DORO

annual report 2003

design on speaking terms

annual general meeting

The Annual General Meeting will be held at 5 p.m. on Monday 15 March 2004, at the Scandic Hotel Star in Lund, Sweden.

Right to participate. Shareholders wishing to participate and vote must:

- be registered in the shareholders' register
- notify the company of their intention to attend.

Registration in the shareholders' register kept by VPC AB (the Swedish Central Securities Depository) must be completed not later than 5 March 2004 (10 days before the meeting). Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own name, no later than 10 days before the AGM.

Notification. Notification of an intention to participate at the AGM should be made to the company via e-mail to *info@doro.se*, by post to Doro AB, Skiffervägen 80, SE-224 78 Lund, Sweden, by telephone +46 46 280 50 67, or by fax on +46 46 280 50 02 by 3 p.m. on Tuesday 9 March 2004 at the latest.

The notification should contain the shareholder's name, civic registration number, shareholding, telephone number and, if necessary, proxy's name.

Dividend. It is proposed that no dividend (SEK 0.00 last year) be paid for the 2003 financial year. A redemption of shares is not proposed.

Financial information. Doro AB's financial information is available in Swedish and English. Reports can be obtained from Doro's website, *www.doro.se* or ordered by fax on +46 46 280 50 02 or via e-mail at *info@doro.se*. Distribution will be via e-mail.

Annual reports can also be ordered through the mail from Doro AB; Skiffervägen 80, SE-224 78 Lund, Sweden.

Doro will publish financial reports for the 2004 financial year on the following dates:

- Q1 report 19 April.
- Q2 report 12 August.
- Q3 report 19 October.
- Press release of the unaudited financial statement, 31 January 2005.
- Annual Report for 2004, February 2005.
- Annual General Meeting, 15 March 2005.

the year in summary

Improved profit. Doro improved its profit from SEK 11 million to SEK 28 million in 2003. Net sales stood at SEK 648 million, down 23 per cent.

The balance sheet continued to fall, dropping SEK 62 million to SEK 242 million. Cash flow from current activities was positive at SEK 41 million. Doro had no net interest-bearing debt at year-end 2003.

Change of CEO. Doro changed CEO on 7 October. Rune Torbjörnsen, who has a solid background in marketing, replaced Gunnar Åkerblom, who had completed the restructuring of Doro.

Renewed product range. A major renewal of the product range was carried out during the year and the entire DECT range will be new in 2004. Doro's commitment to design received an iF award for the Doro 800 series. The market has mainly declined because of lower prices (effects of falling US dollar) and less demand.

Successes in wireless broadband. Wireless broadband activities at UpGrade have progressed very well following many years of poor demand and restructuring. UpGrade won the three major procurement negotiations carried out during the year.

Restructuring completed. The restructuring of the company that started in 2001 is now almost complete. The headcount has been cut and administration costs reduced in 2003.

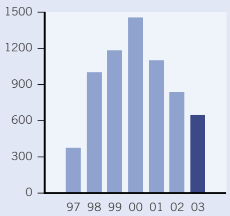
Falling US dollar. The US dollar continued to fall during the year. This has considerably affected Doro's results, but major currency hedging meant that the benefits were delayed during the first six months.

Financial summary

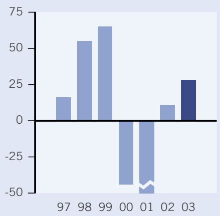
Profit before tax	SEK 28 million
Earnings per share after tax	SEK 0.73 per share

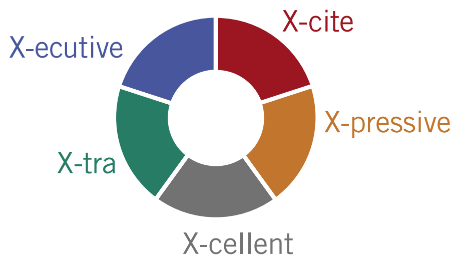
The Board proposes that no dividend be paid and no redemption of B shares occurs.

Sales (SEK m)



Profit before tax (SEK m)





Doro's new segmentation model is based on five target groups.

communication at home and at work

Communication between people is one of society's strongest driving forces. Mankind would cease to develop if we could not speak to each other. That is why people are constantly inventing new ways of improving, simplifying and multiplying communication methods. Despite its appearance – whether corded, cordless or mobile – the telephone is still an unbeatable communication tool. Doro has understood this and will continue to develop products that allow simple, effective communication. But if people's need for communication is still fundamental, many other needs have changed. We cannot "just" produce products that have every function and never break down. Modern consumers want products that say something about who they are. Design is becoming more important, and the brand is many times more important, because brands say something about our identity, about who we are, and what we believe in. So, we will continue to develop our products exactly as the consumer wants them, based on their specific demands and requirements, and in many cases their lifestyle. So whether you're young or old, interested in design, are an adventurer, construction worker or parent, you should always be able to find a communication product from Doro that suits you, at home or at work.

consumer orientation for increased growth

RUNE TORBJÖRNSEN, CEO

In 2003 Doro continued the previous year's profitable trend and laid the foundation for future growth. I now see huge potential for Doro to be a successful company over the long term. We have a strong brand, we have considerably improved the quality of our products and we are seeing greater trust from our customers. My ambition as Doro's new CEO is to extend the focus on consumer orientation and ensure that Doro develops new, exciting communications products. I have not joined Doro to be a passive manager. I want to be a bold challenger and create growth.

Improved profits but a fall in sales. Doro achieved a pre-tax profit of SEK 28 million in 2003. This is an impressive 145 per cent improvement on the previous year and is a result of the rationalisation and structural measures carried out in recent years. A key cause is the improved quality that has cut guarantee costs and improved the profit margin. Other contributions to the positive results are falling purchase prices due to a weaker US dollar, reduced administration costs and lower interest costs due to reduced borrowing. Cash flow improved over the year and stood at SEK 41 million.

Sales fell during the year by 23 per cent to SEK 648 million adjusted for the sale of the exchange business, and operations in Switzerland. The fall in sales is mainly due to a considerable fall in prices. The US dollar has fallen by about 20 per cent. A majority of this fall has been reflected in reduced customer prices. The market's volume has also fallen. Demand for Doro's corded telephones has however been positive on a weak market. Our success is mainly due to our comprehensive range for both consumers and businesses.

Substantial growth on many markets. Doro drew attention on a number of markets for the special design of the newly launched 500 and 800 series. Among individual markets that performed well the French market stood out. We signed an important agreement with France Telecom meaning that we will supply corded and cordless telephones to the French and Polish markets. This agreement means that we are now suppliers to all the former national monopolies (PTT) on the markets where they buy products.

Doro's sales on the Nordic market also progressed well and we increased market share in Sweden and Norway. Doro started a sales and marketing scheme in Australia in the autumn of 2003 that we hope will prove fruitful during the spring of 2004. Our UK company was boosted with the appointment of a new MD who has a background in consumer electronics. The Polish market is under huge price pressure and we took additional measures at the end of the year to increase the focus on sales.

Launch of new products. One of several successful launches in 2003 was the Doro 820/830R, a completely new DECT telephone with advanced design and interchangeable fascias for the receiver and base unit. Comprehensive sales support was one of the keys to this success. The 800 series also recently won the prestigious German iF design award to be presented at the CeBIT fair in March 2004.

We also introduced the successful 500 series to the European market. Sales have gone well on all markets and the series will be extended by additional models.

We have also started the launch of the 900 series, which is a uniquely designed product. Additional models are also planned for this series.

We are also now seeing how our new communication product groups are establishing themselves in daily life. One example is our Doro PMR 510/512 walkie-talkie. Another example is the various headsets that are radically improving home and workplace environments.

UpGrade Communication wins new business. Our subsidiary, UpGrade Communication, won a number of large deals for wireless broadband solutions during the year on the Swedish market. UpGrade's competitive advantage is its ability to provide complete customised solutions. UpGrade also began successfully selling ADSL/VDSL equipment. Doro stands well equipped for telephony and computer integration based on UpGrade Communication's IP telephony competence.

International telephony market trends. The international telephony market is currently undergoing huge change driven mainly by consumers. Modern consumers have a more fragmented lifestyle and different needs. It is simply not possible to develop a telephone to suit everyone. Brand and design are also becoming more important as symbols for consumers. The successful manufacturers of telephones and other communications products of tomorrow will be the ones that can adapt to market trends and meet customer demands.

Towards a growth strategy. For Doro the changes on the market represent huge opportunities for growth. We are focusing on communication in the home and at work. The telephone will be the central link with many functions. Doro will therefore move from a vertical product range to a horizontal one, where design and function will play a decisive role. Doro's growth strategy is based on transparent segmentation of customers, where it has a strong product range for many different categories. Doro X-tra, for example, is mainly aimed at older consumers and has a product range that epitomises simplicity and usability. Doro X-cite is a range of more standardised products aimed at families. Doro X-cellent is a range for the upper segment and features sophisticated, trend-setting telephones.

The advantages of a segmented range include being clearer about customer benefits. We provide a broader and more interesting range for retailers and we get synergies in design and technology. With a combined technical platform we can make changes to functions and design to meet the different needs of consumers.

Product development in focus in 2004. In 2004 Doro will intensify its development of new telephones and accessories that take account of consumers' needs for well-designed, multifunctional products. Complementing our existing product range, but also developing new, exciting products are the keys to creating growth for the company.

I would finally like to thank all employees for their remarkable effort in 2003.

In summary Doro has the prospects of achieving a similar result to 2003 in 2004, provided that the US dollar does not change dramatically. Results for each quarter can however vary during the year.

I look forward to an exciting 2004, where we further strengthen our market position.

RUNE TORBJÖRNSEN
CEO, DORO

doro in 2 minutes

Business concept. Doro's business concept is to market a broad range of telecom products primarily on the European market. Doro will provide user-friendly products of the highest quality and modern design to consumers and companies.

Aims. Doro's aims for 2004 are to:
- Win a greater share of the consumer market with a focused segment strategy.
- Grow among operators and in the business-to-business segment.
- Expand the product range.
- Achieve increased sales and profits.

Strategies. The strategies to achieve these aims for the year are:
- Boost sales of existing products to new and existing customers.
- Expand the range with additional products for communication in the home and at work.

Market. Doro mainly operates on the European and Australian corded and cordless telephone markets. These markets are valued at around SEK 24 billion. The market for corded telephony continues to contract at around 5-8 per cent annually. This has meant that many manufacturers have chosen to leave this industry. But the market remains attractive and Doro will continue to launch corded telephones in future.

Market development for cordless telephony varies depending on whether analogue or digital technology is used. Analogue technology is being phased out in Europe and in 2003 market sales fell by an estimated 25 per cent. The market for digital technology is still strong and growth in Western Europe is expected to total around 25 per cent for 2003.

The Doro Group has subsidiaries in Sweden, Norway, Denmark, Finland, Poland, the UK, France and Australia. Doro's market share on markets that the company is active in is 6 per cent for cordless telephones and 7 per cent for corded telephones.

Competition. Competitors on the European fixed telephony market vary. The market for corded telephony is characterised by more manufacturers leaving the market, while the competition for digital cordless telephony is currently stronger than ever.

Doro's main competitors for corded telephony are the large national operators such as TeliaSonera in Sweden, AT-links, Siemens and Binatone. The main competitors for cordless telephony in Europe are Siemens and Philips, along with the national operators.

Customers. Doro's most important customers for products aimed at private consumers include electronics chains, supermarkets and telephone operators. Examples of customers in the Nordic region include Elköp/Elgiganten, OnOff, TeliaSonera, Dansk Supermarked and Coop. Companies such as Carrefour, France Telecom, Debenhams and Staples sell Doro's products in the rest of Europe. K-Mart, Telstra, Dick Smith and Harvey Norman mainly sell products in Australia.

The largest customers for products aimed at the professional market include international chains that provide telephony products, but Doro's products are also available at chain stores selling office supplies. Electrical installation companies have become a customer source for Doro over the past few years.

