

Year-end Report

January 1 – December 31, 2010

Press release, February 14, 2011

Sales grew 22 percent in the fourth quarter with cash flow of SEK 103 m

Highlights of the fourth quarter of 2010:

- Net sales for the fourth quarter rose to SEK 229.1 m (187.6), an increase of 22 percent. The Care Electronics business unit generated sales of SEK 191.5 m, accounting for 84 percent of consolidated sales for the fourth quarter.
- Operating profit (EBIT) amounted to SEK 26.4 m (19.2), while profit for the period increased to SEK 34.1 m (21.1).
- Earnings per share after tax were SEK 1.78 (1.17).
- Cash flow from current activities was SEK 103.3 m (51.3).
- Order intake amounted to SEK 164.8 m (155.4), an increase of 6 percent.
- Doro signed a new distribution agreement with Rogers Communications in Canada and with TelstraClear in New Zealand.

Highlights of the 2010 full-year:

- Net sales of SEK 632.8 m (492.6), an increase of 28.5 percent.
- Operating profit (EBIT) was SEK 47.0 m (26.6), while pre-tax profit amounted to SEK 46.4 m (24.9).
- Earnings per share after tax were SEK 2.99 (1.30).
- Cash flow from current activities for the full-year amounted to SEK 80.4 m (64.4).
- The Board of Directors proposes that a dividend of SEK 0.50 per share be distributed to shareholders for the 2010 fiscal year.
- Updated financial targets: Long term target of 10 percent for the operating margin and an annual sales growth target of 20 percent over the coming years.
- After the reporting period, Doro publicized the decision of a German court upholding its claim against a potential competitor, who had begun to promote a copy of Doro's PhoneEasy® 410gsm model. The decision of the court underscores the uniqueness of Doro's product design.
- Based on Doro now having established a leading position in the expanding senior mobile segment, sales and operating profit (EBIT) are expected to continue to grow in 2011.

DORO GROUP (SEK m)	2010	2009	2010	2009
	Oct-Dec	Oct-Dec	Full-year	Full-year
Income/Net sales	229.1	187.6	632.8	492.6
Operating profit/loss after depreciation and write-downs, EBIT	26.4	19.2	47.0	26.6
Operating margin, EBIT %	11.5	10.2	7.4	5.4
Profit after financial items	33.0	22.8	46.4	24.9
Profit for the period	34.1	21.1	57.1	22.8
Average number of shares, thousands	19,108	18,069	19,108	17,573
Earnings per share before tax, SEK	1.73	1.26	2.43	1.42
Earnings per share after tax, SEK	1.78	1.17	2.99	1.30



Comments by the CEO, Jérôme Arnaud:

“2010 was an exceptional year in Doro’s history. We fulfilled our strategy to become a telecom products company focusing on seniors, we entered two new geographic markets and signed new or extended partnerships with six leading operators. We also crossed the one million mark for the number of senior mobiles sold.

The fourth quarter of the year confirmed Doro’s strategy and turn-around. I am proud to be able to report 22 percent sales growth for the quarter, sustained by a growth of almost 50 percent in Care Electronics. This figure is particularly strong compared with the equivalent period in 2009, when the Care Electronics segment’s success was already significant. In the fourth quarter, this business unit accounted for 84 percent of the Group’s total sales and, for the full-year, the figure amounted to 79 percent. Our operating profit of SEK 26.4 m only in the fourth quarter, an increase of 37.5 percent compared to 2009 is a record, both in absolute terms and relative to sales (11.5 percent).

Speaking of our financial performance, I am pleased to report cash flow for the fourth quarter alone of an extraordinary SEK 103.3 m. While this was made possible as a result of operational rationalizations giving full result in 2010 with substantially increased stock turnover and generally improved working capital, there is also a component of SEK 23.8 m in repaid VAT receivables in France. The result is a net cash position of SEK 89.5 m at the end of 2010, which has not only financially strengthened Doro, but also enables future growth ventures, which may include complimentary acquisitions to enhance our product range and the services our products can deliver.

Order intake for the fourth quarter rose by 6 percent in total, but by 23 percent in Care Electronics. Breaking down the sales by region, it is clear that our most mature markets, Nordic and EMEA, are the main contributors, both with sustained high growth. Meanwhile, our UK business has now also reached the necessary critical size, mainly thanks to the agreement we signed with Orange at the end of August. In the US and Canada, we secured an agreement with a major Canadian operator, Rogers Wireless, as late as in October and expect this partnership to reach its full potential during 2011. At the same time, our partnership with Consumer Cellular in the US continues to expand.

