

Interim Report

January – September 2010

Press release, November 9, 2010

Sales up by 52 percent with improved operating margin

Care Electronics now over 80 percent of sales

Highlights of the third quarter of 2010:

- Net sales for the third quarter rose to SEK 168.8 m (111.1), an increase of 52 percent. The Care Electronics business unit generated sales of SEK 137.8 m, accounting for 82 percent of consolidated sales for the third quarter.
- Operating profit (EBIT) amounted to SEK 13.2 m (7.0), while profit for the period increased to SEK 10.7 m (6.4).
- Earnings per share after tax were SEK 0.56 (0.37).
- Cash flow from current activities: negative SEK 21.2 m (positive 1.5).
- Order intake amounted to SEK 205.3 m (139.6), an increase of 47 percent.
- In the third quarter, Doro® extended its cooperation with 20:20 Mobile by signing a significant distribution deal, adding the UK, Italy, Turkey and growth markets in Eastern Europe. In addition, the Group signed agreements with Vodafone in Germany to distribute the Doro PhoneEasy® 338gsm and 342gsm and with operator SFR in France to distribute Doro PhoneEasy® 410gsm.
- Doro's VAT claim in France is expected to be repaid during the fourth quarter of 2010.
- After the end of the period, Doro signed a distribution agreement with Rogers Wireless in Canada to distribute the Doro PhoneEasy® 410gsm.

DORO GROUP (SEK m)	2010	2009	2010	2009	Rolling	2009
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 months	Full-year
Income/Net sales	168.8	111.1	403.7	305.0	591.3	492.6
Operating profit/loss after depreciation and write-downs, EBIT	13.2	7.0	20.6	7.4	39.9	26.6
Operating margin, EBIT %	7.8	6.3	5.1	2.4	6.7	5.4
Profit after financial items	0.1	6.8	13.4	2.1	36.2	24.9
Profit for the period	10.7	6.4	23.0	1.7	44.1	22.8
Average number of shares, thousands	19,108	17,408	19,108	17,408	18,966	17,573
Earnings per share before tax, SEK	0.01	0.39	0.70	0.12	1.91	1.42
Earnings per share after tax, SEK	0.56	0.37	1.20	0.10	2.32	1.30



Comments by the CEO, Jérôme Arnaud:

"The third quarter of 2010 was characterized by a strengthened, record growth in both revenues and order intake. We increased our sales in all markets, at the same time as our partners confirmed increased interest in our products and the special features we offer in cooperation with operators.

Sales generated within the Care Electronics business unit almost doubled, from SEK 69 m in the third quarter of 2009, to SEK 138 m. Care Electronics accounted for 82 percent of the Group's total sales for the quarter, which means we have now achieved our strategic objective for Care Electronics to exceed 80 percent of our business. The remainder is generated by the Home Electronics business unit, which now is a profitable, cash-generating operation, having recovered from its loss in 2009. The continued reduction of costs in the Home Electronics business unit has resulted in the business unit achieving a profit of SEK 5.6 m for the quarter and SEK 7.6 m for the first nine months of the year.

I am pleased to report that we are continuing to increase the number of countries in which our mobile phones are available. At the end of October, we signed partnership agreements with operators Rogers Wireless in Canada. Our entry into the Canadian market has been eased by our existing presence in US, thus enhancing the payback on our investments to secure certification for our products in the region.

We are also able to report a steadily improved operating margin, with EBIT for the third quarter of 2010 rising 89 percent compared with the year-earlier period. This is the seventh consecutive quarter with positive earnings and I am particularly proud this time as the operating margin amounted to 7.8 percent (6.3). This increase is the result of higher sales that better absorb our overhead costs, consisting of investments to prepare new markets, marketing activities to boost the brand and to increase visibility in retail stores, as well as the development of new products and new versions of existing models.

Cash flow was negatively influenced by delayed VAT recovery in France following the implementation of a streamlined Group organization and legal structure in January 1, 2010. This VAT claim is expected to be repaid during fourth quarter. We have also been able to maintain efficiency in our logistics systems through this phase of strong expansion.

