



Interim Report

January – September 2009

Press release, November 4, 2009

Order intake remains strong – up 38 percent in third quarter Breakthrough for Doro in the US

Highlights in the third quarter of 2009:

- Net sales in the third quarter rose to SEK 111.1 m (101.9), an increase of 9.0 percent.
- Operating profit (EBIT) amounted to SEK 7.0 m (4.7), an increase of 48.9 percent, while pre-tax profit amounted to SEK 6.8 m (4.1).
- Earnings per share after tax were SEK 0.37 (0.24).
- Cash flow from current activities for the third quarter amounted to SEK 1.5 m (6.9).
- Order intake amounted to SEK 139.6 m (101.3), an increase of 37.8 percent.
- After the end of the period: The certification of the Doro PhoneEasy® 345gsm and 410gsm in the US is now complete. The US sales through Consumer Cellular and AARP has commenced at full scale.
- The growth is expected to continue. Combined with previously announced partnership agreements, the operating profit (EBIT) is also expected to grow significantly for 2009 and onwards.

DORO GROUP (SEK m)	2009	2008	2009	2008	Rolling	2008
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 month	Full-year
Income/net sales	111.1	101.9	305.0	241.4	426.1	362.5
Operating profit/loss after depreciation and write-downs, EBIT	7.0	4.7	7.4	2.2	-3.0	-8.2
Operating margin, EBIT %	6.3	4.6	2.4	0.9	-0.7	-2.3
Profit/loss after financial items	6.8	4.1	2.1	0.5	-8.5	-10.1
Profit/loss for the period	6.4	4.1	1.7	0.5	-10.3	-11.5
Average number of shares, thousands	17,408	17,408	17,408	17,408	17,408	17,408
Earnings per share before tax, SEK	0.39	0.24	0.12	0.03	-0.49	-0.58
Earnings per share after tax, SEK	0.37	0.24	0.10	0.03	-0.59	-0.66



Comments by the CEO, Jérôme Arnaud:

“The third quarter was an eventful period for Doro. The strategy of focusing on Care Electronics continues to be successful. Alongside our improved financial trend, we also take pride in the two major partnership agreements that Doro signed with leading operators in France and the US. These agreements constitute an important milestone for the company and confirm our growth strategy.

The accumulated growth in Care Electronics for 2009 is 87 percent while we have managed to limit the sales decline in Home Electronics to below 5 percent despite continued price pressure in Home for fixed telephony.

We are satisfied to have been able to achieve a profitable quarter as we still have had considerable investment in marketing, geographical expansion and products supporting our growth strategy.

As previously announced, we have recently signed two major partnerships. In September we entered a partnership with Orange in France. Orange is the third-largest operator in Europe and market leader in France. The company has more than 1,200 stores in France, which now sell our PhoneEasy® 345gsm with an attractive subscription plan and a tele-assistance option with Mondial Assistance. Our product represents the best option for combining telephony and tele-assistance services. We intend to develop similar combined partnerships in other geographical areas, adding value for both operators and seniors. This will develop our offer in the senior market and secure Doro’s leadership in this GSM niche.

The second partnership is with Consumer Cellular, an MVNO (Mobile Virtual Network Operator) in the US and a leading supplier of simple telephone services. Consumer Cellular is the sole supplier of mobile telephone services to AARP, one of the largest organizations for retired people in the US with 40 million members. The fact that our products passed extensive tests from the US’ largest national GSM backbone operator combined with the certification already secured from operators including Orange, Telenor, Telia, TDC and Tele2 confirms the quality and performance of our products.

In Europe, most markets show strong growth based on the success of the launch of senior GSM phones. One example is Germany, where Doro has grown significantly. This growth was backed by TV commercials that also had success in Sweden and Norway.

In addition, we have developed partnerships with major multinational distributors of mobile phones, such as Carphone Warehouse Group and 20:20 Mobile.

Furthermore, in Asia Pacific region, we have signed partnerships in Hong Kong and New Zealand, and are conducting negotiations in other countries in the region as well as in Latin America.

These partnerships continue to develop and provide further evidence that Doro has a strong offering in an interesting niche.

