



"The sales growth of 25 per cent in the third quarter was mainly driven by the continued strong growth in Care Electronics."

Jérôme Arnaud CEO Doro

Interim report 1 January - 30 September 2008

Doro proves 25 per cent growth and EBIT of SEK 4.7 million (SEK 0.9 m) for Q3

- Sales for Q3 amounted to SEK 101.9 million (SEK 81.2 m), 25.3 per cent growth. Sales for the first nine months amounted to 241.4 million (SEK 232.5 m) after nine months.
- The profit after tax for Q3 was SEK 4.1 million (SEK 0.8 m) and 0.5 million (SEK 2.0 m) after nine months. The operating profit (EBIT) for Q3 was SEK 4.7 million (SEK 0.9 m), SEK 2.2 million (SEK 3.1 m) after nine months.
- Earnings per share after tax for Q3 was SEK 0.24 (SEK 0.05) and SEK 0.03 (SEK 0.11) after nine months.
- The order intake was SEK 101.3 million for Q3 and SEK 256.7 million for the first nine months.
- The cash flow from operations was positive in Q3 and stood at SEK 6.9 million (SEK 1.6 m). For the first nine months the cash flow was SEK -20.3 million (SEK -28.6 m), due to seasonality and the build up of working capital for new product lines.
- The Care Electronics business unit continued to drive sales growth and boosted its share of total sales to 37.4 per cent (10.6 per cent) for the first nine months.
- Outlook for fourth quarter uncertain due to financial crisis and the rapid strengthening of the US dollar. The negative currency effect will be partly offset by a hedge contract.

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

"The sales growth of about 25 per cent in the third quarter was mainly driven by the continued strong growth in Care Electronics. This resulted in an EBIT for our third quarter of SEK 4.7 million, which is a substantial improvement, compared to last year (SEK 0.9 m).

We actually tripled sales in Care Electronics over the third quarter compared to last year, and at year to date sales have risen from about SEK 24.8 million to SEK 90.3 million, comprising about 37 per cent of our total sales. Easy-to-use mobile phones account for the majority of sales within Care Electronics. Our easy mobile phones are now listed with main operators like TeliaSonera, Telenor, T-Mobile and other leading operators and retailers.

Doro is today one of the top five brands in the Nordic GSM market with a steadily increasing market share.

I expect that Care Electronics will account for the majority of our sales during 2009. We are underpinning our business in Home Electronics by introducing new innovative DECT phones to the market. For example, we are launching a new DECT range in the fourth quarter with ECO functionality that has been awarded Energy Star certification, granting a choice of less impact on the environment."



Sales

Doro had sales of SEK 101.9 million (SEK 81.2 m) in the third quarter and SEK 241.4 million (SEK 232.5 m) over the first nine months.

Sales improved by 25.3 per cent during the third quarter compared to the same period last year. Care Electronics sales represented 42.8 per cent of total sales for the third quarter and 37.4 per cent of total sales for the first nine months.

Operating profit - EBIT

The operating profit before tax and financial items for the third quarter was SEK 4.7 million (SEK 0.9 m) and for the first nine months SEK 2.2 million (SEK 3.1 m).

The development of the gross margin was positive in the third quarter compared to the second quarter. The positive impact was due to a greater sales mix of Care Electronics' products with higher margins. However, the US dollar exchange rate had a negative impact on the gross margin.

Cash flow, investments and financial position

The cash flow from operations in the third quarter was SEK 6.9 million (SEK 1.6 m) and for the first nine months SEK -20.3 million (SEK -28.6 m). Investments during the third quarter amounted to SEK 4.0 million (SEK 0.4 m) and SEK 6.8 million (SEK 1.7 m) for the first nine months. At the close of the period Doro had bank loans of SEK

28.1 million, and the company had SEK 60.0 million in total pre-agreed credit facilities as of 30 September 2008. The equity/assets ratio was 23.0 per cent (25.1 per cent) at the end of the period.

The financial items include an income from a US dollar hedge contract (SEK 0.8 m)

Business units

Doro has three business units: Home Electronics, which is mainly home telephony, representing 50.8 per cent of sales in Q3, (75.2 per cent 2007), Business Electronics, mainly specialising in business telephony, 6.4 per cent of sales (12.9 per cent in Q3, 2007) and Care Electronics, which specialises in telecoms and electronic products for senior citizens, 42.8 per cent of sales (11.9 per cent in Q3, 2007).

Home Electronics

For the first nine months sales fell 18.7 per cent to SEK 129.1 million (SEK 158.8 m), while the decline was 15.1 per cent for the third quarter, following sales of the DECT ranges NeoBio and Arc.

Business Electronics

Business Electronics sales fell by 32.7 per cent to SEK 22.0 million (SEK 32.7 m) over the first nine months, as the introduction of the VoIP program has been slower than anticipated. At the beginning of October Doro launched a new DECT IP phone, the ip880dect.