Products. Doro's product range is split into three categories:
- Corded telephones
- Cordless digital telephones
- Cordless analogue telephones

Besides telephones to private and business users Doro provides other products such as headsets, answering machines, caller identity products and walkie-talkies. Through its subsidiary UpGrade Communication, Doro also provides cordless broadband and IP telephony.

Doro's products are noted for their reliability, quality and design. A well-developed branding platform ensures that Doro's products always follow and develop the phrase "Doro – design on speaking terms".

Employees and organisation. Doro employs 172 people, with 116 men and 56 women. Staff turnover in 2003 was 8 per cent. The head office is in Lund, Sweden. Most development work is carried out at the head office, which also houses the marketing department. All manufacturing is subcontracted to a group of specially chosen companies in China and Taiwan.

Shares. Doro's shares are quoted on Stockholmsbörsen's O-list as Doro A. At the end of 2003 the total number of shares in the company was 21.5 million, of which 9.7 million are A shares and 11.8 million are B shares. On 31 December 2003 Doro's market value was SEK 196 million. In 2003 Doro's shares surged in value by 33 per cent.

History. Claes Bühler founded Doro in 1974. The first product was a telephone answering machine called Doro. The Doro name originates from the initial two letters of the manufacturer's sons names, Donald and Robin. In the 1980s the Swedish state telecom monopoly was deregulated and Doro gradually launched new product groups; company switchboards, telephones and cordless telephones. Sales catapulted from SEK 5 million to SEK 100 million. In 1993 Doro was introduced onto Stockholmsbörsen and the following year the company acquired market listed companies in Norway, Denmark and Finland. In the late 1990s Doro continued to acquire companies in Europe and Australia. Rune Torbjörnsen took over as CEO in 2003.

X-cite

our basic range
of family products

designed for
smarter everyday
communication

an exciting future for telephony

Homes of the future won't look like they do today, at least not in technical terms. Much of the technical equipment that already exists in homes today will play a more central role in the future – including the telephone. Developments in IP telephony and DECT technology are giving Doro the opportunity to launch products and services for the future.

Telephony will play an important role in homes of the future and this will naturally affect the products developed for fixed telephony. The TV, computer, hi-fi equipment and telephone will become more integrated, but other equipment will also be affected. It is possible that very soon your refrigerator will ring to remind you to do your grocery shopping. And the call might not go to the homeowner. It might just as easily go to the nearest grocery shop assistant, who will call the homeowner and confirm that the items are ready for collection at a pre-arranged time.

Future integration between voice, computer and video. Whatever the technical developments, people will always want to communicate with each other. Human conversation will remain a key driving force in the future and the telephone, along with telephone networks, will be needed. New services will be developed and for this Doro needs to launch new products.

The number of households connected to the internet is constantly increasing, especially with ADSL/XDSL connections. This means in many cases fixed telephone subscriptions are required and thereby also fixed telephony. Communication expenses are getting larger for households. The difference in cost between mobile calls and fixed line calls varies between each country. Fixed network costs are generally much lower and this provides excellent opportunities for people wanting reduced communication costs and who also want to purchase a new fixed network telephone. Sound quality is also significantly better on the fixed network.

IP telephony still waiting for its breakthrough. Over the past few years IP telephony has been promoted as the future of telephony. Being able to make calls via a computer at extremely low cost is appealing and a great deal has been spoken and written about the technology and the companies providing IP telephony. The link between telephony and internet is very interesting, but many people are waiting for IP telephony to get its big breakthrough.

IP telephony is already fully commercially available for companies and offices, but for private users the technology is less widespread. Doro has not yet launched a telephone adapted for IP telephony, but practically any Doro telephone can be used to call via the internet. Doro's subsidiary UpGrade Communication has been providing complete technical solutions for IP telephony for some time.

Wireless communication and DECT technology driving development. Mobile telephony's continued development constantly influences conditions for fixed telephony. The number of mobile users is on the increase while the number of new users of fixed telephony has stagnated. This state of affairs does not mean that fixed telephony has not developed. People have become used to being able to use the telephone wherever they are and not allow the telephone to dictate the location.

The use and development of DECT (Digital Enhanced Cordless Telecommunications) is growing especially quickly. The technology has been around for some time but has been mainly concentrated on cordless telephones. More solutions are now being introduced where DECT technology links telephones to computers and other possible carriers of wireless technology. The advantage of DECT over other cordless technology is its unique ability to combine high voice quality and computer-based services in the same base unit. Even if DECT technology is very useful on its own it can also be combined with other technologies. Using ODAP (Open Data Access Profile), the technology provides system integrators and telephone manufacturers with the opportunity of developing new products that take advantage of the increasing demand for cordless communication.

Doro consistently launches new DECT telephones and sees huge opportunities in developing new products as DECT technology finds further areas of use.

Mobile telephony is an important driving force in the development of all telephony. MMI (Man to machine interface – user menus) has been inspired by GSM telephony. The appearance of the telephone can be altered with interchangeable fascias for the receiver and base unit. SMS is popular in many countries for both cordless and corded telephones. The first colour displays for cordless telephones are being introduced. We will soon be able to send and receive MMS (Multimedia Messaging Service) over the fixed network. Games and radio/MP3 players will, in all likelihood, also be part of an "ordinary" telephone.

X-pressive

communication
with attitude

fun, unrestrained,
cool and
unpredictable

new strategy for long term growth

There is no doubt that the telephony market is undergoing dramatic changes. In future many products around the home will communicate directly with each other and will be fully integrated. Doro is completely convinced about this development, which is why the company has adopted a new strategy. This strategy safeguards Doro's position as an important part of people's communication at home and at work.

The basis for the new strategy is that consumer demand will influence Doro's product development and future growth. Structural changes at retail outlets and continual technological development also affect strategic thinking. The new strategy will govern Doro's activities from next year and will be made up of the following items in order of priority:

1. Penetration
2. Product diversification

Penetration means increasing Doro's market share for existing products on existing markets. There is a great deal of room for improvement on many of Doro's markets. With increased investment in marketing and sales and maintained focus on design it is fully possible for Doro to be a larger player in all present product areas.

Meanwhile Doro will prepare for aggressive investment in new products, mainly in telephony, but also probably in adjacent areas. Doro will be a company that invests in communication for the home and workplace.

The strategy will mean a change to products, prices, distribution and design.

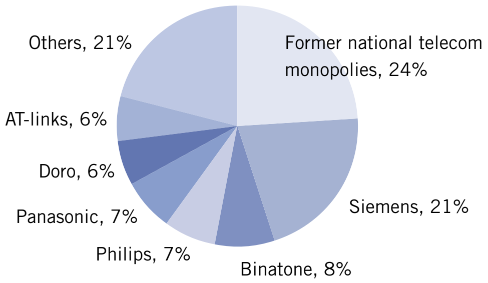
Defined segmentation of target groups. Until now Doro focused much of its attention on the technical aspects of telephony. This has proven to be a very successful way for Doro's products to maintain a high level of quality. Design has also been an important part of Doro's products, and it will remain so. But being successful requires more than a high level of quality and design. It is extremely important that consumers' requirements are met. During the year Doro worked out a segmentation model to ensure that all target groups have access to Doro products that meet their requirements in the future. The model means that Doro's end-customers are divided into five segments:

- X-cite – for people who want designed but simple telephony products.
- X-tra – for people with specialist requirements, such as the elderly or disabled.
- X-pressive – for young people or the young at heart.
- X-cellent – for the design conscious.
- X-ecutive – for the smart workplace.

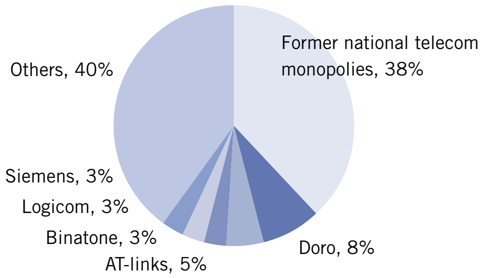
Doro will make products that suit each target group based on careful analysis of each group. Doro will be able to succeed more easily with future products through a systematic application of the five segments. This will safeguard Doro's future as the choice of the smart, design conscious user – at home and at work.

the cordless digital telephone market continues to expand

Competitors in cordless telephones on Doro's markets (total market value: around SEK 6.6 billion)



Competitors within corded telephones on Doro's markets (total market value: around SEK 1.9 billion)



The European market for fixed telephones was worth around SEK 24 billion in 2003. This represents a decline of 8 per cent. The cordless digital telephone market continues to expand while the corded telephone and cordless analogue telephone markets are falling.

Doro's market share of corded telephones on the markets it is active on average 8 per cent (shares are falling). But the market share for cordless telephones still averages 6 per cent.

A market with clear tendencies. Cordless telephones can be both digital and analogue. The dominant technology is the DECT standard (Digital Enhanced Cordless Telecommunications). The most common analogue cordless telephone technologies are CT0 and CT1.

DECT technology has been available since 1991 and growth has been substantial since then. Global sales of DECT telephones are expected to continue growing by more than 13 per cent annually over the next few years, and by 2006 an estimated 45 million units will have been sold. The European DECT telephone market grew by 26 per cent in 2003 and the market is estimated to be worth SEK 13 billion.

Because the CEPT (the European joint commission for the post and telecom agencies) has decided to forbid the CT1 frequency from 2008 the cordless CT1 market has continued to fall. Because CT1 technology is mainly used in Sweden (being phased out), Norway and Poland it will only be these markets that will be affected by the decision. No similar decision is planned for the CT0 technology. Overall, the cordless analogue telephone market fell by an estimated 25 per cent during 2003.

The downturn on the corded telephone market continues. The value of the European market was estimated at SEK 7 billion for 2003, a fall of 5 per cent.

The total market value has fallen in part because of prices being adapted to the falling US dollar and in part by the drop in manufacturing costs (which have also led to reduced consumer prices). In addition volumes have fallen for corded telephony and analogue cordless telephones. The increased cordless DECT sales did not compensate for the above losses.

Continued investment on telephones for the professional user. The market for the professional user is characterised by several of Doro's competitors leaving the sector, mainly in corded telephones. This is a situation that provides exciting business prospects for Doro's products. The company therefore continued its investment toward the professional user in 2003. Doro's products are in a strong competitive position, especially in terms of quality. This is something, along with price, that is often crucial when competing with manufacturers that also provide telephone exchanges (PBX, private branch exchange). Important customers include the former telephone monopolies and chain stores that sell office supplies.

many new exciting products focusing on design

Doro currently mainly focuses on development and sales of telephones and accessories for the fixed telephone network. Several new corded and cordless telephones have been launched this year. The new models have been adapted to different segments of the market, such as desktop telephones with comprehensive memory capacity for the professional user, a new digital DECT telephone for young people and cordless telephones with helpful functions for the elderly.

Doro continues to provide a complete range of corded and cordless telephones on a market characterised by a strong trend toward cordless telephones. The product range can be divided into the following categories:

- Corded telephones
- Cordless digital telephones
- Cordless analogue telephones
- Answering machines
- Caller identity products
- Headsets
- PMR (Walkie-talkie)

The development of telephones and accessories is carried out in Lund in Sweden and Redditch in England, while manufacturing is carried out by several carefully selected partners in Asia. Developing a new product begins with the marketing department defining a market need of a specific target group. The quality control department works out the technical specifications and designers set to work according to Doro's guidelines. An ever-sharper focus on design has meant closer cooperation between the product development department and the product designers. When the specifications and design are ready Doro sends the product assignment to subcontractors in Asia. After careful quality controls Doro sends the finished products to the respective markets.

More new launches in 2003. The continued investment in corded telephones has meant an increase to the popular Afti-series, including the Afti 22 and 47. The Afti 47 has a hands-free speakerphone facility and caller identity facility. To meet the growing interest in design a corded aluminiumbacked telephone has been launched – the Doro X20. Another new product was also launched for the professional user. Doro Congress 305 is a professional desktop telephone with excellent memory capacity and hands-free speakerphone facility. All corded models have been designed by the prize-winning Swedish design firm Propeller in Stockholm.

