



Continued improvement for Doro:

Q3 report (1 Jul-30 Sep 2007)

- Jérôme Arnaud Doro's new CEO
- Dramatic improvement of profit after tax, SEK 0.9 million (-13 m)
- Sales amounted to SEK 81 million (104 m) after completed disposals
- Former loss-making areas showing positive results
- Strong growth for Business Electronics and Care, +50%
- More promising product launches over the period
- EPS after tax, SEK 0.05 (-0,74)
- Positive cash flow from current activities

Chairman of the Board, Bo Kastensson's comments;

"Doro is reporting a profit for the third quarter, which is a considerable improvement compared to last year. The major losses in the Home business area have turned around to a small profit. The initiative to develop the growth areas of Care and Business electronics, in which conditions for profit growth are good, can therefore be intensified."

The Board has today appointed Jérôme Arnaud as Doro's new CEO. Jérôme is currently the MD of Doro France and responsible for the Care and Business Electronics business areas for the group. Due to the change of CEO, Rune Torbjörnsen will leave his position and other assignments within the Doro Group. Torbjörnsen will assist the Board for a transitional period.

The reason for the change of CEO is that Doro has undergone major changes over the past two years. The company is now entering a phase with a stabilised business in the Home business area and excellent opportunities for growth in the Care and Business Electronics business area. Jérôme Arnaud's experience in these business areas makes him, according to the Board, suitable to lead the company through this development phase. Jérôme Arnaud was born in 1963, lives in France and has been MD of Doro's French business since 2000.

Profit for the Group in Q3

Dramatic growth in the Care and Business Electronics business areas, with higher margins has helped towards a significantly better result. The Home business area also showed a profit for the quarter, partly due to continued cost trimming. The lower US dollar has had a positive effect on results.

Sales amounted to SEK 81 million (104 m)

The disposal of the loss-making businesses in Australia and Poland has meant lower sales than for the same period last year. Sales in comparable businesses were in line with last year but with a greater share of sales in the business areas with high margins.

Gross margin strengthened

The gross margin has been strengthened due to Doro's business areas having improved gross margins, rising by 10 percentage points to around 27% of sales, while products with low margins in home telephony have successively been disposed of. Furthermore, stock control has improved, which has cut stock depreciation.

Overheads have fallen

Overheads are 20% lower than for the same period in 2006 and have fallen partly as a result of the loss-making businesses being disposed of and partly through the rationalisation scheme.

Operating profit (EBIT) up SEK 10 million

In total, the operating profit for the period improved from a loss last year of SEK 9 million to a profit this year of SEK 1 million.

The Group showed a positive operating profit of SEK 3.1 million (-30.0 m) for the first nine months of the year.

Business areas

Doro is active in three business areas: Home, which is mainly home telephony and represents 73% of this year's sales (83% last year), Care, which specialises in telephony for the elderly, 12% (6%) and Business Electronics, mainly specialising in business telephony, 15% (11%).

Home, which previously represented a major part of Doro's losses is continuing to stabilise with successively improved profit margins. Doro began supplying the new NeoBio range in September, with its innovative design.

Care is continuing to show signs of strong growth and is focusing on the growing market with specially developed products for senior citizens. The business area is currently investing in the

renewed product portfolio and in developing new distributors for a larger geographic coverage. A new series of products will be launched in the second half of 2007, which will include GSM telephones with functional design, to be delivered in Q4.

Business Electronics has continued its growth through better distribution of existing products. New products will be launched in Q4 2007 and Q1 2008, including IP telephony products, which are expected to further improve growth.

The Care and Business Electronics business areas now have a stronger organisation and are showing a combined growth of 50% compared to the same period last year.

Regions

Doro's biggest markets since the New Year are France (43% of sales), Nordic Region (35%) and the UK (11%). During the quarter the UK has progressed positively and Care especially is showing strong growth.

Outlook

Doro launched a number of new products in Q3. Lower costs, better gross margins and a seasonally higher number of sales provide excellent opportunities for a positive earnings trend.

Balance sheet and Cash flow

Cash flow from current activities has improved significantly and was SEK 2 million for the quarter. Since the New Year, cash flow has been negatively hit due to structural costs, which impacted on 2006's results but which were paid during the period and amounted to SEK 21 million. Furthermore, the working capital for the same period rose by around SEK 7 million. Doro's net debt remains unchanged and available borrowings now total SEK 60 million, while the equity/assets ratio is 25%.

Parent company

The parent company's net sales for the first nine months of the year amounted to SEK 17 million (16 m). The loss before tax amounted to SEK 24 million (-15 m).

Significant risks and instability factors

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 on pages 21-22, no other risks of any significance have been identified during the last period.

Doro's new CEO

Doro's Board decided at today's Board meeting to appoint a new CEO. Doro's new CEO will be Jérôme Arnaud, who is currently MD of Doro France and the Care and Business Electronics business area. He is a graduate engineer and before coming to Doro worked with business development and marketing at Matra Nortel. He has also worked in sales towards the South and Latin American markets and was stationed for two years in Argentina.