Latin America, the Asia-Pacific region and CIS are still at an early stage of development. Consequently, we are still investing in sales, marketing, legal set-up and product certification, and this impacted profitability in 2010. We will continue to invest in those regions in 2011 and are considering more specifically the market potential in Russia, Australia, Mexico, Argentina and South Africa.

Looking at the reported result per segment, the declining business unit Home Electronics shows an extraordinary high operating margin, which is due to that during 2010 we have financially treated Home Electronics as a marginal business. Looking at gross margins for Care Electronics I am happy to report this is well in line with our plans. Although it is a natural effect that our gross margin may come under some pressure as our strong growth continues, I believe however that our strict control of pricing, cost per sold unit, currency and operational costs also will show up in improvement of our operational results.

The two business units Care Electronics and Home Electronics will actually be merged going into 2011. In order to improve our transparency we will start to report our consolidated gross margin as well as operating results per sales region.

Doro maintains close contacts with operators, distributors and end-users. As our year-end numbers are being published, we are attending the GSMA Mobile World Congress in Barcelona, Spain. This is the very heart of the mobile telecom sector and Doro is taking the opportunity to launch four new mobile phones, one of which includes an easy-to-use camera, a feature requested by our customers.

To better match our partners' ambitions to provide the best telecom solutions, we are also adapting some of our products to 3G technology. We are also showcasing the first two mobile health services, to be linked to Doro devices. Mobile Health (mHealth) is expected to be a major growth segment in coming years.

To create optimal conditions for the potential interconnection of medical devices to our devices, Doro has also become a member of the Continua Health Alliance. The aim of the Alliance is to establish an ecosystem of interoperable personal health solutions. In addition, we start developing a platform based on the Android operating system in order to more easily introduce new applications.

Since Doro's success is largely associated with the design of our products, we were pleased by a recent ruling by a German court upholding Doro's claim against a potential competitor who had begun to promote a copy of our PhoneEasy® 410gsm model. The decision of the court underscores the uniqueness of Doro's product design.

Although Doro is now well-established in its category and core markets, I still perceive great potential for development and further growth. The global population of people above the age of 65 is increasing and these people are looking for easy, user-friendly products to simplify their everyday lives. Among the 65+ population in the Nordic countries, we have reached a penetration level of close to 10 percent. In the remaining markets where we are established, our average penetration among the same 65+ demographic is around 1 percent."

Net sales

Doro's sales for the fourth quarter amounted to SEK 229.1 m (187.6), an increase of 22.1 percent. For the full-year, sales increased to SEK 632.8 m (492.6), an increase of 28.5 percent. Using the same exchange rates as for the previous year, organic growth amounted to 31.3 percent for the fourth quarter.

Operating result (EBIT)

For the fourth quarter of 2010, the Group's profit before tax and financial items amounted to SEK 26.4 m (19.2), an increase of 37.5 percent. This improvement was attributable to higher sales and a continued focus on the cost base. For the 2010 full-year EBIT amounted to SEK 47.0 m (26.6).

Cash flow, investments and financial position

The cash flow from current activities in the fourth quarter was positive in an amount of SEK 103.3 m (51.3). The positive result combined with a strong focus on working

capital, is the main explanation, as well as the recovery of the delayed VAT receivable in France amounting to SEK 23.8 m.

In line with IFRS, current hedge contracts have been valued among net financial items, affected the net result for 2010 positively by SEK 0.2 m.

At year-end, 2010, Doro was debt free, with net cash of SEK 89.5 m, to be compared with net cash of SEK 31.6 m at year-end 2009. The company has unused check facilities of SEK 32.0 m.

The equity/asset ratio has improved to 36.0 percent (29.1) at the end of the period, as a result of improved profit and a revaluation of the deferred tax assets amounting to SEK 12.9 m.

New reporting structure as of 2011

As of the first quarter 2011, Doro will replace its current disclosure by business unit with segment information by geographical region, as well as the gross margin level for the company. The geographical regions will be Nordic, EMEA (Europe, Middle East and Africa), UK and rest of the world. This is in line with the management and board perspective into 2011 and its monitoring of the Group.

Business units

Care Electronics

Care Electronics supplies telecom and electronics products adapted to the needs of senior citizens.

Sales in the fourth quarter rose to SEK 191.5 m (130.7), an increase of 46.5 percent. Care Electronics represented 83.6 percent of Doro's total sales for the period.

Home Electronics

Home Electronics offers domestic telephones and other products for the modern family.

Sales during the quarter amounted to SEK 37.6 m (56.9), a decrease of 33.9 percent, as a result of Doro's strategy to set a more focused product range, which has lead to sales to certain customers being discontinued.