The new Doro 820/830R cordless telephone has received a lot of praise. It is a small digital DECT model that is mainly aimed at young people. Besides the model including all a modern telephone needs it has interchangeable fascias so that you can adapt the phone to a colour to suit your mood. The sleek base unit has also been designed to suit a modern environment. Another model that typifies Doro's commitment to good design is the Doro 520. This telephone focuses on simplicity, comfort and reliability. It was developed after asking a group of women what they wanted in a telephone. The result was a soft, rounded design that does not lack any functionality. The design is by the prize-winning design firm Absolut Reality of Paris.

The 5055 and 5065 series telephones were made especially for older people. The telephone has larger, clearer buttons and a special soft touch ergonomic design.

A further two cordless telephones launched during the year were the Doro 1600 and Audioline 702. The first is an analogue telephone with practical functions especially suitable for older people or small offices. The Audioline 702 is an attractively priced digital cordless telephone with numerous practical functions.

Six new office-use headsets have been launched in addition to telephones. Headsets have become a common sight in offices over the past few years. More people have become used to operating hands-free mobile telephones and many people have realised how simple and effective it is to have both hands free at work.

Two exciting walkie-talkie models were also launched during the year – Doro PMR 510 and PMR 512. The walkie-talkies are designed to provide a cost-effective alternative to mobile phones when communicating over short distances.

Rapid growth for wireless broadband. Through its subsidiary, UpGrade Communication, Doro is also able to provide comprehensive wireless broadband solutions, DSL and IP telephony. In 2003 UpGrade Communication won several major orders for wireless broadband on the Swedish market, which continues to grow. UpGrade Communication also supplies comprehensive IP telephony solutions. The market is currently limited but the area has been given priority and the future growth potential is excellent.

X-cellent

for the design/style conscious

always a step ahead in function and design

regular dialogue with retailers

As telephones become more of a design item in the modern consumer society, Doro must be well represented where consumers purchase products for their homes. This means being on sale at as many outlets as possible. In 2003 Doro continued working to develop relationships with retailers and also succeeded in finding new sales channels.

Doro has a well-cultivated network of retailers on the markets where the company's products are sold. The number of retail outlets is over 15,000, giving a coverage ratio of 75 per cent. The use of the internet as a sales channel is increasing but the traditional channels, such as home electronics chains and supermarkets, still account for most purchases. As the large international retail chains, such as Carrefour (France) and Elköp/Elgiganten (Nordic region), expand across borders into new markets there is a huge sales potential for Doro's product range. One example of this is the agreement reached between Doro and France Telecom during the year.

Increased focus on important customers. To develop the existing close contacts with important customers, Doro works consistently to help retailers with sales support and campaigns. Doro provides a complete sales pack with the launch of every new product, all according to Doro's branding profile and with "Design on speaking terms" as the theme. In addition to sales material Doro helps retailers who need more specific sales support. This is common at supermarkets where professional support is greatly appreciated when profiling products in the best way in store.

Attractive offers to professional users. Reaching the professional user requires other sales channels than those used for reaching private consumers. Customers in this case are often small companies. To compete with suppliers providing complete solutions, including switchboards, Doro has worked to develop the range for retailers selling telephony products to professional users. By specialising in telephony products, but not complicated switchboard systems, Doro can provide a flexible and attractive alternative to corded and cordless telephony and associated products. Examples of important retailers of telephony to professional users are office supplies chain stores and in certain cases also large electrical installation firms.

consumer driven design

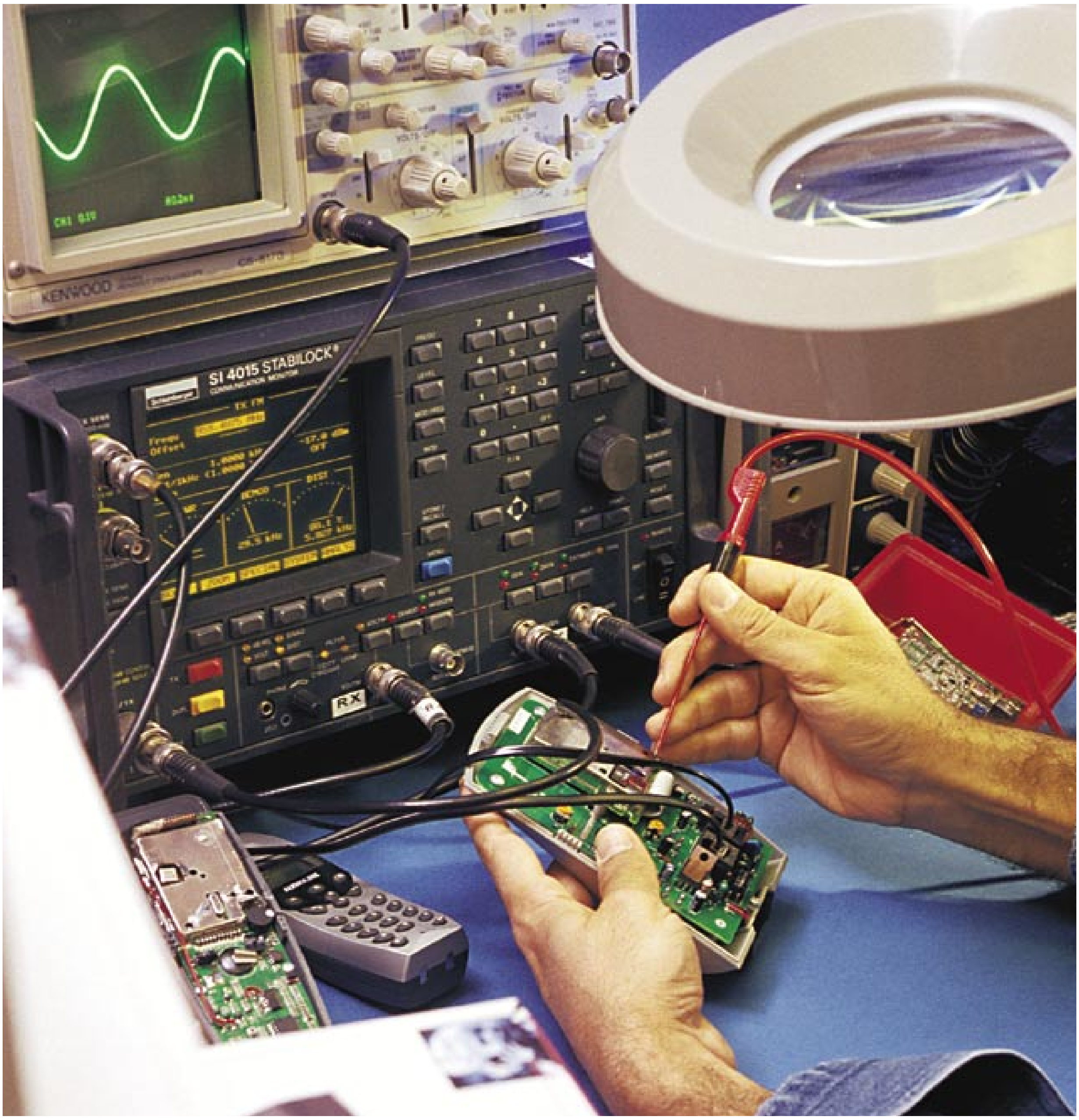
Doro invests carefully to strengthen its position as a leading manufacturer on the European fixed telephony market. Achieving this requires a deep understanding of what customers want and in-depth knowledge of manufacturing and sales. Doro has continued to strengthen its brand during the year and the launch of new products is evidence of the company's investment in design and consumer-driven product development.

Behind Doro's "Design on speaking terms" slogan is a desire to develop products that reflect an innovative view of the telephone and its place in homes and offices. Current trends point toward telephones' functions being woven into and linked to other products in the home. Doro is carefully following this trend, in both product development and market analysis, in order to meet consumer demand for new, exciting products in telephony and associated areas.

Over the past few years Doro has focused on creating a joint branding platform for all its products. In 2003 this work became more noticeable throughout the Group and in the products.

Determined investment in the Doro brand. Design is very important in today's society and is often the deciding factor for whether a product is successful on the market. Doro works with several leading design firms from around the world, including Propeller in Stockholm and Absolut Reality in Paris. Doro's focus on design and consumer-driven product development is evident in the recently launched Doro 500, 800 and 900 series. The models have undergone detailed analysis and testing in focus groups to ensure functionality and design that appeal to the chosen target groups. This work has been very successful in many ways, with Doro 520 and 820/830R both receiving international acclaim. At the latest CeBIT IT trade fair in Hanover, the Doro 820/830R won the international "iF design award" in competition with over 400 other products.

Mobile telephony continues to set trends. The Doro 820/830R distinguishes itself by its similarity to a mobile phone, not least in size. The mobile phone has been, and still is a trendsetter within telephony. Many consumers want their home telephone to have many of the functions that mobile phones have. Continental Europe has seen a surge of SMS services on the fixed network. This SMS trend has not yet reached the Nordic region to the same extent but Doro is preparing to launch models on the European market as soon as this service becomes generally accepted.



quality permeates the corporate culture

Doro's quality work has continued to develop very positively during the year. The concept of quality permeates the entire Doro culture and affects all parts of the company. Systematic quality initiatives are conducted in close association with suppliers. The results can be seen in the number of customer returns, which for some models is at a record low.

A sign of Doro's devotion to quality is that no fewer than 25 people are employed in quality control. There is at least one quality assurance technician on all markets where Doro sells its products. The factories in China employ six Doro inspectors who ensure that the suppliers' level of quality is kept consistently high.

The reduction in the number of suppliers used, which was achieved last year, has also contributed to maintaining and further developing quality.

Considerable quality improvements have been made over the last two years to Doro's products. Significant efforts have been made in choosing partners and some have been dropped because they did not meet Doro's strict quality requirements.

This has also led to significantly fewer returns, which in turn has cut the need for allocating guarantee reserves. The overall improvement in quality is a significant cause behind the improved results of recent years.

Suppliers are assessed with systematic follow-ups on site. Attitudes toward quality have continuously improved in recent years and Doro now works consistently and systematically with quality. An indication of this is the new system introduced to assess and follow up suppliers' work according to a scorecard. The aim is to constantly follow up suppliers' work and create a foundation for discussion with them. The factors currently measured are:

- A forecast level of customer returns
- Delivery control (frequency of non-conformance)
- Delivery precision
- Lead times

To safeguard maintained quality, Doro's staff perform personal follow-ups each quarter with the suppliers' quality control managers. The follow-ups are made on site at the factories. In addition they have ongoing discussions with manufacturers to quickly tackle possible problems that can arise.

Placing far-reaching demands on suppliers. All the constituent parts of Doro's products must be of the highest quality to ensure the high quality level of the finished product. This concerns all parts that come from Doro's subcontractors. Doro performs comprehensive evaluations of suppliers before developing each new product. If the manufacturer is known to Doro then analysis is carried out at Doro. Examples of factors checked include financial position, delivery reliability, quality processes and social responsibility, and in cases where suppliers have not been used before Doro's staff will visit the factory to check conditions and processes on site. Deliveries will not be accepted until the supplier has been approved by Doro.

Well-developed environmental responsibility is very important. Since 2002 Doro insists that suppliers demonstrate comprehensive environmental responsibility. This is in the form of a specific environmental declaration that follows EU norms. The declaration from the supplier should for example state that no banned substances are used in manufacturing.

Doro is affiliated to Elretur AB in Sweden, which is a national recycling project financed by the electronics industry. Doro also performs its own surveys to improve its own environmental performance.

