

Year-end report (1 Jan-31 Dec 2007)
**Continued improved results for Doro -
Core business profitable and strong growth in Care Electronic**

Fourth quarter 2007

- ▶ Sales amounted to SEK 114 million (SEK 121 m)
- ▶ Continued improved gross margins and considerably lower expenses led to profit improvement
- ▶ Profit after tax was SEK 6 million (SEK -62 million)
- ▶ Earnings per share after tax was SEK 0.32 (SEK -3.55)
- ▶ Continued strong sales growth in high margin area Care Electronics
- ▶ Introduction of Easy GSM phones for seniors well received

Full year 2007

- ▶ Sales amounted to SEK 346 million (SEK 433 m)
- ▶ Improved gross margins and lowered operational cost base
- ▶ Operational profit amounted to SEK 9 million (SEK -77 m)
- ▶ Profit after tax was SEK 8 million (SEK -95 m)
- ▶ Earnings per share after tax was SEK 0.43 (SEK -8.76)
- ▶ Strong growth in Care Electronics and increased sales for Business Electronics
- ▶ Home Electronics still being reduced but profitable after restructuring
- ▶ Considerably improved cash flow from operations during the latter half of the year

About Doro With over 30 years' experience in telephony Doro is today characterized by innovative and user-friendly consumer electronics products. The company develops markets and sells a wide range of products in three business units: Home Electronics, Business Electronics and Care Electronics. The company's products are sold in more than 30 countries worldwide through a variety of retail outlets, including electronics stores, online stores and specialized channels. The company had sales of SEK 346 million in 2007. Doro's shares are quoted on the OMX Nordic Exchange, Small companies. Read more about Doro at www.doro.com





Comments by the CEO, Jérôme Arnaud

- ▶ “From an operational and financial point of view Doro is now a better balanced company. In 2007 we divested loss-making subsidiaries in Australia and Poland, applied strict cost control and streamlined the organisation. Thus, the restructuring scheme has resulted in a profit for 2007 as compared with the losses made over the last couple of years.

The majority of our business is still in Home Electronics, which is operating on a tough market with years of continued price pressure. In 2007 we managed to keep up the volumes but lost revenue due to continued falling prices. However we improved our margins due to a better cost base and favourable currency trend. In Business Electronics we continued to improve sales both in terms of value and volumes, while the most impressive performance was the growth in Care Electronics. Over the year we doubled our sales in this business area, and in the fourth quarter sales were up almost 160 per cent. In addition, it is an area with higher margins than our other business areas. We have also expanded Care Electronics into new markets, including Germany and Spain.

Care Electronics is expected to have a significant impact on Doro's future sales growth and margins. Via our restructuring scheme we have managed to transform organisational resources into this area and hence proven that the Doro organisation can create value in higher margin product areas. We see a strong demand among the aging population for simplified telephony and electronic products. The launch of our GSM phone for the elderly in the fourth quarter has proven this and resulted in good sales growth. We can confidently move on with our coming product launches in this area in 2008. We will also recruit new distributors and expand geographically.

Thus, we will continue our repositioning of Doro to become a company well balanced between Home Telephony, Business Telephony and Care Telephony. In 2008 we will invest in these business areas and through this strategy continue to improve our added value to our customers and gross margins”.

Sales

The fourth quarter

Doro had sales of SEK 114 million (SEK 121 million) in Q4, which, adjusted for divestments, is in line with last year. At the same time Doro managed to increase volumes by 9 per cent during the fourth quarter 2007 compared to the same period last year.

Full year 2007

Doro's sales for the full year amounted to SEK 346 million (SEK 433 million), which adjusted for divestments represents a fall of 5 per cent, while volumes actually rose by 6 per cent.

Operating profit - EBIT

The fourth quarter

The operating profit before tax and financial items was SEK 6 million (SEK -47 million). Following the CEO's change, there is a one-off cost amounting to SEK 2.6 million that is included in the results.

The gross margin improved considerably due to a more favourable mixture of products with higher margins, notably products within the Care business area. Products with low margins in Home Telephony have successively been terminated. In addition, improvement of stock control has had a positive effect.