We are already seeing positive effects from these commercial agreements and I am very confident that they will significantly boost sales for 2009 and beyond.”

Net sales

Doro’s sales amounted to SEK 111.1 m (101.9) for the third quarter, an increase of 9.0 percent. Applying the same exchange rate as for the previous year, organic growth was 0.5 percent.

Operating result (EBIT)

The Group's third quarter profit before tax and financial items amounted to SEK 7.0 m (4.7), an increase of 48.9 percent. This improvement was attributable to increased sales in Care Electronics as a result of earlier investments in products and marketing.

Cash flow, investments and financial position

The cash flow from current activities in the third quarter was positive in an amount of SEK 1.5 m (6.9). Working capital has increased, mainly due to increased sales of GSM phones, particularly at the end of the third quarter.

In the third quarter, continued investments in products affected cash and equivalents negatively by SEK 4.4 m.

In order to comply with IFRS, the current hedge contracts have been valued among net financial items, affecting the result negatively by SEK 2.9 m for the year to date.

On September 30, 2009, Doro had a net debt of SEK 31.5 m (25.9). The company has credit facilities of SEK 52 m.

The equity/asset ratio was 17.8 percent (23.0) at the end of the period.

Business units

Care Electronics

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

Sales in the third quarter increased to SEK 69.2 m (58.3) an increase of 18.7 percent. Care Electronics now represents 62.3 percent of Doro's total sales to date 2009. Apart from the GSM range, the fixed line products are also progressing well with growth of 25 percent.

Home Electronics

Home Electronics offers domestic telephones and other products for the modern family. The business unit also provides simple telecom solutions for enterprises by means of analog and VoIP technologies.

Sales during the quarter amounted to SEK 41.9 m (43.6), a decrease of 3.9 percent.

Regions

Doro's largest markets are Continental Europe, with 50.0 percent of Group sales, the Nordic region (37.5 percent) and the UK (12.1 percent). Doro also operates through distributors in other selected markets (0.4 percent).

Personnel

At the end of the period, the headcount was 58 (58). Of these, 25 (28) are based in Sweden, 18 (17) in France, 5 (5) in the United Kingdom, 4 (4) in Norway and 6 (4) in Hong Kong.

Parent Company

The Parent Company's net sales for the third quarter amounted to SEK 53.1 m (48.5). The profit before tax for the third quarter was SEK 3.5 m (negative: 5.9).

Events after the close of the period

The certification of the Doro PhoneEasy® 345gsm and 410gsm mobile telephones for the US market, is now complete following extensive testing, enabling the previously announced exclusive agreement with Consumer Cellular which will sell and market these user-friendly and simple mobile phones.

Doro share

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

Outlook – updated

The growth is expected to continue. Combined with previously announced partnership agreements, the operating profit (EBIT) is also expected to grow significantly for 2009 and onwards.

Previous version, published on August 19, 2009:

The positive sales trend in the first half of 2009, combined with the build-up of marketing and product investments, is now expected to generate a positive profit trend, with clear improvement of the full-year operating result (EBIT), compared to the previous year. The more precise revenue growth trend for the second half of 2009 will, amongst other factors, be dependent on some remaining test milestones in the US, as well as sales development with European key customers.

Risks

Risks and instability factors are mainly related to supplier disruption, product adaptation and certification, customer relations, exchange rate fluctuations and loan financing, which still is more difficult following the general crisis in the banking sector. Apart from these risks and the instability factors described on pages 22–23 and 40–42 of the 2008 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 2.2 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, with the following exceptions due to new or revised standards and interpretations adopted by the EU and which will be applied from January 2009. The change affecting the Group is the revised IAS 1 Presentation of Financial Statements. In addition, Doro's external reports on operating segments are, since last year, presented in the same way as in its internal reports. Doro is therefore in compliance with the new standard IFRS 8.

IAS 1 Presentation of Financial Statements

The effect of IAS 1 Presentation of Financial Statements is that IAS 1 divides the changes in equity as a result of transactions with owners and other changes. As a consequence a "Statement of comprehensive income" has been added.