Care Electronics

Care Electronics boosted its sales over the first nine

months to SEK 90.3 million (SEK 24.8 m), a rise of 264 per cent. Sales are growing for the entire Care Electronics range of products; however, it is the success of easy-to-use mobile phones that mainly drives growth.

During the quarter, Doro also introduced an amplified cordless phone called HearPlus 318w that also includes enhanced ergonomic features for the elderly.

Regions

Doro's three regions are Mainland Europe (42 per cent of sales for the first nine months), Nordic (42 per cent) and UK and Ireland (16 per cent).

Mainland Europe

Sales fell by 7 per cent over the first nine months of 2008, due to price reductions within the Home Electronics, while Germany and Benelux showed growth due to new distribution agreements.

Nordic region

Sales rose by 22 per cent for the first nine months. Sales for the region were positively affected by the continued strong growth of mobile phones in Care Electronics but also the sales increase in Home Electronics.

UK and Ireland,

Sales rose by 66 per cent for the first nine months driven by easy-to-use mobile phones and Home Electronics products, particularly through Dixon's Store Group in the UK.

Personnel

The headcount was 58 at the end of the period. 28 are based in Sweden, 17 in France, 5 in the UK, 4 in Norway and 4 in Hong Kong.

Kjell Reidar Mydske, previous Sales Director has been appointed Sales and Marketing Director for Doro.

The appointment follows the resignation of the current Marketing Director Fredrik Forssell.

Ulrik Nilsson, head of operations at Doro, has been appointed a member of group management.

Doro's shares

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

Parent company

The parent company's net sales for the first nine months amounted to SEK 108.0 million (SEK 17.4 m). Doro Nordic AB, the former sales company, merged with the parent company Doro AB on 1 January 2008. The loss before tax was SEK 15.2 million (SEK -23.9 m).

Outlook

Sales for the fourth quarter are expected to be in line with last year as the Care Electronics sales shows continuing strength and the Home Electronics shows signs of stabilising its sales trend. Some uncertainty remains to what extent the financial crisis may influence distributors' purchases and retail demand.

The rapid strengthening of the US dollar is expected to impact result negatively for the fourth quarter. The negative currency effect will be partly offset by a hedge contract. The result for the fourth quarter is expected to be below same period previous year.

Risks

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 2007 on pages 24, 41 and 42, no other risks of any significance have been identified during the last period.

Accounting principles

For the Group, this interim report is prepared according to IAS 34, Interim Financial Reporting, and the Annual Accounts Act and for the parent company, according to the Annual Accounts Act.

Future reports and events

Quarterly reports

The Board has decided the following dates for quarterly reports:

January-December 2008: 13 February 2009 (changed from previous interim report)

January- March 2009: 6 May 2009

AGM: 26 March 2009

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, and has been subjected to a review by the company's auditors.

Information disclosed in this press release is provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act.

Lund, 23 October 2008 – 1.30 pm

The Board Doro AB (publ)

Co. Reg. No 556161-9429

Doro is listed on the OMX Nordic Exchange Stockholm



Small Cap - Telekom/IT

Information

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The Board 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 the Group companies.

Bo Kastensson
Chairman of the Board

Jérôme Arnaud
CEO

Peter Blom
Board member

Tomas Persson
Board member

Jonas Mårtensson
Board member



Interim report 1 January - 30 September 2008

INCOME STATEMENT (SEK m) Group	2008	2007	2008	2007	2007
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	101.9	81.2	241.4	232.5	346.3
Operating costs	-96.2	-80.1	-236.6	-228.6	-336.3
Operating profit before depreciation	5.7	1.1	4.8	3.9	10.0
Depreciation according to plan	-1.0	-0.2	-2.6	-0.8	-0.8
Operating profit after depreciation	4.7	0.9	2.2	3.1	9.2
Net financial items	-0.6	-0.1	-1.7	-1.1	-1.1
Pretax profit	4.1	0.8	0.5	2.0	8.1
Taxes	0.0	0.0	0.0	0.0	-0.6
Net profit	4.1	0.8	0.5	2.0	7.5
Numbers of shares (average thousand)	17408	17408	17408	17408	17408
EPS before tax	0.24	0.05	0.03	0.11	0.47
EPS after tax	0.24	0.05	0.03	0.11	0.43

BALANCE SHEET (SEK m) Group	2008	2007		2007
	30 Sep	30 Sep		31 Dec
Intangible assets	12.2	8.8		10.4
Tangible assets	6.2	2.3		3.8
Financial assets	15.7	15.7		15.7
Inventories	68.9	42.6		51.2
Current receivables	73.1	56.1		72.0
Cash at hand	2.3	4.6		8.3
Total assets	178.4	130.1		161.4
Shareholders' equity	41.0	32.6		39.5
Interest bearing liabilities	28.1	10.1		8.1
Non-interest bearing liabilities	109.3	87.4		113.8
Total equity and liabilities	178.4	130.1		161.4