Demands on suppliers became stricter in 2003 to also include Doro's ethical standards and social behaviour. Doro's

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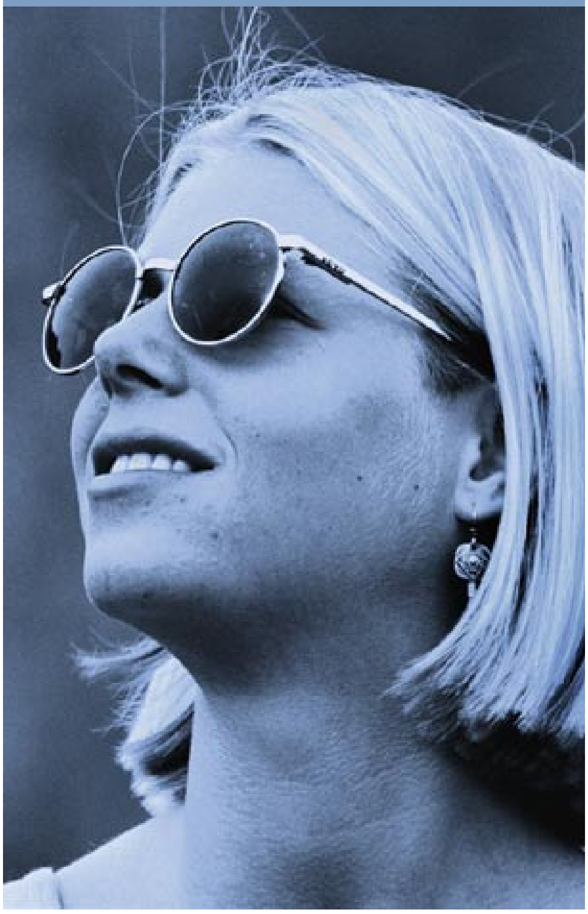
A separate brand for budget communication products.

These are functional products and design is not a priority.



declaration states that a supplier shall meet the following demands:

- not permitting child labour or forced labour
- not permitting dangerous working practices
- meeting the labour market's pay, working hours and working environment guidelines
- respecting the labour market's regulations concerning union membership

Efforts to introduce this declaration have made considerable progress and are expected to be completed in 2004.

Customers place demands on Doro. It's not only Doro that places strict demands on its partners. Doro's customers also set far-reaching demands on Doro's products. Before France Telecom chose Doro as a supplier it carried out a detailed inspection to make sure that Doro could live up to the demands for quality, delivery reliability, production monitoring, etc. Doro now has several telephones in France Telecom's product range, which is testament to the efforts of the entire Doro organisation over the past few years to meet, and quite often exceed, customer expectations.

Logistics chain developing positively. The agreement entered in 2002 with the global logistics company, Kuehne & Nagel, continued to run into 2003 and developed to also include Australia. Doro has consciously and proactively worked to strengthen the logistics chain on site with manufacturers in Asia, something that has resulted in very high delivery reliability.

upgrade communication – major success in wireless broadband

UpGrade Communication has distributed cordless broadband since 1995 and is currently the main supplier of wireless broadband solutions on the Nordic market. The company had major success in 2003 – especially on the Swedish wireless broadband market.

UpGrade currently focuses on 4 areas:

- Wireless infrastructure
- DSL – Digital Subscriber Line
- IP telephony
- Network security

UpGrade distributes through a network of more than 600 qualified resellers and supplies complete projects to operators.

UpGrade can provide complete wireless solutions with its broad range of products, including integration of IP telephony across wireless or wire-based networks. UpGrade also offers an extensive range of services. This means that UpGrade, alongside installation of wireless broadband, can also provide project planning, on-site inspections and installation tests. This service is given to provide complete solutions within a wireless infrastructure.

UpGrade Communication's market share of 2.4 GHz wireless outdoor installations is 60 per cent, and by year-end 2003 the company had supplied more than 30,000 units in the Nordic region.

A favourable market. Over the past year the market has developed positively following lacklustre conditions over the past few years. A significant change is the regional broadband licences that PTS, the Swedish supervisory authority, issued in autumn 2002. This has meant extra activity in all Swedish regions and UpGrade has taken part in the different negotiations very successfully.

The market for wireless broadband will remain strong. This applies specially to Sweden where the government has provided funds of SEK 8 billion for broadband expansion over a four-year period. It is estimated that the Swedish broadband market is worth around SEK 20 billion. Of this, wireless broadband makes up around 20 per cent. The rest of the Nordic region's markets have developed well and UpGrade has strengthened its position further as the main supplier of wireless broadband infrastructure.

UpGrade has concentrated its offer during the year and now focuses mainly on large total solutions. UpGrade customers include operators, energy companies and ISPs (internet service providers) that build and run the broadband network. These customers require the kind of integrated, complex solutions that UpGrade provides.

Because the company can provide comprehensive wireless broadband solutions it has few outright competitors. Instead it is the large system suppliers that to a certain degree have been competitors in major negotiations won by UpGrade during the year.

Major successes in Sweden. UpGrade Communication saw very favourable growth in 2003. One major success occurred in the summer when Gotlands Energi AB gave UpGrade Communication the task of building a broadband network on the island of Gotland on the Swedish east coast. This broadband network is for the first regional broadband licence in Sweden and the agreement is valued at almost SEK 9 million. Since then UpGrade has received a further major order from Gotlands Energi. This time the order was for supplying a supplementary xDSL network allowing an efficient way of reaching the people of Gotland.

The successes on Gotland have been followed by two more important framework agreements. The first agreement was signed with Norrsken AB in Gävle and is for building a 3.5 GHz wireless network for all the municipalities in the county of Gävleborg. The framework agreement involves no individual negotiations being required in the municipalities, with Norrsken and the network operators only needing to turn to UpGrade Communication for building and purchase (framework agreements have been given to 2-3 suppliers). The remaining framework agreement reached in 2003 was with HallWan AB in the county of Halland. The agreement is for the building of wireless broadband in the municipalities of Halmstad, Kungsbacka, Laholm and Hylte. The three agreements confirm UpGrade Communication's lead position as supplier of Fixed Wireless Access solutions on the Nordic market.

Concentrating on the Nordic markets. UpGrade Communication has concentrated its organisation on the Nordic markets in recent years. The sale of activities in Estonia was finalised in Q1. With offices in Lund, Copenhagen and Oslo, plus an effective sales organisation, the company is well equipped for the future.

doro's shares

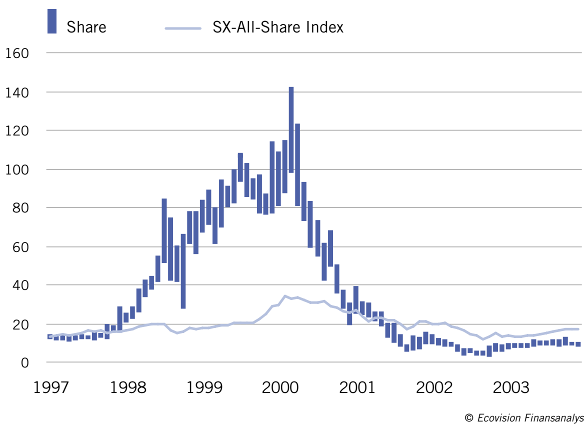
Doro has been listed on Stockholmsbörsen since 1993. There are 9,703,154 A shares. Following the new share issue in November 2001 of 11,764,705 B shares, of which 30 per cent was subscribed for by RunDor and 70 per cent by Nordea, there are now 21,467,859 in total. The new shares represent 1/10 of a voting right each and are redeemable until the Annual General Meeting in 2005 against an annual indexation of 10 per cent. Doro will not pay any dividends on class A shares until all the class B shares have been redeemed.

There are no outstanding convertibles or synthetic options. Mellby Gård Industri AB – a company owned by Rune Andersson, has issued 239,000 options to 21 senior managers.

Doro's share price rose by 33 per cent in 2003. Doro's market value on 31 December 2003 was SEK 196 million (148 m).

A well-attended AGM was held in Lund on 13 March 2003. Senior managers have held a number of meetings with market analysts.

Share performance 1997-2003



Share performance and sales 2003

Share data

	2003	2002	2001	2000	1999
No. of shares, (thousands)[1]	21,468	21,468	10,508	9,703	9,703
Nominal value, (SEK)	1.00	1.00	1.00	1.00	1.00
EPS after tax, (SEK)[1]	0.73	0.03	–18.51	–5.01	4.70
Cash flow per share	1.90	0.93	5.77	–0.61	3.51
Reported shareholders' equity, (SEK)	3.28	2.47	5.71	14.97	21.85
Market price at 31 Dec, (SEK)	9.15	6.9	11.5	26.5	108
Dividend, (SEK)	0.0	0.00	0.00	0.00	2.00
P/E ratio[2]	12.5	N/A	N/A	N/A	22.7
Dividend yield (%)[3]	N/A	N/A	N/A	N/A	1.9%

[1] The average number of shares in 2001 was 10,508,956
[2] The P/E ratio is calculated as the market price on the closing date divided by the EPS after tax
[3] The dividend yield is calculated by dividing the dividend by the market price on the closing date

Share issues

The parent company's share capital has changed in recent years through new share issues as follows:

Year	Issue	Amount of new shares	Issue price	Increase in share capital (SEK m)	Amount paid (SEK m)
1998	Directed issue	2,740,260	18.48	2.7	50.6
1998	New issue 1:7	1,212,894	27.00	1.2	32.7
2001	Directed issue	11,764,705	8.50	11.8	100.0

Major shareholdings as at 31 December 2003

The 10 largest shareholders	No. of shares	% of shares	No. of votes	% of voting rights
Mellby Gård Industri AB (Rune Andersson)	6,541,527	30.5%	3,365,057	30.9%
Nordea, Sweden	8,235,294	38.4%	823,529	7.6%
Nordea Small cap funds, Finland	447,400	2.1%	447,400	4.1%
Hans Björstrand	265,000	1.2%	265,000	2.2%
Mats Ljunggren	135,000	0.6%	135,000	1.1%
Länsförsäkringar Småbolagsfond	134,700	0.6%	134,700	1.1%
Lloyds Bank International Ltd, Switzerland	110,000	0.5%	110,000	0.9%
SIF	108,571	0.5%	108,571	0.9%
Nordea Small cap funds, Denmark	82,000	0.4%	82,000	0.8%
Cleastream Banking SA, Luxembourg	73,100	0.3%	73,100	0.7%
Sub-total	**16,042,592**	**74.7%**	**5,544,357**	**51.0%**

Ownership structure as at 31 December 2003

	Number of shareholders	As % of all shareholders	No. of shares held	As % of all shares
Under 501 shares	4550	71.5%	767,065	3.6%
501-1000 shares	966	14.8%	820,317	3.8%
1001-5000 shares	793	11.5%	1,861,609	8.7%
5001-10,000 shares	86	1.2%	631,782	2.9%
10,001-20,000 shares	28	0.4%	416,194	1.9%
20,001-50,000 shares	22	0.3%	169,299	0.8%
50,001-100,000 shares	4	0.0%	279,385	1.3%
Över 100,000 shares	8	0.1%	15,887,492	74.0%
Totalt	**6,457**	**100.0%**	**21,467,859**	**100.0%**

The number of shareholders has fallen from 6,706 to 6,457. Of the total shares held, about 7 per cent (2) are held by foreign shareholders and about 14 per cent (15) by institutional holders.

Directors' report for Doro AB, corporate identity number 556161-9429

Doro AB is a publicly owned limited company. The company's registered office is in Lund, Sweden. The company is registered in Sweden under the corporate identity number 556161-9429. The address of the head office is Skiffervägen 80, Lund, (post code 224 78), Sweden. Doro has operations in Australia, Denmark, Finland, France, Hong Kong, Norway, Poland, Sweden and the UK. The structure of the Group is outlined in note 17.

Through its subsidiary, UpGrade Communication AB (hereafter referred to as UpGrade), Doro has a branch office in Norway.

Business activities. Doro markets a broad and innovative range of telecom products, primarily for the European market. Doro provides user-friendly products of high quality and modern design for consumers and businesses. Doro's products are divided into three categories: corded telephones, cordless digital telephone and cordless analogue telephones. In addition to telephones, Doro also markets headsets, answering machines, caller identity products and walkie-talkies. Through its subsidiary, UpGrade, Doro also provides wireless broadband solutions.