Annual General Meeting 2010

The AGM will be held at the Scandic Star Hotel, Glimmervägen 5 in Lund, Sweden, on March 25, 2010 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 (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 26, 2009. Tedde Jeansson is the Chairman of the Nomination Committee.

Financial calendar

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

Year-end report 2009: February 18, 2010

January – March 2010: May 5, 2010

Interim Reports

The interim reports are available at www.doro.com under "Investor's room".

For further information, please contact:

President & CEO Jérôme Arnaud, +46 46 280 50 05

CFO, Annette Borén, +46 46 280 50 62

Doro's third-quarter 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, which will be followed by a telephone conference, can be accessed via <http://media.fronto.com/streaming/doro/091104/> or www.doro.com and <http://www.financialhearings.com> from 09:00 am CET on November 4, 2009.

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: +46 (0)8 5051 3793 8 from Sweden, or +44 (0)20 7806 1966

Code: 4891362 or Doro.

Lund, November 4, 2009

The Board

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Doro AB (publ)

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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 its subsidiaries.

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 two business units: Care Electronics and Home 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 363 million in 2008. Doro's shares are quoted on the Nasdaq OMX Nordic Exchange Stockholm, Small Cap. Read more about Doro at www.doro.com

Auditors' report on review of interim report

To the Board of DORO AB (publ)
Corp. Reg. No: 556161-9429

Introduction

We have reviewed the interim report for Doro AB (publ) for the period from January 1, 2009 to September 30, 2009. The Board of Directors and the Managing Director are responsible for the preparation and 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.

Scope of the 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". 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, in all material respects, does not give a true and fair view of the company's results and financial position and is not prepared 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, November 4, 2009

Ingvar Ganestam
Certified Public Accountant
Ernst & Young AB

Financial reports

INCOME STATEMENT (SEK m) Doro Group	2009	2008	2009	2008	2008
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
Income/Net sales	111.1	101.9	305.0	241.1	362.5
Operating cost	-102.1	-96.2	-291.8	-236.6	-366.1
Operating profit/loss before depreciation and write-downs, EBITDA	9.0	5.7	13.2	4.8	-3.6
Depreciation according to plan	-2.0	-1.0	-5.8	-2.6	-4.6
Operating profit/loss after depreciation and write-downs, EBIT	7.0	4.7	7.4	2.2	-8.2
Net financial items	-0.2	-0.6	-5.3	-1.7	-1.9
Profit/loss after financial items	6.8	4.1	2.1	0.5	-10.1
Taxes	-0.4	0.0	-0.4	0.0	-1.4
Profit/loss for the period	6.4	4.1	1.7	0.5	-11.5
Average number of shares, thousands	17,408	17,408	17,408	17,408	17,408
Earnings per share before tax, SEK	0.39	0.24	0.12	0.03	-0.58
Earnings per share after tax, SEK	0.37	0.24	0.10	0.03	-0.66

STATEMENT OF COMPREHENSIVE INCOME (SEK m) Doro Group	2009	2008	2009	2008	2008
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
Result for the period	6.4	4.1	1.7	0.5	-11.5
Translation differences and others	-1.6	1.0	-1.2	1.0	2.0
Total result	4.8	5.1	0.5	1.5	-9.5

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m) Doro Group	2009	2008	2008
	30 Sep	30 Sep	31 Dec
Intangible assets	18.5	12.2	14.2
Tangible assets	8.8	6.2	5.7
Financial assets	14.5	15.7	14.2
Inventories	60.4	68.9	58.8
Current receivables	60.2	73.1	64.6
Cash and Bank balances	8.5	2.3	12.6
Total assets	170.9	178.4	170.1
Shareholders' equity	30.4	41.0	30.0
Interest-bearing liabilities	40.0	28.1	43.4
Non interest-bearing liabilities	100.5	109.3	96.7
Total shareholders' equity and liabilities	170.9	178.4	170.1