Full year 2007

For the full year the operating profit before tax and financial items improved from a loss of SEK 77 million in 2006 to an operational profit of SEK 9 million in 2007.

The turn-around is an effect of the restructuring scheme with a lower cost base, divestments of non-core businesses and a larger proportion of high margin products.

Operating costs have been reduced by 40 per cent compared to last year, this has partly been possible by focusing the business to fewer entities.

Non-recurring costs amount to SEK 3 million for year 2007 compared to SEK 49 million for year 2006.

Cash flow, investments and financial position

The cash flow from operations during the fourth quarter was SEK 7 million (12 million).

Full year cash flow from operations was SEK - 21 million (SEK -6 million) mainly due to the restructuring scheme, with a negative impact on 2006's results of SEK 25 million which was paid out during 2007.

Investments for the full year amounted to SEK 5 million (SEK 1 million).

At the close of the period Doro had cash and cash equivalents of SEK 8 million, as well as unutilized credit facilities of SEK 52 million. Accordingly, the company had a total of SEK 60 million at its disposal on 31st December 2007. The equity/assets ratio was 24 per cent at year-end.

Business areas

Doro is active in three business areas and based on the new group structure: Home Electronics, which is mainly home telephony represents 72 per cent of this year's sales (83 per cent in 2006), Business Electronics, mainly specialising in business telephony, 12 per cent of sales (10 per cent) and Care Electronics, which specialises in telecom and electronic products for senior citizens, 16 per cent of sales (7 per cent).

Home Electronics

The Home Electronics business area, which previously represented a major part of Doro's losses, has gradually improved its profit margins over the year. This was despite continued lower price levels, which resulted in a sales fall of 17 per cent to SEK 238 million (SEK 286 million). The business area turned to profit as a result of cost rationalisation and improved margins. Volumes rose by 2 per cent compared to last year.

In the fourth quarter sales fell by 15 per cent to SEK 79 million (SEK 93 million), mainly due to price pressure. At the same time Doro managed to increase volumes by 4 per cent.

Doro launched the new NeoBio range in September and during Q4 sales started to take off. The new range is the next generation DECT telephones, but the design heritage from Doro's previous series is still visible. Also the new thin line of DECT telephones, th50 and th55r, was well received by the market with its slim design. So far the range has been launched in the Nordic region.

Business Electronics

Business Electronics continued to grow through better distribution of existing products. Sales rose by 15 per cent to SEK 41 million (SEK 35 million), and volumes by 20 per cent.

During the fourth quarter sales fell by 24 per cent to SEK 8 million (SEK 10 million) and volumes by 24 per cent. The fall was expected since the market is going through a technological shift to Voice over IP. Doro is planning to launch new IP telephones in Q1 2008.

A new range of corded telephones was launched in the UK and France during the fourth quarter, and will be launched in the Nordic region in 2008.

Care Electronics

Care Electronics doubled its sales to SEK 51 million (SEK 26 million), and volumes by 73 per cent. Care Electronics supplies adapted telecom and electronic products for senior citizens.

During Q4 sales grew by 158 per cent to SEK 26 million (SEK 10 million), and volumes by 86 per cent. The sales increase was mainly driven by the launch of a new GSM phone, HandleEasy 326gsm, with a functional design for elderly people.

In the fourth quarter Doro also delivered a new senior cordless phone, MoveEasy 316, in France through France Telecom. In addition, the photo phone, MemoryPlus 319ph, was launched in senior retail channels in the UK, France, the Nordic region and Germany.

Regions

Doro's biggest markets are France (40 per cent of sales), the Nordic region (35 per cent) and the UK (10 per cent). In addition, Doro operates through distributors in other selected markets (15 per cent).

France

Due to difficult market conditions, sales of Home products developed less favourably in France in Q4. There was also some slowdown in Business Electronics, while Care Electronics had strong sales.

Nordic region and the UK

The Nordic region, especially Sweden and Norway, saw good growth in all business areas during the fourth quarter.

The UK increased sales strongly through positive progress of Care Electronics and Home Electronics.