Business conditions. Doro operates in the rapidly changing telephony products market for consumers and businesses in Europe and Australia. Production mainly takes place in China. The company protects its products by partly or fully owning the tools and through active participation in the development and quality assurance processes.

Large purchase volumes make Doro an attractive customer and mean competitive costs for the company in terms of development and production per unit.

Past year in summary. The following factors characterised 2003:

- New CEO
- Falling value of US dollar
- Completion of restructuring programme
- Retained market shares and renewed product range
- Continued focus on consumers

Rune Torbjörnsen appointed new CEO. Rune Torbjörnsen took over as the new CEO of Doro on 7 October. He has a solid sales and marketing background in the consumer sector having held a series of top management positions with Coop (KF) including being head of the Coop Group's market communications and being marketing manager of Coop Konsum (Gröna Konsum). He joins Doro from Anoto where he was Vice President. Rune has also been marketing director for JP Bank and business area manager at IKEA.

Falling US dollar. The value of the US dollar continued to fall during 2003. At the time of writing (January 2004) it is being traded at the same rate as at the start of 1997. Most of Doro's products are bought in US dollars and sold in local currencies. The lower dollar has gradually resulted in lower purchasing prices, although the effects were delayed due to currency hedging in the first half of the year. Customer prices have also fallen sharply, which has meant that a smaller portion of the falling US dollar rate has had an impact on profits.

In March 2003 Doro's Board decided to change the company's currency policy. Currency hedging has been replaced with currency options with a hedging level of 50 per cent of US dollar flows over six months.

Lower sales and high hedging levels led to excess hedging at the start of the year. The debt/equity ratio in the parent company continues to be adjusted to requirements for borrowings by the subsidiaries (mix and volume).

Completion of restructuring. Towards the end of 2001 Doro carried out a financial reconstruction and issued new shares worth SEK 100 million. This paved the way for a major restructuring programme that started in Q4 2001 and was completed during 2003.

This has resulted in a reduction of the number of employees and lower costs for administration.

The restructuring programme has helped to considerably reduce costs. The focus on corded and cordless telephony, wireless broadband and on profitable markets, has continued. The quality programme introduced in early 2001 has resulted in significantly lower quality-related costs in 2003.

Co-ordination in the Nordic countries has increased and all the Nordic countries have been integrated under a pan-Nordic management team, which has responsibility for administration, logistics and stocks. The sale of the telephony business in Switzerland was completed in Q1. The AGM on 13 March approved the sale of UpGrade's business in Estonia. This sale was completed in Q3.

The above measures have contributed to the profits made in each quarter.

Markets and product range. Q1 followed the normal seasonal trends and sales were lower than the previous quarter. During Q1 several new products were launched and received positively. Prices were cut in Q2 and Doro continued to make adjustments in Q3. Sales were down in Q2. Sales in the final quarter were the best of the year but were still below expectations. Christmas sales were generally lower and this meant turnover was down.

Product supply problems caused disruptions at the end of the year. A temporary shortage in chip supplies meant that production had to be restricted. To compensate for this, airfreight deliveries were introduced. This enhanced production capability but at higher cost.

Demand throughout the year has varied. It was weak at the end of both Q1 and Q2. The falling dollar rate meant lower purchase prices in local currencies and significantly lower prices for Doro's customers. Demand for Doro's corded telephones was considerable on a weak market. Within corded telephones Doro has reinforced its market position thanks to its comprehensive range for both consumers and businesses.

Doro's compact and designed DECT digital telephones are a highly popular product line. The launch of the new model for young people, the Doro 800 series, was performed successfully in Q3. This is a unique telephone with interchangeable fascias for both the telephone and base unit as well as other functions specially developed for the target group. Doro 800 has attracted a lot of attention outside normal telephone channels. In December Doro received a prize for the 800 series at the iF design awards. The prize will be handed over at Europe's largest electronics exhibition, CeBIT, which is being staged in Germany in March 2004. Doro won the prize in competition with 400 products entered in the category for communication and entertainment products.

Doro has been chosen as a supplier to France Telecom (FT) in France and Poland (TPSA). Deliveries of the Doro 820 began in Q3 and deliveries of other corded and cordless telephones began in Q4.

Procurement negotiations began in the summer of 2003 for equipment and service for regional wireless broadband licences awarded by Sweden's post and telecom board (PTS). In July UpGrade received an order from Gotlands Energi worth nearly SEK 9 million and in September UpGrade signed a framework agreement with Norrsken covering the county of Gävleborg. In October a similar agreement was signed with Hallawen for parts of the county of Halland. This means that UpGrade has won, partly or fully, all three of the procurement agreements concerning broadband currently on offer in Sweden. UpGrade has also successfully launched sales of ADSL/VDSL equipment.

Furthermore, the market for wireless broadband products has developed positively since the summer.

Product development and development costs. Doro carries out various projects with external partners in the fields of design and product development. Costs are mainly borne by production partners. Development costs have not therefore been capitalised. The life-length of a cordless telephone is under two years.

Staff. The Group management team was reorganised during 2003 to reflect a sharper focus on sales and marketing. The average number of employees fell to 172 (210). On 31 December 2003 the headcount had fallen to 166 (188). Staff reductions were carried out at all companies.

Disputes. Doro has reported in previous annual reports about a significant dispute with a supplier. Doro has made a claim totalling SEK 106 million upon Nissho Iwai in a court in Osaka, Japan. Initial court proceedings started in 2001 and are expected to be completed in 2004 at the earliest.

The legal process can take several years. During the year several attempts were made to solve the dispute. A successful resolution will mean that the entire sum will give the same result as a cash flow effect after deductions for ongoing legal fees and technical costs.

An older dispute about guarantees in connection with the purchase of Audioline Ltd in the UK has become more significant than expected. The previous owner had a dispute with a supplier when Doro acquired the company in 1998. The seller has made guarantees that he will stand for all costs. The supplier lost the case in a lower court and a payment of GBP 615,000 was made and frozen by the court. Doro does not expect any payment before the case is finally decided (the supplier has made an appeal) and all legal costs are settled (legal costs totalling GBP 265,000 and costs for continuing legal process).

Doro also has a commercial dispute with a previous distributor concerning stocks. The value of these is SEK 2.7 million which has been completely written-down.

A new dispute has arisen concerning patent infringement. Extensive legal and patent-related consultations have taken place. Doro considers the case to be unfounded and that the risk of having to pay royalties is small.

A legal assessment has been made that Doro's risks are limited. Meanwhile, sums have been reserved for these risks and process costs.

The environment. Doro has no business activities that require environmental licences. No single unit has an environmental certificate.

Doro does not own any production units. Comprehensive co-operation takes place with a number of factories where production services are purchased. Whilst surveying factories, various environmental demands are set. An increasing number of factories are working with different environmental programmes and intend to apply for ISO 14000 certificates.

Dividend and financial targets. Previously it was Doro's policy to pay a dividend of between one third and one half of the profit after tax. Doro's Board adopted a new policy in conjunction with the new share issue worth SEK 100 million in 2001.This new policy means that when available profits and a financial balance are achieved, B shares will be redeemed. When all B shares have been redeemed a new policy will be adopted. Up to and including the AGM in 2005, Doro will redeem B shares at a subscription rate of SEK 8.50 per share plus 10 per cent interest per year. If B shares are not redeemed then they will be converted to A shares at the AGM in 2005. In the event of any future share issues, B shares will carry the same rights as A shares. B shares will also be able to be converted to A shares in the event of any buy-out by a third party.

The redeemable amount stood at SEK 119 million (111 m) on 31 December 2003.

Doro aims to have a maximum debt/equity ratio of 1.3 (interest-bearing debt/equity). Doro currently has no net debt.

Organic expansion will be funded from internally provided funds, while new share issues will finance larger acquisitions.

Financial overview. The financial overview provides comments and analysis of the following points:

- income statement
- balance sheet
- cash flow.

Finally there is a short paragraph about the parent company, Doro AB.

Comments on the Income Statement. Doro had sales of SEK 648 million (839 m) in 2003, down SEK 192 million or 23 per cent compared with 2002. Adjusted for the disposal of businesses, sales sank by 16 per cent. Weak demand combined with tough price competition and falling customer prices explain the lower turnover.

Margins improved thanks to better quality, reduced guarantee costs and the general weakening of the US dollar.

Overheads have been cut on the back of lower staff and administrative costs. Depreciation was reduced via lower investments. Depreciation and write-downs of goodwill have increased.

Positive cash flow has resulted in lower borrowing and thus reduced financing costs. Borrowings in foreign currency have been reduced and this has yielded currency gains. Exchange rate gains in the parent company have been booked as financial income

Changes in the US dollar rate have had a positive effect of around SEK 70 million (15 m) on earnings. The effect has been significantly reduced by lower customer prices and held up by forward covers during the first six months.

The Group's profit before tax was SEK 28 million (11 m). The results have been charged with a one-off cost of around SEK 9 m (13 m).

Quarterly earnings trend

	2003				2002			
(SEK m)	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Net sales	172	136	155	184	216	176	193	254
Operating costs	–162	–130	–150	–170	–222	–176	–185	–223
Operating profit/loss before depreciation	**10**	**6**	**5**	**14**	**–6**	**0**	**8**	**31**
Depreciation acc. to plan	–3	–3	–3	–10	–5	–2	–4	–6
Operating profit/loss after depreciation	**7**	**2**	**2**	**5**	**–11**	**–2**	**4**	**25**
Net financial items	–1	1	0	11	1	–1	1	–8
Profit/loss after net financial items	**6**	**4**	**2**	**16**	**–9**	**–3**	**5**	**17**
Tax	–2	0	0	–9	–1	–6	–1	–2
Net profit/loss	**4**	**3**	**2**	**7**	**–10**	**–9**	**4**	**15**

Sales per product line and region. Doro operates in the following product areas: cordless telephones, corded telephones (including telephone answering machines, caller identification products), wireless broadband and other activities. Cordless telephones are the largest product area, accounting for 58 per cent (55) of total sales. Corded telephones follow, with more than 32 per cent (34) of sales. Wireless broadband accounts for around 10 per cent (9) of sales. Other activities account for 0 per cent (2).

All product areas reported declining sales in 2003.

Sales followed the market trends and fell in all countries.

Performance in the various segments is reported in the notes. In the Nordic region turnover fell and profits were weak. In the rest of Europe results were down. Outside Europe results were strong.

Comments on the balance sheet. The consolidated balance sheet has fallen by SEK 62 million (fell by 93 m) since the start of the financial year to SEK 242 million (304 m). Goodwill amounted to SEK 14 million (27 m) and has fallen through depreciation and write-downs.

The equity/assets ratio has risen from 17 per cent to 29 per cent via a lower balance sheet total and the positive earnings trend. The Group's net debt level (interest bearing liabilities less cash) has reduced liabilities by SEK 38 million (fell by SEK 16 m) to cash-in-hand of SEK 20 million (debt of 19 m). The greatest part of the debt is in PLN.

Stocks were reduced significantly through a shared product range and fewer products, a central Nordic warehouse, falling US dollar, and air freight rates at the end of the year. Doro mainly purchases from Asia. The ownership rights for goods are transferred to Doro as soon as they are loaded aboard the vessels transporting them. This gives a high storage volume where the share of "goods on route" is between 20 per cent and 30 per cent of the period values.

Quarterly balance sheet

	2003				2002			
(SEK m)	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Intangible assets	25	24	23	14	38	35	31	27
Fixed assets	10	9	8	8	17	15	14	11
Stock	107	103	75	73	131	133	112	90
Current receivables	141	106	119	114	168	135	144	162
Cash	15	15	10	33	20	20	10	14
Total assets	**298**	**256**	**233**	**242**	**374**	**339**	**311**	**304**
Equity	55	61	62	70	51	40	46	53
Interest-bearing debt	55	57	41	13	56	101	93	32
Non interest-bearing debt	188	138	131	159	267	198	172	219
Total equity and liabilities	**298**	**256**	**233**	**242**	**374**	**339**	**311**	**304**

Comments on the cash flow. The cash flow was uneven during the year because of the major difference between the quarterly sales figures. Normally the cash flow is negative in the first six months, neutral in Q3 and positive in Q4.

