012 Dec 31
<b>Doro Group</b>				
<b>Opening balance</b>	<b>209.0</b>	177.3		177.3
Total result for the period	8.1	1.6		51.0
Dividend	0.0	-19.3		-19.3
<b>Closing balance</b>	<b>217.1</b>	<b>159.6</b>		<b>209.0</b>

OTHER KEY FIGURES		2013 March 31	2012 March 31	2012 Dec 31
<b>Doro Group</b>				
Order book at the end of the period, SEK m	97.2	48.0		96.7
Order intake, SEK m	252.2	143.6		213.4
Gross margin %	38.4	39.9		38.1
Equity/assets ratio, %	46.7	44.3		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	11.22	8.25		10.80
Equity per share, after dilution*, SEK	11.22	8.25		10.80
Earnings per share after taxes paid, SEK	0.40	0.14		2.34
Earnings per share after taxes paid, after dilution*, SEK	0.40	0.14		2.34
Return on average share holders' equity, %	3.9	40.0		25.3
Return on average capital employed, %	81.6	122.9		94.5
Share price at period's end, SEK	28.80	27.90		24.50
Market value, SEK m	557.3	539.8		474.1

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

SALES PER REGION (SEK m) Doro group	2013	2012	2012
	Jan - March	Jan - March	Full Year
Nordic	<b>56.8</b>	51.6	274.4
Europe, Middle East and Africa	<b>59.3</b>	55.3	231.3
Dach (Germany, Austria, Switzerland)	<b>12.6</b>	12.1	55.5
United Kingdom	<b>37.4</b>	25.4	130.9
USA and Canada	<b>42.1</b>	21.9	125.2
Other regions	<b>0.7</b>	4.1	20.2
<b>Total</b>	<b>208.9</b>	170.4	837.5

OPERATING PROFIT AFTER DEPRECIATION, EBIT, PER GEOGRAPHICAL REGION (SEK m)	2013	2012	2012
	Jan - March	Jan - March	Full Year
Nordic	<b>8.6</b>	9.9	48.1
<i>Operating Margin %</i>	<b>15.1</b>	19.2	17.5
Europe, Middle East and Africa	<b>1.0</b>	1.6	3.3
<i>Operating Margin %</i>	<b>1.7</b>	2.9	1.4
Dach (Germany, Austria and Switzerland)	<b>-1.4</b>	-2.1	-5.5
<i>Operating Margin %</i>	<b>-11.1</b>	-17.4	-9.9
United Kingdom	<b>-2.6</b>	1.1	5.2
<i>Operating Margin %</i>	<b>-7.0</b>	4.3	4.0
USA och Canada	<b>2.4</b>	2.7	12.4
<i>Operating Margin %</i>	<b>5.7</b>	12.3	9.9
Other regions	<b>-0.3</b>	-0.6	-2.1
<i>Operating Margin %</i>	<b>-42.9</b>	-14.6	-10.4
<b>Operating profit/loss after depreciation</b>	<b>7.7</b>	12.6	61.4
<i>Operating Margin %</i>	<b>3.7</b>	7.4	7.3

INCOME STATEMENT (SEK m) Parent Company	2013	2012	2012 Full Year
	Jan - March	Jan - March	
Income/net sales	208.0	169.0	831.6
Operating cost	-195.4	-152.7	-757.6
Operating profit/loss before depreciation and write-downs, EBITDA	12.6	16.3	74.0
Depreciation according to plan	-6.9	-6.7	-28.8
Operating profit/loss after depreciation and write-downs, EBIT	5.7	9.6	45.2
Net financial items	0.0	-9.7	-12.4
Profit/loss after financial items	5.7	-0.1	32.8
Taxes	0.0	0.0	4.2
<b>Profit/loss for the period</b>	<b>5.7</b>	<b>-0.1</b>	<b>37.0</b>

SUMMARY OF BALANCE SHEET (SEK m) Parent Company	2013	2012	2012 31 dec
	Jan - March	Jan - March	
Intangible assets	45.7	43.7	37.8
Tangible assets	9.4	6.9	11.0
Financial assets	42.1	37.6	42.1
Inventories	87.3	67.1	91.3
Current receivables	126.4	113.4	183.5
Cash and cash equivalents	137.1	87.6	138.6
<b>Total assets</b>	<b>448.0</b>	<b>356.3</b>	<b>504.3</b>
Shareholders' equity	183.1	137.8	174.9
Long-term liabilities	89.6	79.9	95.4
Current liabilities	175.3	138.6	234.0
<b>Total shareholders' equity and liabilities</b>	<b>448.0</b>	<b>356.3</b>	<b>504.3</b>

# 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 31, 2012, Prylos SAS reported an estimated contingent consideration of SEK 1.4 M. As per December 31, 2011, and per 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 31, 2012, the estimated contingent consideration amounts to SEK 2.3 M. As per December 31, 2011, and per the time of the acquisition, the equivalent estimation was SEK 4.0 M. The maximum contingent consideration amounts to EUR 600 K. During 2012, no contingent consideration was paid. The assessment of the contingent consideration for both Prylos and Birdy remains as per March 31, 2013. No contingent consideration has been paid in 2013.

# 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.