Regions

Of the Group's total sales in the fourth quarter, Nordic represented 32 percent, EMEA 42 percent, UK 15 percent, and the other markets 11 percent.

Personnel

At the end of the quarter, the headcount was 59 (58). Of these, 29 (26) are based in Sweden, 16 (18) in France, 5 (4) in the United Kingdom, 3 (4) in Norway and 6 (6) in Hong Kong.

Parent Company

The Parent Company's net sales for the year's fourth quarter amounted to SEK 223.7 m (97.8). The profit before tax amounted to SEK 31.2 m (6.7).

Events after the close of the period

Doro wins dispute against German competitor over telephone design

A German court (Landgericht) has issued a ruling preventing German manufacturer ITM Einkaufs GmbH from selling a model similar in design to Doro's phones. The court found that the phone represented an encroachment on one of Doro's registered designs for its PhoneEasy® 410gsm model. Doro works continuously with branding, design and innovation and consistently resists all and any infringements on its intellectual property rights.

Financial targets

Following Doro's turn-around in recent years and the strong development of its business, the Board has had reason to review the financial targets.

Therefore, the Board has decided to set a long term target of 10 percent for the operating margin. The Board has furthermore adopted an annual sales growth target of 20 percent over the coming years.

Dividend and dividend policy

The Board has proposed a dividend of SEK 0.50 per share to be paid in 2011, the first dividend to be paid since 2000. The Company's long-term target is to pay a dividend of approximately one third of net profit after tax. Additionally, the Board has set a maximum debt/equity ratio of 1.0 (interest-bearing debt/equity).

At present, Doro holds a net cash position and therefore has a strong financial base and readiness to finance growth through investments, either organically or via acquisitions.

Outlook

Based on the fact that Doro has now established a leading position in the expanding senior mobile sector, sales and operating profit (EBIT) are expected to continue to grow in 2011.

Doro share

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

On December 31, 2010, Doro's market capitalization amounted to SEK 596.2 m, compared with SEK 210.2 m at the beginning of the year. During the period January 1–December 31, 2010, the share price increased from SEK 11.00 to SEK 31.20.

The number of shareholders on December 31, 2010 was 5,900 (3,932).

Major shareholdings as at December 31, 2010

Holder	No. of shares	Shares and votes, %
Försäkringsaktiebolaget Avanza Pension	1,930,431	10.1
Originat AB	1,930,000	10.1
Nordea Small Cap fund	960,289	5.0
Kastensson Holding AB	920,000	4.8
Didner & Gerge Funds	744,961	3.9
Nordnet pensionsförsäkring	653,064	3.4
Catella Trygghetsfond	515,693	2.7
Jérôme Arnaud	472,004	2.5
Danske Bank	422,172	2.2
ABN AMRO Bank	402,137	2.1

Source: Euroclear Sweden AB and Doro

Related-party transactions

No transactions took place between Doro and related parties that had a material impact on the Company's financial position and results.

Risks

Risks and instability factors are mainly related to supplier disruption, product adaptation and certification, customer relations, exchange rate fluctuations and loan financing. Apart from these risks and the instability factors described on pages 25–26 and 43–45 of the 2009 Annual Report, no other risks of any significance have been identified during the most recent period.

Accounting principles

This Interim Report has been prepared on behalf of the Group according to IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the

Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3 Accounting of legal entities. The accounting principles and calculation methods applied are consistent with those that were applied when drawing up the previous year's accounts.

Annual General Meeting 2011

The AGM will be held at the Scandic Star Hotel, Glimmervägen 5 in Lund, Sweden, on March 23, 2011 at 3:00 p.m. CET. The notice to attend the AGM will be available on www.doro.com.

Nomination Committee

A nomination Committee consisting of Tedde Jeansson (representing Originat AB), Arne Bernroth (Nordea Bank) and Bo Kastensson (Chairman of the Board of Doro AB) was elected at the Annual General Meeting held on March 25, 2010. Tedde Jeansson is the Chairman of the Nomination Committee.

Financial calendar 2011

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

January–March 2011:	May 6, 2011
January–June 2011:	August 17, 2011
January–September 2011:	November 9, 2011

Interim Reports

The Interim Reports are available at www.doro.com under "Investor's room".

For further information, please contact:

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CFO, Annette Borén, +46 (0)70 630 00 09

Doro's year-end report to be presented via webcast

Analysts, investors and the media are welcome to attend a presentation that will be given via the Internet. The presentation, can be followed by telephone and/or Internet via www.doro.com from 09:00 a.m. CET on February 14, 2011.