The positive earnings trend gave a positive contribution that was reduced by lower accounts payable. Cash flow from current activities in 2003 was SEK 41 million (20 m).

Cash flow

	2003				2002			
(SEK m)	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Operating profit/loss after depreciation	7	2	2	5	–11	–2	4	25
Depreciation acc. to plan	3	3	3	10	5	2	4	4
Net financial items	–1	1	0	12	1	–1	1	–8
Tax	–2	0	0	–3	–1	–6	–1	0
Change in working capital	–28	–9	8	28	6	–38	–14	48
Cash flow from current activities	**–21**	**–2**	**13**	**51**	**0**	**–45**	**–6**	**69**
Acquisitions/goodwill	0	0	0	0	0	0	0	10
Investments	–1	–1	–1	0	–1	–2	–2	–1
Cash flow from investment activities	**–1**	**–1**	**–1**	**0**	**–1**	**–2**	**–2**	**9**
Loans raised	22	2	–16	–28	13	45	–8	–61
New share issues	0	0	0	0	0	0	0	0
Dividend paid	0	0	0	0	0	0	0	0
Translation differences and other	1	1	–1	1	–1	2	6	–14
Cash flow from financing activities	**23**	**3**	**–17**	**–27**	**12**	**47**	**–2**	**–74**
Change in liquid funds	1	0	–5	23	12	0	–10	4

Investments. Investments mainly consist of those made in different production tools for sub-suppliers manufacturing Doro's products. In addition there is investment in testing equipment, other equipment and computers. Investments amounted to SEK 5 million (6 m).

Parent company. In addition to Group management and finance staff, the parent company, Doro AB, provides service functions for the rest of the Group. Marketing and product development are co-ordinated by the parent company, while the product and quality department monitors design and tooling issues as well as quality assurance of deliveries. Purchasing and logistics personnel are responsible for material flows within the Group. The parent company also oversees exports.

The parent company reported sales of SEK 42 million (58 m). The loss before tax was SEK 5 million (+36 m).

Doro AB is responsible for a majority of the subsidiaries' financing. Net debt has fallen by SEK 47 million (rose by 33 m) to SEK 157 million (204 m). Dividends from Group companies, write-downs and return write-downs of shares in Group companies and other internal transactions have had a negative net impact on results and reduced shareholders' equity to SEK 96 million (99 m).

The Board and its programme. Doro's Board consists of six members and one deputy elected by the AGM on 13 March 2003. Both the main shareholders (Mellby Gård Industri AB and Nordea) are represented by a single Board member.

At the Board meeting following the election Anders Bülow was re-elected as Chairman. The Board includes the CEO (the departing CEO left the Board on 7 October and the new CEO was co-opted from 21 October), and the Deputy CEO is co-opted to the Board as its secretary.

Other company executives take part in the Board meetings as reported.

The Board held 7 (7) meetings during the 2003 financial year. In December the Board adopted an extended programme concerning the division of duties between the Board and the CEO. Furthermore, changed instructions were submitted to the CEO and a new information policy was adopted.

Documentation is sent out a week in advance of each Board meeting. Every month, the previous month's results are sent out with attached comments. The Board continually addresses issues such as the business situation, budget, quarterly reports and strategies. The Board has spent a lot of time during the year dealing with the company's economic restructuring and financing. A new currency policy was adopted in March and Doro switched to using options as a means of offsetting currency turbulence (hedging was previously used).

During the summer and autumn the change of CEO was a major topic for the Board. Six Board meetings are planned for 2004. There are no special committees.

Nominations. Nominations for the Board are co-ordinated by the Chairman and proposals may be submitted to him. Contacts are made with major shareholders prior to elections and a proposal for a new Board is submitted. A special nominations committee is not therefore considered necessary.

Auditing. The scope and focus of auditing are planned in consultation with the Board. Based on the quarterly report of 30 September an interim audit is prepared and the Chairman heads a meeting that assesses the results of this survey. The result of the audit is reported in detail at a meeting of the Chairman and senior executives both after the interim audit and after the final audit. At the January meeting of the full Board the auditors present the results of their audit of the Group's internal systems and the annual accounts.

Remuneration issues. The Board as a whole has responsibility for remuneration issues and other employment terms for senior executives and the heads of subsidiaries. The Chairman of the Board approves all terms for management reporting to the CEO.

Risk management. The Board of Directors has established various frameworks for risk and indicated which risks may be taken. Risk management aims to identify, quantify and reduce or eliminate risk.

Doro AB (the parent company) has overall responsibility for the Group's financial issues. Through centralisation and co-ordination, significant benefits of scale can be achieved regarding the terms obtained for financial transactions and financing. At present there is one cash pool in Sweden, which is used by the parent company for several foreign currencies.

Foreign currency management is concentrated within Doro AB. Doro AB sells and buys currencies within the framework for established risk limits.

Changes in exchange rates for foreign currencies affect the Group's profit/loss in various ways:

Transaction exposure. This arises when income from sales and costs is in different currencies. Doro has large exposure because a large share of production services is purchased in USD and income from most sales is in local currency. The exception is sales to markets where Doro does not have its own company, where both income and costs are mainly in USD.

Doro's currency policy means that 50 per cent of expected net flows (primarily purchases as few customers pay with USD) over the coming six months are hedged (via options). A further 50 per cent of commitments of more than six months (currently a minor percentage of sales) are hedged. At the end of 2003 option agreements accounted for the equivalent of 50 per cent of the expected flow for the first six months of 2004.

Transaction exposure by currency and year

Currency (SEK m)	2003 Before hedging	2003 After hedging	2002 Before hedging	2002 After hedging
SEK	+30	–40	+40	–60
DKK	+40	+5	+60	+30
NOK	+60	+35	+70	+40
EUR	+150	+70	+170	+40
GBP	+30	+15	+40	0
CHF	0	0	+10	–10
AUD	+90	+40	+110	+50
USD	–410	–140	–540	–150
PLN	+20	+20	+20	+15

Conversion exposure of foreign assets. Doro owns assets in foreign currency. Equity in the foreign subsidiaries is partly hedged by loans in the same currency.

At the year-end the value of foreign net assets was SEK 153 million (197 m), of which SEK 135 million (137 m) was hedged in the form of loans in the same currency.

Value of foreign assets

	2003 Value	2003 Of which hedged	2002 Value	2002 Of which hedged
DKK	14	12	14	10
NOK	4	4	20	9
EUR	64	54	50	44
GBP	27	30	32	32
CHF	3	2	26	13
AUD	23	14	26	14
HKD	5	5	5	6
PLN	13	14	24	9
Total	**153**	**135**	**197**	**137**

Exposure to interest rates and foreign currency. Doro has concentrated a large part of its loans in Doro AB.

All loans have variable interest rates. The reason for this is the large variations in loaning requirements and the fact that variable rates produce lower annual costs for interest rates.

Net debt /currency 31 Dec. 2003 and 31 Dec. 2002

(SEK m)	2003	2002
SEK	0	39
EUR	–13	1
GBP	–3	3
DKK	–3	5
NOK	–7	1
CHF	1	5
AUD	0	–6
HKD	0	0
USD	–11	–24
PLN	11	9
Total	**–20**	**33**

Sensitivity analysis. Doro is affected by different factors and the following effects arise following a 1 per cent change in different variables (SEK million):

	2003	2002
• Price change	+/– 7	+/– 8
• Volume change	+/– 2	+/– 2
• USD	+/– 4	+/–5
• Interest rate change	+/– 0.5	+/–0.5

The calculation is made in a static environment. In reality, a rise in USD for example can be compensated for with higher prices although there will be a time delay.

Other risk management. Doro has traditionally had low levels of credit losses and this also applied in 2003. By working with well-established customers who have good credit ratings, credit risk can be reduced. Doro operates in most countries without credit insurance.

Doro has a co-ordinated insurance portfolio. A general policy has been established in consultation with external experts regarding the components of the portfolio, the amounts involved and the distribution of risk between the parent company and subsidiaries.

Changeover to International Financial Reporting Standards (IFRS). By 2005 listed companies in the EU must use International Financial Reporting Standards (IFRS) to report financial results. Swedish companies have been making changes gradually over recent years by implementing the recommendations of the Swedish Financial Accounting Standards Council based on IFRS. Current discrepancies between the Council and IFRS are usually due to barriers raised by Swedish law. Despite the gradual changeover in recent years, further changes will appear in the financial reports of Swedish companies in 2005 as IFRS is fully implemented.

During 2003 Doro has initiated the introduction of IFRS. A comprehensive review was performed to ensure that the new accounting principles will be observed. The Board makes an unconditional assurance that adjustments will be made so that the accounts match IFRS.

The most important differences between the company's current accounting principles and the new IFRS principles to be observed from 2005 and which were known at the time of writing are presented below:

- Reporting of pensions (IAS 19/Council recommendation no. 29). A review of pension rules in countries where Doro operates has been made. Most units have premium-related plans. In a few cases there are rules concerning payment of sums when an individual retires (amount depending on period of employment and salary). These rules exist in France and Poland. An actuarial assessment has been made in these countries. In Sweden some staff are covered by the so-called bottom plate of SPP. An assessment of the liability has been made and the amount has been reported as of 31 December 2003 in accordance with the Swedish Financial Accounting Standards Council's recommendation number 29 (implemented in advance as the recommendation comes into effect on 1 January 2004). The amount was SEK 0.0 million. Doro has no property assets that cover pension commitments.
- Financial instruments (IAS 39). Financial derivatives are used exclusively by the parent company. During 2003 Doro stopped using forward contracts to buy currencies and since March 2003 the company has used various buy and sell options to hedge against fluctuations in the US dollar. An assessment is made of future flows over the next six months and 50 per cent of payments in US dollars is hedged via option agreements. This means that options are bought with a call/put which is currently fixed at 5 per cent above the forward rate. The remaining volumes of US dollars are purchased on a running basis according to spot rates. Doro does not use any other financial instruments. A review has established that there are no embedded derivatives. Doro has existing securities for net investments in foreign subsidiaries via loans in corresponding currencies. According to a preliminary assessment, IAS 39 will not affect Doro's results. It does, however, mean a significant increase in the information volume.
- Investment property (IAS 40 /Council recommendation no. 24). Doro does not own property. This rule does not affect the company.
- Forestry and farming (IAS 40). Doro does not own any forestry or farming assets. This rule does not affect the company.
- Deferred tax (IAS 12) concerning discounting of deferred income tax. This rule does not affect the company.
- Earnings per share (IAS 33) concerning the effect

of options. Doro has no options and thus calculations of earnings per share are not affected.

- Intangible assets (IAS 38 /Council recommendation no. 15). Goodwill is the only intangible asset Doro has. A review of goodwill has been made and adjustments have been made to expected results and cash flow. This resulted in a write-down as of 31 December 2003 of goodwill in accordance with Council recommendation no. 17 (Write-downs) of SEK 7.3 million.
- Financial leasing agreements entered into before 1997 (IAS 17 /Council recommendation no. 6:99). Doro has no financial leasing agreements entered into before 1997. This principle does not affect the company.

A review has been made of IFRS 1 (First-time Adoption of International Financial Reporting Standards). IFRS 1 was set up to facilitate the adoption of IFRS from 2005. In annual reports from 2005 companies shall observe all standards valid on the report date (balance day). In principle the standards shall be applied with retroactive effect in accordance with IFRS 1. This means that interim regulations for individual standards shall not be used when first using IFRS. Companies making the transition in 2005 shall therefore observe all standards that apply on 31 December 2005. In principle an opening balance account shall be established in accordance with IFRS on the transition date, which for Swedish companies observing the calendar year as their financial year means 1 January 2004. More precisely this is an opening balance account in accordance with IFRS for the start of the earliest financial year with which comparisons are made. Application of IFRS 1 can entail adjustments to pension liabilities and writing down of goodwill on the opening balance on 1 January 2004.