Other markets

Doro initiated its first sales of Care Electronics products in Germany through four different distributors. The Plus Range and GSM for the elderly particularly started to show good sales in Q4.

Personnel

The number of employees has fallen over the year from 87 to 58 as a result of the restructuring measures. 27 are based in Sweden, 16 in France, 4 in the UK, 4 in Norway and 7 in Hong Kong.



On 24th October, the Board appointed Jérôme Arnaud as the new CEO, who was previously Managing Director of Doro France. In addition, he headed the Business Electronics and Care Electronics business areas.

Doro's shares

Doro is listed on the OMX Nordic Exchange Stockholm Small Cap - Telekom/IT.

Eight key employees bought 130 000 shares in the company from DO Intressenter as of 7th January 2008.

Parent company

The parent company's net sales for the full year amounted to SEK 29 million (SEK 27 m).

The loss before tax for the full year was SEK 31 million (SEK -87 m).

Risks

Doro's risks and instability factors are mainly related to supplier disruption, customer relations and currency exchange rate fluctuations. Apart from these risks and instability factors, which are described in the Annual Report 2006 on pages 21-22, no other risks of any significance have been identified during the last period.

Outlook

The gradually improved proportion of higher margin products and the full-year effect of the restructured cost base are expected to have a continued positive effect on results, while organic growth of sales are still held back by price pressure in the Home Electronics telephony segment.

Dividend

The Board has decided to recommend the AGM not to pay any dividend for the year (SEK 0.00).

Future reports and events

Annual report

Doro's annual report will be published on the company's website (www.doro.com) no later than 10 April, 2008, after which the printed version will be sent to all shareholders and other individuals who have requested a copy from the company.

AGM

The Annual General Meeting will be held at the Scandic Star hotel, Glimmervägen 5, Lund at 5 pm on 6th May, 2008.

Quarterly reports

The Board has decided the following dates for the quarterly reports:

January-March 2008: 6th May

January-June 2008: 20th August

January-September 2008: 23rd October

The quarterly reports are available at Doro's website: www.doro.com

This quarterly report has been drawn up in accordance with the same accounting principles as the last annual report, see review report.

Lund, 12th February, 2008 – 14.30

The Board Doro AB (publ)

Co. Reg. No 556161-9429

Doro is listed on the OMX Nordic Exchange Stockholm Small Cap - Telekom/IT

Information

For further information, please contact:
CEO Jérôme Arnaud, +46 46 280 50 05

CFO Stefan Sjölin +46 46 280 50 62

Magistratsvägen 10

SE-226 43 Lund, Sverige

Telefon: +46 46 280 50 60

www.doro.co



Review report

Introduction

We have reviewed this year-end report for 2007. The Board of Directors and the President are responsible for the preparation and presentation of this year-end report in accordance with IAS 34 and the Swedish Annual Reports Act. Our responsibility is to express a conclusion on this year-end report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Federation of Authorised Public Accountants, "FAR."

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Reports Act.