Doro's President and CEO Jérôme Arnaud and CFO Annette Borén will participate.

Approximately 1 hour before the start of the presentation, the presentation materials will also be available at the Company's website.

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

Call-in details:

UK: +44 (0)20 3043 2436

SE: +46 (0)8 505 598 53

US: +1 866 458 40 87

Webcast URL for Doro's presentation of the full-year report 2010:
<http://storm.zoomvisionmamato.com/player/doro/objects/5m3hv89f>

Lund, Sweden, February 14, 2011

The Board

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The Board of Directors and CEO confirm that this Interim Report provides a fair overview of the Company's and Group's business, position and results and describes the significant risks and uncertainties faced by the Company and its subsidiaries.

This report has not been reviewed by the company's auditors.

About Doro

Doro is a Swedish company focusing on the development, marketing and sales of telecom products specially adapted to the growing worldwide population of seniors. With over 35 years of experience in telecommunications, and sales in more than 30 countries on 5 continents, Doro is the world's leading brand for easy-to-use mobile phones. Doro created the Care Electronics category and in recent years, its products have received several highly distinguished international design awards. The company had sales of SEK 633 m in 2010. Doro's shares are quoted on the Nasdaq OMX Stockholm, Nordic list, Small companies. Read more about Doro at www.doro.com.

Financial reports

INCOME STATEMENT (SEK m) Doro Group	2010 Oct-Dec	2009 Oct-Dec	2010 Full-year	2009 Full-year
Income/Net sales	229.1	187.6	632.8	492.6
Operating cost	-200.6	-162.8	-569.7	-454.6
Operating profit/loss before depreciation and write-downs, EBITDA	28.5	24.8	63.1	38.0
Depreciation according to plan	-2.1	-5.6	-16.1	-11.4
Operating profit/loss after depreciation and write-downs, EBIT	26.4	19.2	47.0	26.6
Net financial items	6.6	3.6	-0.6	-1.7
Profit/loss after financial items	33.0	22.8	46.4	24.9
Taxes	1.1	-1.7	10.7	-2.1
Profit for the period	34.1	21.1	57.1	22.8
Average number of shares, thousands	19,108	18,069	19,108	17,573
Earnings per share before tax, SEK	1.73	1.26	2.43	1.42
Earnings per share after tax, SEK	1.78	1.17	2.99	1.30

STATEMENT OF COMPREHENSIVE INCOME (SEK m) Doro Group	2010 Oct-Dec	2009 Oct-Dec	2010 Full-year	2009 Full-year
Profit/loss for the period	34.1	21.1	57.1	22.8
Translation differences and others	-2.1	0.1	-3.4	-1.1
Total result	32.0	21.2	53.7	21.7

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m) Doro Group	2010 Dec 31	2009 Dec 31
Intangible assets	25.5	18.3
Tangible assets	4.5	7.6
Financial assets	30.8	15.8
Inventories	55.0	35.6
Current receivables	131.8	114.5*
Cash and bank balances	89.5	40.4
Total assets	337.1	232.2
Shareholders' equity	121.3	67.6
Interest-bearing liabilities	0.0	8.8
Non interest-bearing liabilities	215.8	155.8*
Total shareholders' equity and liabilities	337.1	232.2

*Effective from 2010, the Group has amended the principle applied in the classification of customer bonuses with the effect that these are now recognized as a current liability rather than as deductions from accounts receivable-trade. The balance sheet for December 31, 2009 has been adjusted accordingly. Key figures affected by the reclassification have also been adjusted.

STATEMENT OF CASH FLOWS (SEK m) Doro Group	2010 Oct-Dec	2009 Oct-Dec	2010 Full-year	2009 Full-year
Operating profit/loss after depreciation and write-downs, EBIT	26.4	19.2	47.0	26.6
Depreciation according to plan	2.1	5.6	16.1	11.4
Net financial items	0.3	3.6	-0.4	-1.7
Taxes	-1.4	0.0	-7.4	0.0
Changes in working capital	75.9	22.9	25.1	28.1
Cash flow from current activities	103.3	51.3	80.4	64.4
Disposal of Group companies	0.0	0.0	0.0	0.0
Investments	-6.7	-4.4	-20.6	-17.5
Cash flow from investment activities	-6.7	-4.4	-20.6	-17.5
Share issue	-	15.9	-	15.9
Loans raised	-11.3	-31.2	-8.8	-34.6
Cash flow from financial activities	-11.3	-15.3	-8.8	-18.7
Translations difference and other	-0.5	0.1	-1.9	-0.5
Change in liquid funds	84.8	31.7	49.1	27.7
Net debt	-89.5	-31.6	-89.5	-31.6