Future reports

The Board has decided that the financial statement for 2007 will be released on 12 February 2008.

Quarterly reports are available on the internet at: www.doro.com.

This quarterly report has been drawn up in accordance with the same accounting principles as the last Annual Report and has not been subject to a review by the company's auditors.

For more information

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Lund, 24 October 2007

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INTERIM REPORT

INCOME STATEMENT (SEK m) Group

	2007 Jul-Sep	2006 Jul-Sep	2007 Jan-Sep	2006 Jan-Sep	Last 12 months	2006
Net sales	81	104	233	312	354	433
Operating costs	-80	-111	-229	-336	-383	-491
Operating profit before depreciation	1	-7	4	-24	-29	-57
Depreciation acc. to plan	0	-2	-1	-6	-15	-20
Operating profit after depreciation	1	-9	3	-30	-44	-77
Net financial items	0	2	-1	2	-8	-5
Pretax profit	1	-7	2	-28	-52	-82
Taxes	0	-5	0	-5	-8	-13
Net profit	1	-13	2	-33	-60	-95
Numbers of shares (average thousand)	17408	17134	17408	8617	17339	10815
EPS before tax	0,05	-0,44	0,11	-3,21	-3,43	-7,56
EPS after tax	0,05	-0,74	0,11	-3,81	-4,18	-8,76

SUMMARY OF BALANCE SHEET (SEK m) Group

	30 Sep 2007	30 Sep 2006	31 dec 2006
Intangible assets	9	17	9
Tangible assets	2	7	2
Inventories	43	61	51
Current receivables	72	86	89
Cash at hand	5	5	31
Total assets	130	176	182
Shareholders' equity	33	70	32
Interest bearing liabilities	10	14	5
Non-interest bearing liabilities	87	92	146
Total equity and liabilities	130	176	182

SUMMARY OF CASH FLOW (SEK m)

	2007 Jul-Sep	2006 Jul-Sep	2007 Jan-Sep	2006 Jan-Sep	2006
Operating profit after depreciation	1	-9	3	-30	-77
Depreciation	0	2	1	6	20
Net financial items	0	2	0	2	-5
Taxes	0	-5	0	-5	0
Changes in working capital	1	9	-31	9	56
Cash flow from current activities	2	-2	-28	-18	-6
Acquisitions	0	13	0	13	13
Investments	0	-1	-2	-3	-1
Cash flow from investments	0	12	-2	10	12
Loans raised	-1	-57	6	-68	-77
New issue	0	41	0	71	96
Dividend paid out	0	0	0	0	0
Translation difference and other	-1	6	-1	1	-3
Cash flow from financing activities	-2	-10	5	4	17
Change in liquid funds	-1	1	-26	-3	23
Net debt	5	9	5	9	-26

SHAREHOLDERS' EQUITY (SEK m)

	Q 3 2007	Q 3 2006	30 Sep 2007	30 Sep 2006	31 dec 2006
Opening balance	32	80	32	32	32
Result of the period	1	-13	2	-33	-95
Dividend	0	0	0	0	0
New issue	0	0	0	71	96
Currency effect and other	0	3	-1	0	-1
Closing balance	33	70	33	70	32

OTHER KEY FIGURES

	2007 30 sep	2006 30 sep	2006
Net debt / Equity ratio	0,17	0,13	neg
Equity / Asset ratio	25	40	17
Numbers of A-shares (average thousand)	17408	17408	17408
Reported equity per share	1,87	4,09	1,81
Return on average shareholders' equity	8	neg	neg
Return on average capital employed	16	neg	neg
Market price at period's end restated after issue	5,50	5,70	5,00
Market price at period's end	5,50	5,70	5,00
Market value (SEK m)	96	99	87

SALES PER SEGMENT (SEK m)

	2007 Jan-Sep	2006 Jan-Sep	2006
Nordic	76	89	137
Other Europe	142	150	211
Other markets	15	34	46
sold unit	0	39	39
Total	233	312	433

OPERATING PROFIT/LOSS AFTER DEPRECIATION PER SEGMENT (SEK m)

	2007 Jan-Sep	2006 Jan-Sep
Nordic	2	-1
Other Europe	7	-1
Other markets	3	-14
Group costs and other	-9	-9
sold unit	0	-5
Operating profit/loss after depreciation	3	-30

INCOME STATEMENT (SEK m) Parent company

	2007	2006
	Jan-Sep	Jan-Sep
Net sales	17	16
Operating costs	-41	-30
Operating profit before depreciation	-24	-14
Depreciation acc. to plan	0	-4
Operating profit after depreciation	-24	-19
Net financial items	0	3
Pretax profit	-24	-15
Taxes	0	0
Net profit	-24	-15

SUMMARY OF BALANCE SHEET (SEK m) Parent company

	30 Sep	31 Dec
	2007	2006
Intangible assets	77	87
Tangible assets	1	1
Inventories	0	0
Current receivables	23	31
Cash at hand	0	3
Total assets	101	122
Shareholders' equity	49	73
Interest bearing liabilities	36	30
Non-interest bearing liabilities	16	18
Total equity and liabilities	101	122