STATEMENT OF CASH FLOWS (SEK m) Doro Group	2009	2008	2009	2008	2008
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
Operating profit/loss after depreciation and write-downs, EBIT	7.0	4.7	7.4	2.2	-8.2
Depreciation according to plan	2.0	1.0	5.8	2.6	4.6
Net financial items	-0.2	-0.6	-5.3	-1.7	-1.9
Taxes	0.0	0.0	0.0	0.0	0.0
Changes in working capital	-7.3	1.8	5.8	-23.4	-15.9
Cash flow from current activities	1.5	6.9	13.7	-20.3	-21.4
Disposal of Group companies	0.0	0.0	0.0	0.0	0.0
Investments	-4.4	-4.0	-13.2	-6.8	-10.2
Cash flow from investment activities	-4.4	-4.0	-13.2	-6.8	-10.2
Loans raised	6.7	-15.6	-3.4	20.1	35.3
Dividend paid out	0.0	0.0	0.0	0.0	0.0
Cash flow from financial activities	6.7	-15.6	-3.4	20.1	35.3
Translations difference and other	-1.6	1.0	-1.2	1.0	0.6
Change in liquid funds	2.2	-11.7	-4.1	-6.0	4.3
Net debt	31.5	25.9	31.5	25.9	30.7

STATEMENT OF CHANGES IN EQUITY (SEK m) Doro Group	2009	2008	2008
	Jan-Sep	Jan-Sep	Full-year
Opening balance	30.0	39.5	39.5
Total result for the period	0.5	1.5	-9.5
Dividend	0.0	0.0	0.0
Closing balance	30.5	41.0	30.0

OTHER KEY FIGURES Doro Group	2009	2008	2008
	30 Sep	30 Sep	31 Dec
Equity/assets ratio, %	17.8	23.0	17.6
Average number of shares, thousands	17,408	17,408	17,408
Reported equity per share, SEK	1.75	2.36	1.73
Return on average share holders' equity, %	5.5	1.2	neg
Return on average capital employed, %	10.0	11.0	neg
Share price at period's end, SEK	8.40	5.00	5.00
Market value, SEK m	146.2	87.0	87.0

SALES PER SEGMENT (SEK m) Doro Group	2009	2008	2009	2008	2008
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
Care Electronics	69.2	58.3	169.2	90.3	142.7
Home Electronics	41.9	43.6	135.8	151.1	219.8
Total	111.1	101.9	305.0	241.4	362.5

OPERATING PROFIT/LOSS AFTER DEPRECIATION, EBIT PER SEGMENT (SEK m) Doro Group	2009	2008	2009	2008	2008
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
Care Electronics	10.3	7.9	15.1	11.0	17.9
Home Electronics	-3.3	-3.2	-7.7	-8.8	-26.1
Operating profit/loss after depreciation	7.0	4.7	7.4	2.2	-8.2

INCOME STATEMENT (SEK m) Parent Company	2009	2008	2009	2008	2008
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Income/Net sales	53.1	48.5	149.0	108.0	176.2
Operating cost	-46.8	-51.2	-136.9	-115.3	-185.6
Operating profit/loss before depreciation and write-downs, EBITDA	6.3	-2.7	12.1	-7.3	-9.4
Depreciation according to plan	-2.8	-1.9	-7.1	-5.2	-7.0
Operating profit/loss after depreciation and write-downs, EBIT	3.5	-4.6	5.1	-12.5	-16.4
Net financial items	0.0	-1.3	8.3	-2.7	2.0
Profit/loss after financial items	3.5	-5.9	13.4	-15.2	-14.4
Taxes	0.0	0.0	0.0	0.0	-1.5
Profit/loss for the period	3.5	-5.9	13.4	-15.2	-15.9

SUMMARY OF BALANCE SHEET (SEK m) Parent Company	2009	2008	2008
	30 Sep	30 Sep	31 Dec
Intangible assets	27.3	23.6	24.8
Tangible assets	7.7	3.8	3.9
Financial assets	36.6	77.1	71.4
Inventories	22.4	19.7	16.1
Current receivables	36.9	39.9	40.3
Cash and Bank balances	1.2	1.0	2.7
Total assets	132.2	165.1	159.2
Shareholders' equity	42.8	30.1	29.5
Interest-bearing liabilities	39.6	91.0	88.4
Non interest-bearing liabilities	49.8	44.0	41.3
Total shareholders' equity and liabilities	132.2	165.1	159.2