CASH FLOW (SEK m) Group	2008	2007	2008	2007	2007
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating profit after depreciation	4.7	0.9	2.2	3.1	9.2
Depreciation	1.0	0.2	2.6	0.8	0.8
Net financial items	-0.6	-0.1	-1.7	-1.1	-1.1
Taxes	0.0	0.0	0.0	0.0	-0.1
Changes in working capital	1.8	0.6	-23.4	-31.4	-39.0
Cash flow from current activities	6.9	1.6	-20.3	-28.6	-30.2
Disposal of Group companies	0.0	0.0	0.0	0.0	9.4
Investments	-4.0	-0.4	-6.8	-1.7	-5.1
Cash flow from investments	-4.0	-0.4	-6.8	-1.7	4.3
Loans raised	-15.6	-1.3	20.1	5.6	3.6
New issue	0.0	0.0	0.0	0.0	0.0
Dividend paid out	0.0	0.0	0.0	0.0	0.0
Translations difference and other	1.0	-1.3	1.0	-1.3	0.1
Cash flow from financing activities	-14.6	-2.6	21.1	4.3	3.7
Change in liquid funds	-11.7	-1.4	-6.0	-26.0	-22.2
Net debt	25.9	5.5	25.9	5.5	-0.3

SHAREHOLDERS' EQUITY (SEK m) Group	2008	2007	2007	2006
	30 Sep	30 Sep	31 Dec	31 Dec
Opening balance	39.5	31.6	31.6	32.1
Result of the period	0.5	2.0	7.5	-94.7
Dividend	0.0	0.0	0.0	0.0
New issue	0.0	0.0	0.0	96.2
Currency effect and other	1.0	-1.0	0.4	-2.0
Closing balance	41.0	32.6	39.5	31.6

OTHER KEY FIGURES Group	2008	2007	2007
	30 Sep	30 Sep	31 Dec
Equity / asset ratio (%)	23.0	25.1	24.5
Number of A-shares (average thousand)	17408	17408	17408
Reported equity per share	2.36	1.87	2.27
Return on average share holders' equity (%)	1	8	21
Return on average capital employed (%)	11	16	27
Market price at period's end	5.00	5.50	5.80
Market value (SEK m)	87	96	101

SALES PER SEGMENT (SEK m) Group	2008	2007	2008	2007	2007
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Home Electronics	51.8	61.0	129.1	158.8	254.9
Business Electronics	6.5	10.5	22.0	32.7	40.4
Care Electronics	43.6	9.7	90.3	24.8	51.0
Divested units	0.0	0.0	0.0	16.2	0.0
Totalt	101.9	81.2	241.4	232.5	346.3

OPERATING PROFIT/LOSS AFTER DEPRECIATION PER SEGMENT (SEK m)	2008	2007	2008	2007	2007
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Home Electronics	-0.7	0.0	-3.0	3.3	8.5
Business Electronics	-2.5	0.3	-5.8	0.9	-1.7
Care Electronics	7.9	0.6	11.0	-1.1	2.4
Divested units	0.0	0.0	0.0	0.0	0.0
Operating profit/loss after depreciation	4.7	0.9	2.2	3.1	9.2

INCOME STATEMENT (SEK m) PARENT COMPANY*	2008	2007	2008	2007	2007
	Jul - Sep	Jul - Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	48.5	12.3	108.0	17.4	28.6
Operating costs	-51.2	-10.3	-115.3	-41.1	-59.2
Operating profit before depreciation	-2.7	2.0	-7.3	-23.7	-30.6
Depreciation according to plan	-1.9	0.0	-5.2	-0.2	-0.6
Operating profit after depreciation	-4.6	2.0	-12.5	-23.9	-31.2
Net financial items	-1.3	2.0	-2.7	0.0	0.3
Pretax profit	-5.9	4.0	-15.2	-23.9	-30.9
Taxes	0.0	0.0	0.0	0.0	0.8
Net profit	-5.9	4.0	-15.2	-23.9	-30.1

SUMMARY OF BALANCE SHEET (SEK m) PARENT COMPANY*	2008	2007		2007
	30 Sep	30 Sep		31 Dec
Intangible assets	23.6	15.9		17.9
Tangible assets	3.8	1.0		1.0
Financial assets	77.1	77.1		77.1
Inventories	19.7	0.0		0.0
Current receivables	39.9	7.0		12.3
Cash at hand	1.0	0.0		1.8
Total assets	165.1	101.0		110.1
Share holders' equity	30.1	49.0		45.3
Interest bearing liabilities	91.0	36.0		46.4
Non-interesting bearing liabilities	44.0	16.0		18.4
Total equity and liabilities	165.1	101.0		110.1

* As of 1 January 2008 Doro Nordic AB is merged with Doro AB.

Review report

Introduction

We have reviewed the interim report for Doro AB (publ) for the period from January 1, 2008 to September 30, 2008. It is the Board of Directors and the Managing Director who are responsible for the presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The Scope of the Review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Federation of Authorized Public Accountants. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review substantially smaller less in scope compared to an audit conducted according to 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. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as an conclusion based on an audit.

Conclusion

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

Lund, 23 October, 2008

Ingvar Ganestam
Certified Public Accountant
Ernst & Young AB