Doro has prepared in advance for the changeover to new rules. A checklist has been used by all companies and key issues have been identified. Doro has certain open areas that will be monitored regularly. The effect of changing accounting principles will have little or no effect on Doro's income statement and balance sheet. An initial presentation has been made to the Board. According to the new regulations, redeemable shareholders' equity shall be classified as a liability from 2005. Doro's redeemable shares will either be redeemed (in part) or be converted to A shares at the AGM in March 2005. In this way this regulation will not affect Doro.

A series of activities have been planned for the coming year, including choice of accounting alternatives, production of opening balances, updating of reporting templates, accounting manuals and updating of policies.

Outlook for 2004. Doro has completed a successful restructuring and is now entering a period when the focus will be on increasing sales. A broad, new range of cordless products presents good opportunities for achieving higher sales on the highly competitive telephony market.

An assessment of the business situation for the financial year will be submitted in connection with the AGM on 15 March 2004.

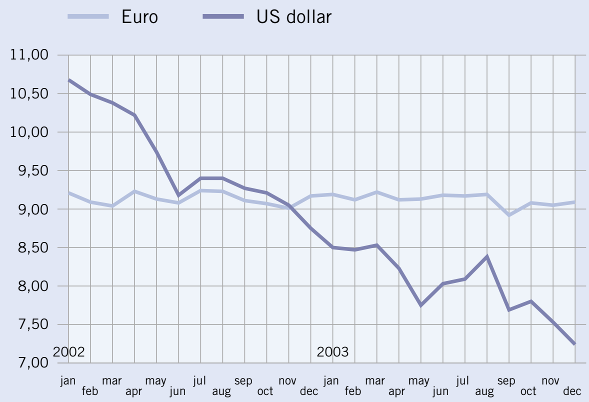
Key events after the end of the financial year. No events have occurred after the end of the year that affect this annual report.

Proposed allocation of profit. The Board and CEO propose to the Annual General Meeting that the accumulated profit/loss, as per the compiled balance sheet, be allocated as follows:

Profit/loss brought forward	SEK	22,084
Group contribution received	SEK	8,415
Tax effect due to Group contribution	SEK	–2,356
Loss for the year	SEK	–8,960
	SEK	**19,183**
and be dealt with as follows:		
Redemption of B shares SEK	SEK	0
Dividend to shareholders of SEK 0.00 per share	SEK	0
Profit/loss carried forward	SEK	19,183
	SEK	**19,183**

The Group's accumulated deficit on 31 December 2003 was SEK 7.9 million. SEK 0 has been allocated to restricted reserves.

Exchange rates 2002-2003



income statement

(SEK m)	Note	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
Net sales	1, 2, 3	647.5	838.6	41.7	57.9
Operating costs					
Manufacturing services bought in		–427.5	–583.6	–16.6	–18.4
Other external costs	4, 26	–91.2	–110.8	–26.6	–18.6
Personnel costs	5-11	–94.3	–110.9	–20.9	–18.3
Profit/loss before depreciation (EBITDA)		**34.6**	**33.3**	**–22.3**	**2.6**
Depreciation of tangible assets	16	–6.3	–10.5	–3.0	–5.0
Depreciation and write-down of intangible assets	15	–12.8	–6.0	–	–
Operating profit/loss (EBIT)		**15.4**	**16.8**	**–25.4**	**–2.4**
Result from financial investments					
Profit/loss from participations in Group companies	28	–	–	2.3	36.4
Interest income and exchange rate differences	12	36.6	1.6	44.1	5.6
Interest expense and exchange rate differences	13	–24.4	–7.8	–27.9	–9.3
Profit/loss after financial items (EBIT)		**27.6**	**10.6**	**–6.7**	**30.3**
Appropriations	14	–	–	1.2	0
Tax on profit for the year	27	–11.8	–9.9	–3.5	6.2
PROFIT/LOSS FOR THE YEAR		**15.7**	**0.7**	**–9.0**	**36.5**
Key figures					
Average number of shares (thousands)	19	21,468	21,468		
Earnings Per Share before tax		1.29	0.49		
Earnings Per Share after tax		0.73	0.03		

balance sheet

ASSETS (SEK m)	Note	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
FIXED ASSETS					
Intangible assets					
Goodwill	15	13.9	27.0	–	–
Tangible assets					
Equipment and tools	16	8.0	11.0	2.2	4.0
Financial assets					
Participations in Group companies	17	–	–	207.7	270.6
Other securities held		0.5	0.1		–
Total fixed assets		**22.4**	**38.1**	**210.0**	**274.6**
CURRENT ASSETS					
Stocks					
Inventories		72.7	90.5	–	–
Advance payment to suppliers		0.0	0.0	–	0.0
Current receivables					
Accounts receivable – trade		66.8	115.8	2.7	6.1
Receivables from Group companies		–	–	24.0	23.4
Income tax recoverable	27	21.8	19.1	6.0	11.7
Other current receivables		14.8	13.4	8.3	2.9
Prepaid expenses and accrued income	18	10.7	13.3	7.4	2.6
Total current assets		**186.8**	**252.1**	**48.4**	**46.7**
Cash and bank balances		**33.1**	**13.9**	**18.5**	**0.0**
TOTAL ASSETS		**242.4**	**304.1**	**276.8**	**321.3**

SHAREHOLDERS' EQUITY AND LIABILITIES (SEK m)	Note	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
SHAREHOLDERS' EQUITY					
Restricted equity					
Share capital 21,467,859 shares at nom. SEK 1	19	21.5	21.5	21.5	21.5
Restricted reserves/funds		56.8	57.1	55.5	55.5
Accumulated deficit/Non-restricted equity					
Non-restricted reserves		–23.6	–26.3	28.2	–14.4
Profit/loss for the year		15.7	0.7	–9.0	36.5
Total shareholders 'equity		**70.4**	**53.0**	**96.2**	**99.1**
UNTAXED RESERVES	20		–	–	1.2
PROVISIONS AND LIABILITIES					
Provisions					
Provisions for taxation	33	3.5	4.5	–	0.7
Provisions for guarantees	31	16.8	20.3	–	–
Other provisions	25, 30, 32, 34, 35	18.8	24.5	10.3	1.7
Total provisions		**39.1**	**49.3**	**10.3**	**2.4**
Interest bearing liabilities					
Bank overdraft facilities	21	4.2	24.7	–	16.5
Liabilities to credit institutions		8.3	7.7	–	0.0
Liabilities to Group companies		–	–	157.5	187.7
Total interest-bearing liabilities		**12.6**	**32.4**	**157.5**	**204.2**
Non-interest bearing liabilities					
Accounts payable – trade		86.5	127.6	4.4	4.4
Liabilities to Group companies		–	–	0.6	0.4
Other liabilities		3.1	10.6	0.7	2.9
Accrued expenses and prepaid income	22	30.8	31.2	7.2	6.7
Total non-interest bearing liabilities		**120.3**	**169.4**	**12.9**	**14.4**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**242.4**	**304.1**	**276.8**	**321.3**
Pledged assets	23	480.8	533.5	377.8	440.6
Contingent liabilities	24	12.7	20.4	12.7	20.4

cash flow statement

(SEK m)	Note	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
CURRENT ACTIVITIES					
Operating profit/loss		15.4	16.8	–25.4	–2.4
Depreciation/Write-downs	15, 16	19.1	14.6	3.0	5.0
Interest received/dividends	12	36.6	1.6	85.7	44.5
Interest paid and exchange rate differences	13	–24.4	–7.8	–27.9	–9.3
Income tax paid	27	–5.1	–6.6	0.0	0.0
Cash flow from current activities before changes in working capital		**41.6**	**18.6**	**35.4**	**37.8**
Change in working capital					
Change in stocks		17.8	34.4	0.0	0.0
Change in receivables		40.8	42.4	–7.4	3.5
Change in non-interest bearing liabilities/provisions		–59.5	–75.5	6.4	–9.2
Cash flow from current activities		**40.7**	**19.9**	**34.4**	**32.1**
INVESTMENT ACTIVITIES					
Acquisition of subsidiaries/goodwill	15, 17	–0.4	7.9	23.6	–42.6
Acquisition of tangible assets/securities	16	–4.7	–5.7	–1.7	–2.5
Loss for disposals		1.7	2.4	0.5	0.2
Cash flow from investment activities		**–3.4**	**4.6**	**22.4**	**–44.9**
FINANCING ACTIVITIES					
Loans raised		–19.8	–10.7	–46.7	32.8
New share issue			–	–	–
Group contribution			–	8.4	–20.0
Translation differences		1.7	–7.7	–	–
Cash flow from financing activities		**–18.1**	**–18.4**	**–38.3**	**12.8**
Change in cash and bank balances		**19.2**	**6.1**	**18.5**	**0.0**
Cash and bank balances at 1 Jan 2003		13.9	7.8	0.0	0.0
Cash and bank balances at 31 Dec 2003		33.1	13.9	18.5	0.0

shareholders’ equity

CHANGES IN SHAREHOLDERS’ EQUITY, 2003 (SEK m)	Share capital	Restricted reserves	Unrestricted share capital	Total shareholders’ equity
THE GROUP				
Shareholders’ equity, 31 Dec. 2001	21.5	191.6	–153.1	60.0
Exchange rate differences [1]			–7.7	–7.7
Total changes in shareholders’ equity not reported in income statement			**–7.7**	**–7.7**
Allocation of previous year’s accumulated deficit		–126.7	126.7	–
Change between restricted and non-restricted equity		–7.8	7.8	–
Profit/loss for the year			0.7	0.7
Shareholders’ equity, 31 Dec. 2002	**21.5**	**57.1**	**–25.6**	**53.0**
Exchange rate differences [1]			1.7	1.7
Total changes in shareholders’ equity not reported in income statement			**1.7**	**1.7**
Change between restricted and non-restricted equity		–0.3	0.3	–
Profit/loss for the year			15.7	15.7
Shareholders’ equity, 31 Dec. 2003	**21.5**	**56.8**	**–7.9**	**70.4**

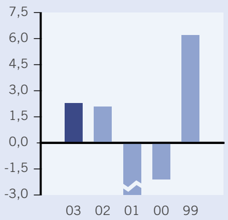
[1] Exchange rate differences upon translation of financial reports for overseas activities using the current method.