STATEMENT OF CHANGES IN EQUITY (SEK m) Doro Group	2010 Full-year	2009 Full-year
Opening balance	67.6	30.0
Total result for the period	53.7	21.7
Share issue	-	15.9
Dividend	-	-
Closing balance	121.3	67.6

OTHER KEY FIGURES Doro Group	2010 Dec 31	2009 Dec 31
Equity/assets ratio, %	36.0	29.1*
Average number of shares, thousands	19,108	17,573
Reported equity per share, SEK	6.35	3.54
Return on average shareholders' equity, %	60.4	46.7
Return on average capital employed, %	80.1	52.0
Share price at period's end, SEK	31.20	11.00
Market value, SEK m	596.2	210.2

*Effective from 2010, the Group has amended the principle applied in the classification of customer bonuses with the effect that these are now recognized as a current liability rather than as deductions from accounts receivable-trade. The balance sheet for December 31, 2009 has been adjusted accordingly. Key figures affected by the reclassification have also been adjusted.

RESULT PER SEGMENT (SEK m)	2010	2009	2010	2009
Doro Group	Oct-Dec	Oct-Dec	Full-year	Full-year
Care Electronics				
Sales	191.5	130.7	500.1	299.9
Operating cost	-171.2	-99.3	-455.4	-250.0
Operating result before depreciation, EBITDA	20.3	31.4	44.7	49.9
Depreciation	-1.8	-3.9	-13.2	-7.3
Operating result, EBIT	18.5	27.5	31.5	42.6
<i>Operating margin, %</i>	9.7%	21.0%	6.3%	14.2%
Home Electronics				
Sales	37.6	56.9	132.7	192.7
Operating cost	-29.4	-63.5	-114.3	-204.6
Operating result before depreciation, EBITDA	8.2	-6.6	18.4	-11.9
Depreciation	-0.3	-1.7	-2.9	-4.1
Operating result, EBIT	7.9	-8.3	15.5	-16.0
<i>Operating margin, %</i>	21.0%	-14.6%	11.7%	-8.3%
Total				
Sales	229.1	187.6	632.8	492.6
Operating cost	-200.6	-162.8	-569.7	-454.6
Operating result before depreciation, EBITDA	28.5	24.8	63.1	38.0
Depreciation	-2.1	-5.6	-16.1	-11.4
Operating result, EBIT	26.4	19.2	47.0	26.6
<i>Operating margin, %</i>	11.5%	10.2%	7.4%	5.4%

SALES BY COUNTRY (SEK m)	2010	2009
	Full-year	Full-year
France	188.1	171.0
Sweden	114.2	95.6
Germany	72.7	39.5
United Kingdom	67.5	46.5
Norway	40.3	38.0
Other countries	143.7	97.8
Total sale of goods	626.5	488.4
Other revenue	6.3	4.2
Total revenue	632.8	492.6

INCOME STATEMENT (SEK m) Parent Company	2010 Oct-Dec	2009 Oct-Dec	2010 Full-year	2009 Full-year
Income/Net sales	223.7	97.8	627.4	246.8
Operating cost	-195.1	-87.4	-568.2	-224.3
Operating profit before depreciation and write-downs, EBITDA	28.6	10.4	59.2	22.5
Depreciation according to plan	-3.9	-6.5	-23.1	-13.5
Operating profit/loss after depreciation and write-downs, EBIT	24.7	3.9	36.1	9.0
Net financial items	6.5	2.8	-0.9	11.1
Profit after financial items	31.2	6.7	35.2	20.1
Taxes	1.1	1.6	12.9	1.6
Profit for the period	32.3	8.3	48.1	21.7

SUMMARY OF BALANCE SHEET (SEK m) Parent Company	2010 Dec 31	2009 Dec 31
Intangible assets	34.8	26.1
Tangible assets	3.3	6.0
Financial assets	50.2	37.3
Inventories	55.6	34.9
Current receivables	127.9	88.1*
Cash and bank receivables	88.1	12.2
Total assets	359.9	204.6
Shareholders' equity	115.2	67.1
Interest-bearing liabilities	15.0	33.0
Non interest-bearing liabilities	229.7	104.5*
Total shareholders' equity and liabilities	359.9	204.6

*Effective from 2010, the Group has amended the principle applied in the classification of customer bonuses with the effect that these are now recognized as a current liability rather than as deductions from accounts receivable-trade. The balance sheet for December 31, 2009 has been adjusted accordingly. Key figures affected by the reclassification have also been adjusted.