Doro® will continue to achieve profitable growth. The brand is well-established and has become a benchmark in the niche area of telecommunication products for seniors. Doro's brand is now well positioned with seniors and has a strong position with leading international operators."

Net sales

Doro's sales amounted to SEK 168.8 m (111.1) for the third quarter, an increase of 51.9 percent. Applying the same exchange rates as for the previous year, organic growth amounted to 63.0 percent (0.5).

Operating result (EBIT)

For the third quarter of 2010, the Group's profit before tax and financial items amounted to SEK 13.2 m (7.0), an increase of 88.6 percent. This improvement was attributable to higher sales and a continued focus on the cost base.

Cash flow, investments and financial position

The cash flow from current activities in the third quarter was negative SEK 21.2 m (positive 1.5), which derives from a build-up of working capital in line with expanded volumes and a non-recurring temporary effect of the delayed VAT recovery in France, as previously reported. In total, this impacted the cash flow for the quarter by SEK 9.3 m and for the year-to-date by SEK 23.8 m. This is a result of a

change in the VAT recovery procedures in connection with the transition to the new streamlined organization and legal structure as of January 1, 2010. As the VAT receivable in France is expected to be repaid in fourth quarter of 2010, cash flow is set to normalize.

In line with IFRS, current hedge contracts have been valued among net financial items, affecting the net result for the year-to-date negatively by SEK 6.5 m.

At the end of September 2010, Doro had a net debt of SEK 6.6 m, to be compared with a net debt of SEK 31.5 m for the corresponding quarter in 2009. The net debt position is explained by the coverage of the temporary VAT expense mentioned above. In addition, the Company has overdraft facilities of SEK 30 m.

The equity/asset ratio improved to 30.2 percent (16.1) at the end of the period, as a result of improved profit and a revaluation of the deferred tax asset of SEK 11.8 m.

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 137.8 m (69.2), an increase of 99.1 percent. Care Electronics represented 81.6 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 31.0 m (41.9), a decrease of 26.0 percent, as a result of Doro's strategy to set a more focused range, which has led to sales to certain customers being discontinued.

Regions

Effective from January 1, 2010, Doro has reorganized its markets into Nordic, EMEA (Europe, Middle East and Africa), UK, US & Canada, CALA (Central and Latin America) and AP (Asia Pacific).

Of the Group's total sales in the third quarter, Nordic represented 30 percent, EMEA 49 percent, UK 13 percent, and the other markets 8 percent.

Personnel

At the end of the quarter, the headcount was 60 (58). Of these, 28 (25) are based in Sweden, 17 (18) in France, 5 (5) in the United Kingdom, 4 (4) in Norway and 6 (6) in Hong Kong.

Parent Company

The Parent Company's net sales for the year's third quarter amounted to SEK 168.8 m (53.1). The loss before tax amounted to SEK 28.3 m (profit 3.5).

Events after the close of the period

Canadian partnership with Rogers Wireless

In November, Doro and Canada's leading operator Rogers Communications Inc. announced a partnership agreement. As a result, Doro's top-selling easy-to-use mobile phone, the Doro PhoneEasy® 410gsm, will now be available exclusively in Roger Wireless stores across Canada.

New Vice President Sales and Marketing

Hans Söderberg has been appointed new Vice President Sales and Marketing. Prior to joining Doro, Hans Söderberg was the President of the Q-matic Corporation in North America. He has also been Vice President, Business Development at Anoto Inc in the US, and has held several positions at Ericsson Mobile Communications (SonyEricsson).

Hans Söderberg is 47 years old and holds a Master of Science degree in Industrial Engineering and Management from the University of Linköping.

Doro share

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

On September 30, 2010, Doro's market capitalization amounted to SEK 508.3 m, compared with SEK 210.2 m at the beginning of the year. During the period January 1–September 30, 2010, the share price increased from SEK 11.00 to SEK 26.60.

The number of shareholders on September 30, 2010 was 5,758 (3,358).

Outlook

Doro's third quarter revenues and order intake reaffirm the previous full-year forecast of continued growth in sales and operating profit (EBIT).

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

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

Year-end report 2010: February 14, 2011

January-March 2011: May 6, 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 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 www.doro.com from 09:00 a.m. CET on November 9, 2010.