Lund, February 12, 2008

Ernst & Young

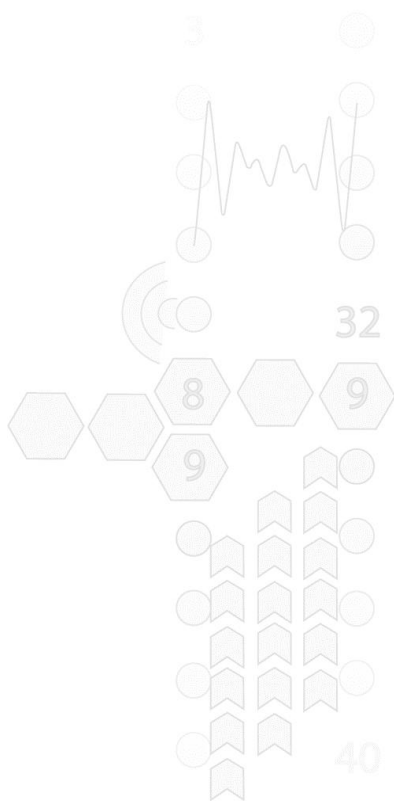
Ingvar Ganestam

Authorized Public Accountant

Chief Auditor

Report 2007

INCOME STATEMENT (SEK m) Group	2007	2006	2007	2006
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	114	121	346	433
Operating costs	-108	-154	-336	-491
Operating profit before depreciation	6	-33	10	-57
Depreciation acc. to plan	0	-14	-1	-20
Operating profit after depreciation	6	-47	9	-77
Net financial items	0	-7	-1	-5
Pretax profit	6	-54	8	-82
Taxes	-1	-8	-1	-13
Net profit	6	-62	8	-95
Numbers of shares (average thousand)	17408	17408	17408	10,815
EPS before tax	0,35	-3,10	0,47	-7,56
EPS after tax	0,32	-3,55	0,43	-8,76
SUMMARY OF BALANCE SHEET (SEK m) Group			2007	2006
			31 Dec	31 Dec
Intangible assets			10	9
Tangible assets			4	2
Inventories			51	51
Current receivables			88	89
Cash at hand			8	31
Total assets			161	182
Shareholders' equity			40	32
Interest bearing liabilities			8	5
Non-interest bearing liabilities			114	146
Total equity and liabilities			161	182



SUMMARY OF CASH FLOW (SEK m)	2007 Oct-Dec	2006 Oct-Dec	2007 Jan-Dec	2006 Jan-Dec
Operating profit after depreciation	6	-47	9	-77
Depreciation	0	14	1	20
Net financial items	0	-7	-1	-5
Taxes	0	5	0	0
Changes in working capital	1	47	-30	56
Cash flow from current activities	7	12	-21	-6
Acquisitions	0	0	0	13
Investments	-3	2	-5	-1
Cash flow from investments	-3	2	-5	12
Loans raised	-2	-9	4	-77
New issue	0	25	0	96
Dividend paid out	0	0	0	0
Translation difference and other	2	-5	1	-3
Cash flow from financing activities	0	11	4	17
Change in liquid funds	4	25	-22	23
Net debt	0	-26	0	-26

SHAREHOLDERS' EQUITY (SEK m)	2007 Q 4	2006 Q 4	2007 31 Dec	2006 31 Dec
Opening balance	33	70	32	32
Result of the period	6	-62	8	-95
Dividend	0	0	0	0
New issue	0	25	0	96
Currency effect and other	0	-2	0	-1
Closing balance	40	32	40	32

OTHER KEY FIGURES	2007	2006
Equity / Asset ratio	24	17
Numbers of A-shares (average thousand)	17408	17408
Reported equity per share	2,27	1,81
Return on average shareholders' equity	21	neg
Return on average capital employed	27	neg
Market price at period's end restated after issue	5,80	5,00
Market price at period's end	5,80	5,00
Market value (SEK m)	101	87

SALES PER SEGMENT (SEK m)	2007 Jan-Dec	2006 Jan-Dec
Nordic	125	137
Other Europe	202	211
Other markets	19	46
Sold unit (UpGrade)	0	39
Total	346	433
OPERATING PROFIT/LOSS AFTER DEPRECIATION PER SEGMENT (SEK m)	2007 Jan-Dec	2006 Jan-Dec
Nordic	4	0
Other Europe	2	-5
Other markets	3	-13
Group costs and other	0	-55
Sold unit (UpGrade)	0	-5
Operating profit/loss after depreciation	9	-77
INCOME STATEMENT (SEK m) Parent company	2007 Jan-Dec	2006 Jan-Dec
Net sales	29	27
Operating costs	-59	-53
Operating profit before depreciation	-31	-26
Depreciation acc. to plan	-1	-5
Operating profit after depreciation	-31	-30
Net financial items	0	-58
Pretax profit	-31	-88
Taxes	1	1
Net profit	-30	-87
SUMMARY OF BALANCE SHEET (SEK m) Parent company	2007 31 Dec	2006 31 Dec
Intangible assets	95	87
Tangible assets	1	1
Inventories	0	0
Current receivables	12	31
Cash at hand	2	3
Total assets	110	122
Shareholders' equity	45	73
Interest bearing liabilities	49	30
Non-interest bearing liabilities	16	18
Total equity and liabilities	110	122