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

Lund, November 9, 2010

Jérôme Arnaud

President and CEO

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Doro AB (publ)

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This interim report has 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 and the products have received several highly distinguished international design awards. The company had sales of SEK 493 m in 2009. Doro's shares are quoted on the Nasdaq OMX Stockholm, Nordic list, Small companies. Read more about Doro at www.doro.com.

Auditor's Review Report on interim report

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

Introduction

We have performed a review of the condensed interim financial statements for Doro AB (publ) at 30 September 2010 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of these Interim financial statements in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on the condensed interim financial statements based on our review.

Scope of Review

We have conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity", issued by the Swedish Federation of Authorized Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different purpose and a substantially less 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 such a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, an opinion based on a review does not constitute the same level of assurance as an opinion based on an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material aspects, 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, November 9, 2010

Ernst & Young AB

Ingvar Ganestam
Certified Public Accountant

Financial reports

INCOME STATEMENT (SEK m) Doro Group	2010	2009	2010	2009	2009
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
Income/Net sales	168.8	111.1	403.7	305.0	492.6
Operating cost	-150.5	-102.1	-369.1	-291.8	-454.6
Operating profit/loss before depreciation and write-downs, EBITDA	18.3	9.0	34.6	13.2	38.0
Depreciation according to plan	-5.1	-2.0	-14.0	-5.8	-11.4
Operating profit/loss after depreciation and write-downs, EBIT	13.2	7.0	20.6	7.4	26.6
Net financial items	-13.1	-0.2	-7.2	-5.3	-1.7
Profit/loss after financial items	0.1	6.8	13.4	2.1	24.9
Taxes	10.6	-0.4	9.6	-0.4	-2.1
Profit for the period	10.7	6.4	23.0	1.7	22.8
Average number of shares, thousands	19,108	17,408	19,108	17,408	17,573
Earnings per share before tax, SEK	0.01	0.39	0.70	0.12	1.42
Earnings per share after tax, SEK	0.56	0.37	1.20	0.10	1.30

STATEMENT OF COMPREHENSIVE INCOME (SEK m) Doro Group	2010	2009	2010	2009	2009
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full-year
Profit/loss for the period	10.7	6.4	23.0	1.7	22.8
Translation differences and others	0.2	-1.6	-1.3	-1.2	-1.1
Total result	10.9	4.8	21.7	0.5	21.7

(Related to Parent Company's shareholders)

STATEMENT OF FINANCIAL POSITION (SEK m) Doro Group	2010	2009	2009
	Sep 30	Sep 30	Dec 31
Intangible assets	22.1	18.5	18.3
Tangible assets	3.7	8.8	7.6
Financial assets	29.6	14.5	15.8
Inventories	85.3	60.4	35.6
Current receivables	150.0	77.9*	114.5*
Cash and bank balances	4.7	8.5	40.4
Total assets	295.4	188.6	232.2
Shareholders' equity	89.3	30.4	67.6
Interest-bearing liabilities	11.3	40.0	8.8
Non interest-bearing liabilities	194.8	118.2*	155.8*
Total shareholders' equity and liabilities	295.4	188.6	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 sheets for September 30, 2009 and December 31, 2009 have been adjusted accordingly. Key figures affected by the reclassification have also been adjusted.

STATEMENT OF CASH FLOWS (SEK m) Doro Group	2010 Jul-Sep	2009 Jul-Sep	2010 Jan-Sep	2009 Jan-Sep	2009 Full-year
Operating profit/loss after depreciation and write-downs, EBIT	13.2	7.0	20.6	7.4	26.6
Depreciation according to plan	5.1	2.0	14.0	5.8	11.4
Net financial items	-0.8	-0.2	-0.7	-5.3	-1.7
Taxes	-5.0	0.0	-6.0	0.0	0.0
Changes in working capital	-33.7	-7.3	-50.8	5.8	28.7
Cash flow from current activities	-21.2	1.5	-22.9	13.7	65.0
Disposal of Group companies	0.0	0.0	0.0	0.0	0.0
Investments	-4.7	-4.4	-13.9	-13.2	-17.5
Cash flow from investment activities	-4.7	-4.4	-13.9	-13.2	-17.5
Share issue	-	-	-	-	15.9
Loans raised	3.9	6.7	2.5	-3.4	-34.6
Cash flow from financial activities	3.9	6.7	2.5	-3.4	-18.7
Translations difference and other	-0.1	-1.6	-1.4	-1.2	-1.1
Change in liquid funds	-22.0	2.2	-35.7	-4.1	27.7
Net debt	6.6	31.5	6.6	31.5	-31.6

STATEMENT OF CHANGES IN EQUITY (SEK m) Doro Group	2010 Jan-Sep	2009 Jan-Sep	2009 Full-year
Opening balance	67.6	30.0	30.0
Total result for the period	21.7	0.5	21.7
Share issue	-	-	15.9
Dividend	-	-	-
Closing balance	89.3	30.5	67.6

OTHER KEY FIGURES Doro Group	2010 Sep 30	2009 Sep 30	2009 Dec 31
Equity/assets ratio, %	30.2	16.1 *	29.1*
Average number of shares, thousands	19,108	17,408	17,573
Reported equity per share, SEK	4.67	1.75	3.85
Return on average shareholders' equity, %	29.3	5.5	46.7
Return on average capital employed, %	34.5	10.0	52.0
Share price at period's end, SEK	26.60	8.40	11.00
Market value, SEK m	508.3	146.2	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 sheets for September 30, 2009 and December 31, 2009 have been adjusted accordingly. Key figures affected by the reclassification have also been adjusted.

SALES PER SEGMENT (SEK m) Doro Group	2010 Jul-Sep	2009 Jul-Sep	2010 Jan-Sep	2009 Jan-Sep	2009 Full-year
Care Electronics	137.8	69.2	308.6	169.2	299.9
Home Electronics	31.0	41.9	95.1	135.8	192.7
Total	168.8	111.1	403.7	305.0	492.6

OPERATING PROFIT/LOSS AFTER DEPRECIATION, EBIT PER SEGMENT (SEK m) Doro Group	2010 Jul-Sep	2009 Jul-Sep	2010 Jan-Sep	2009 Jan-Sep	2009 Full-year
Care Electronics	7.6	10.3	13.0	15.1	42.6
Home Electronics	5.6	-3.3	7.6	-7.7	-16.0
Operating profit after depreciation	13.2	7.0	20.6	7.4	26.6

INCOME STATEMENT (SEK m) Parent Company	2010 Jul-Sep	2009 Jul-Sep	2010 Jan-Sep	2009 Jan-Sep	2009 Full-year
Income/Net sales	168.8	53.1	403.7	149.0	246.8
Operating cost	-177.8	-46.8	-373.1	-136.9	-224.3
Operating profit before depreciation and write-downs, EBITDA	-9.0	6.3	30.6	12.1	22.5
Depreciation according to plan	-6.8	-2.8	-19.2	-7.0	-13.5
Operating profit/loss after depreciation and write-downs, EBIT	-15.8	3.5	11.4	5.1	9.0
Net financial items	-12.5	0.0	-7.4	8.3	11.1
Profit after financial items	-28.3	3.5	4.0	13.4	20.1
Taxes	11.8	0.0	11.8	0.0	1.6
Profit/loss for the period	-16.5	3.5	15.8	13.4	21.7

SUMMARY OF BALANCE SHEET (SEK m) Parent Company	2010 Sep 30	2009 Sep 30	2009 Dec 31
Intangible assets	33.3	27.3	26.1
Tangible assets	2.1	7.7	6.0
Financial assets	49.1	36.6	37.3
Inventories	85.8	22.4	34.9
Current receivables	149.2	39.2*	88.1*
Cash and bank receivables	4.1	1.2	12.2
Total assets	323.6	134.4	204.6
Shareholders' equity	82.9	42.8	67.1
Interest-bearing liabilities	34.9	39.6	33.0
Non interest-bearing liabilities	205.8	52.0*	104.5*
Total shareholders' equity and liabilities	323.6	134.4	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 sheets for September 30, 2009 and December 31, 2009 have been adjusted accordingly. Key figures affected by the reclassification have also been adjusted.