PARENT COMPANY				
Shareholders’ equity, 31 Dec. 2001	21.5	182.2	–126.7	77.0
Group contribution paid			–20.0	–20.0
Tax effect due to Group contribution			5.6	5.6
Total changes in shareholders’ equity not reported in income statement			**–14.4**	**–14.4**
Allocation of previous year’s accumulated deficit		–126.7	126.7	–
Profit/loss for the year			36.5	36.5
Shareholders’ equity, 31 Dec. 2002	**21.5**	**55.5**	**22.1**	**99.1**
Group contribution paid			8.4	8.4
Tax effect due to Group contribution			–2.3	–2.3
Total changes in shareholders’ equity not reported in income statement			**6.1**	**6.1**
Profit/loss for the year			–9.0	–9.0
Shareholders’ equity, 31 Dec. 2003	**21.5**	**55.5**	**19.2**	**96.2**

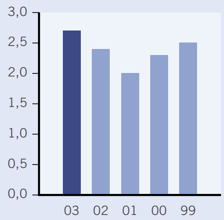
five-year summary

(SEK m)	2003	2002	2001	2000	1999
Income statement					
Net sales	647.5	838.6	1,099.4	1,454.1	1,183.1
Operating profit/loss before depreciation	34.6	33.3	–115.6	–5.9	87.5
Operating profit/loss after depreciation	15.4	16.8	–157.2	–30.8	72.9
Net financial items	12.2	–6.2	–37.0	–13.6	–8.2
Profit/loss after net financial items	27.6	10.6	–194.2	–44.4	64.7
Balance sheet					
Fixed assets	22.4	38.1	57.2	93.3	82.3
Current assets	186.8	252.1	332.4	611.1	448.9
Liquid assets	33.1	13.9	7.8	19.5	15.0
Shareholders' equity	70.4	53.0	60.0	145.3	212.0
Provisions	39.1	49.3	86.5	86.7	29.4
Interest-bearing liabilities	12.6	32.4	43.1	219.1	154.6
Non-interest bearing liabilities	120.3	169.4	207.7	272.9	150.2
Balance sheet total	242.4	304.1	397.4	723.9	546.3
KEY FIGURES (For definitions, see page 45)					
Return ratios					
Average return on operational capital employed, %	18.1	16.5	–52.4	–8.4	21.7
Average return on shareholders' equity, %	25.6	1.2	–189	–27.2	23.0
Margins					
Gross margin, %	5.3	4.0	–10.5	–0.4	7.4
Operating margin, %	2.3	2.0	–14.3	–2.1	6.2
Net margin, %	4.3	1.3	–17.7	–3.1	5.5
Capital turnover					
Capital turnover rate (multiple)	2.7	2.4	2.0	2.3	2.5
Financial data					
Debt/equity ratio (multiple)	N/A	0.35	0.72	1.37	0.66
Interest cover ratio (multiple)	6.6	2.4	N/A	–1.3	4.4
Equity/assets ratio, %	29.0	17.4	15.1	20.0	38.8
Cash flow	40.7	19.9	60.6	–5.9	34.1
Liquid assets (incl. unused credit)	149.2	137.2	181.1	156.8	160.4
Investments	4.7	5.7	8.9	11.3	10.5

Operating margin (%)

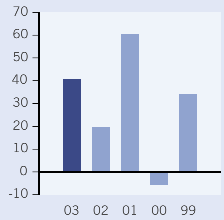


Capital turnover rate (multiple)

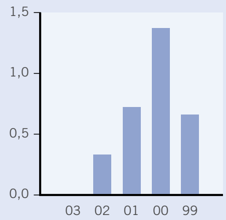


Return ratio (%)

Cash flow (SEK m)



Debt/equity ratio (multiple)



accounting principles

The Annual Report is produced in accordance with the Swedish Annual Accounts Act and in line with the recommendations and statements of the Swedish Financial Accounting Standards Council and the recommendations and statements of the Swedish Institute of Authorised Public Accountants (FAR).

New accounting principles. Several new recommendations from the Swedish Financial Accounting Standards Council came into effect on 1 January 2003. The new recommendations, together with previous years' recommendations, represent an adaptation of Swedish accountancy praxis to the International Financial Reporting Standards (IFRS). Doro has integrated the following principles that affect the company: recommendation no. 22 (Format of financial reports), recommendation no. 25 (Reporting of segments), recommendation no. 26 (Events after the balance day) and recommendation no. 27 (Financial instruments: Information and classification). No retroactive effects arise for Doro in previous years' accounts when applying the above principles. The new rules involve minor adjustments to the accounting principles observed hitherto, but they do entail a significant new amount of information in the notes and Directors' report.

The changeover to IFRS/IAS is described in more detail in the Directors' report.

Consolidated accounts. *Principles.* The Group's consolidated accounts include the parent company Doro AB and those companies in which the parent company, directly or indirectly, owns more than half of the voting rights. This means that Doro AB has a decisive influence over Group companies and that Doro AB has the right to set strategies for Group companies with the aim of making economic gains.

At the end of the financial year there were 11 (12) operating companies in the Group.

Acquired companies are included in the consolidated accounts from the date of acquisition. Sold companies are included up to and including their sale date.

The consolidated accounts are drawn up in line with the acquisition method, which means that the acquisition value of the shares in subsidiaries is eliminated against their shareholders' equity at the date of acquisition. The shareholders' equity in the subsidiaries is determined from a market valuation of assets, liabilities and provisions at the time of the acquisition. If required in accordance with the acquisition analysis, provisions for restructuring costs are made. Provisions for deferred tax on acquired untaxed reserves are made in conjunction with the acquisition. Unutilised tax carry forwards obtained in conjunction with the acquisition are converted into deferred tax assets if the assessed earning capability means that it can be expected that the assets can be utilised. Furthermore, deferred tax is calculated on the difference between the actual values of assets and liabilities and the fiscal residual value. For cases where the acquisition value of shares in Group companies exceeds the acquired shareholders' equity, calculated as above, the difference is accounted for as goodwill, which is depreciated according to plan. The internal balances and internal profits have been eliminated in the consolidated accounts.

When eliminating internal transactions, the fiscal effect is also calculated on the basis of rates of taxation applicable in each country.

Goodwill. Goodwill is calculated according to the acquisition method (see above under Consolidated accounts). For corporate acquisitions, the purchase price can be earnings-dependent. The calculation is based on future profits and therefore the total purchase price can vary. Every year a new reconciliation and booking of the expected purchase price is carried out. Adjusted goodwill is depreciated in line with the remaining goodwill's lifetime.

Effects of changing exchange rates. *Translation of foreign activities' currency.* All foreign subsidiaries are classified as independent. Doro therefore employs the current-rate method when translating foreign subsidiary companies' balance sheets and income statements. This means that all assets and liabilities in the subsidiaries are translated at the closing day rate, whilst all items in the income statements are translated at the average rate for the financial year. The exchange rate differences arising in this context are an effect partly of the difference between the average rates of the income statements and the closing day rates, and partly of the fact that net assets are translated at a different rate at the end of the year than at the beginning of the year. Exchange rate differences are not carried forward in the income statements and are instead carried directly to equity.

Receivables and liabilities in foreign currencies. Receivables and liabilities in foreign currencies are valued at the closing day rates and unrealised exchange rate profits and losses are included in the results. In cases where forward contracts are used this rate is used when assessing the value of hedged receivables and liabilities. Hedging contracts were in place on 31 December 2002 but not on 31 December 2003 because the hedging method was changed during the year (see below, Hedging of future flows)

Hedging of future flows. Doro changed its hedging method during Q1 2003. Previously Doro used forward contracts, but the new method involves currency options. Currency options provide greater flexibility when trading volumes vary and they also enable the company to benefit from the positive effects of the US dollar falling in value. Options contracts concerning future flows in foreign currency are not given a market value on the closing day. The real value of the options is reported in the notes. Doro has significant exposure because a large portion of production services are purchased in USD and the income of the majority of sales is in local currency. The exception is sales to markets where there are no Doro companies, where both income and expenses are mainly in USD.

Doro's currency policy means that 50 per cent of the expected purchase is hedged over six months. A further 50 per cent is hedged for everything over six months (currently a minor part of revenues).

Revenue recognition. Doro has the following types of revenue: product sales and sales of services. In addition there is delivery of large projects externally by the subsidiary, UpGrade Communication. Revenue is included in the accounts principally when all risks and rights connected with ownership have been transferred to the buyer, which usually occurs in connection with delivery, when the price is fixed and the collection of a receivable is probable.

Revenue recognition of services is performed as the service is performed. Revenue from projects is recognised through ongoing settlement of the project, which means that the company implements successive profit settlement.

Remuneration to staff. Remuneration to staff is reported as paid salaries plus accrued bonus payments. Complete reserves are made for various commitments such as holiday payments, payroll overheads, etc.

Pensions. Provisions for and payments of pensions (corresponding to future payments) are made according to different pension plans.

All pension commitments not taken over by insurance companies, or otherwise hedged through funding by an external party, are reported under liabilities in the balance sheet. Most of Doro's commitments to staff are in the form of various premium-related pension plans. In addition there are a few benefit-linked pension plans. In Sweden some staff are covered by an agreement with SPP. In France and Poland there are agreements concerning pension remuneration based on factors such as salary, period of employment, etc. An actuarial assessment has been made for all commitments to determine the liability.

Research and development. Doro operates in an environment characterised by swift technological development.

Costs for product adaptations, design, model approval, etc. are booked immediately in the accounts. No costs for development have been classified as intangible assets because the criteria for capitalisation of intangible assets have not been fulfilled. Product development is carried out in co-operation with production partners and most of the costs are borne by them.

Tangible and intangible fixed assets. Tangible and intangible fixed assets, mainly consisting of goodwill, machinery and equipment, are reported at their acquisition value with deductions for the accumulated depreciation according to plan.

Financial instruments. The Group uses a limited amount of financial derivatives to hedge exchange rates. The aim of the hedging policy is to protect Doro against sudden, large increases in the exchange rate of the US dollar and to absorb various brief fluctuations in exchange rates. This enables Doro to adapt sales prices to a higher level of the US dollar. During the year Doro changed from forward contracts to options. Options are bought with an addition to the forward rate of 5 per cent. Contracts are drawn up regularly. The costs of these derivatives are reported as they fall due. The valuation of options for these hedging flows (forward contracts last year) is reported in the notes. Loans are raised in the currencies that match the net investments in each country (see the chapter on the Parent company and the paragraph concerning Hedging of shareholders' equity in Group companies).

Write-downs. When there is an indication that an asset has dropped in value its recyclable value is established. The recyclable value is the higher value of an asset's net sale value and its utilisation value. When establishing the utilisation value a current value is assessed for the estimated future payments that the asset is expected to generate during its utilisation. When establishing the current value an interest calculation is used before tax that reflects the actual market interest and the risk that is linked with the asset. If the recyclable value falls below the booked value then a write-down of assets to the recyclable value is made. Write-backs are carried out if there is no longer good cause for write-downs. Write-downs and write-backs are reported in the income statement.

Depreciation. Depreciation according to plan is based on the acquisition values of the assets and their estimated economic lifespan:

Moulds/Production tools	2 years
Goodwill	10 years
Computers, cars, furniture etc.	2-5 years

Consolidated goodwill arising in conjunction with corporate acquisitions is depreciated linearly according to the plan drawn up for each acquisition over their anticipated economic life. The adopted 10-year depreciation plan is motivated by its long-term strategic importance.

Leasing. Leasing is classified in the consolidated accounts as financial or operational leasing. Financial leasing exists where the financial risks and benefits associated with the ownership in all essential matters are transferred to the lessee. In other cases it is an operational leasing. Financial leasing agreements for company cars, copying machines, computer equipment and the like are reported for intangible reasons as operational leasing. Doro has no financial leasing agreements. Property rents are included in operational leasing. No significant leasing agreements were signed in 2003.

Stocks. Stocks are valued at whatever is the lower of the acquisition value (FIFO) and the net sale value (lowest value principle). The acquisition value is calculated for each delivery. Intra-group profit eliminations are made for sales between Group companies.

Technological development is rapid and prices fall regularly. Writing-down of stocks is carried out in line with a model where older stock ages give higher write-down requirements. Different product families have different write-down periods. Write-downs increase on a scale and the products are written down to 50 per cent after 6-12 months and then fully written down after 18 months depending on the product family.

In addition to this, individual assessments can be carried out.

Guarantees and repairs. Provisions are made for the cost of repairing goods that can be returned within the guarantee period (normally one year from the sale to the end-user). A statistics program has been developed that provides forecasts based on the time that products are sold and returned, the proportion requiring repairs, scrapping, compensation through the exchange of the product or a credit as well as costs for checks, repairs (including parts) and transport. When deviations occur (mainly in numbers of products being returned) requirements for guarantee provisions are changed.

Accounts receivable. Accounts receivable are reported net after allocation for uncertain accounts receivable. Allocations for uncertain accounts receivable are based on a model in which the due date gives an increased writing-down requirement. In addition individual assessments are made of the accounts receivable, taking expected customer losses into account.

Other receivables are reported net after provisions for uncertain accounts receivable that are based on individual assessments with consideration for expected losses connected with these receivables.

Group contributions and shareholder's contribution. Group contributions that are paid and received are accounted for directly under equity as a reduction or increase of non-restricted equity. The tax effect is observed in Group contributions which are recorded in the income statement and under non-restricted equity.

Paid shareholders' contributions are recorded by the payee as an increase in the 'Participations in Group companies' item, after which an assessment is made as to whether a write-down of the value of the shares is appropriate. Received shareholders' contributions are recorded by the receiver directly under non-restricted equity.

Provisions. Provisions are defined as liabilities that are uncertain with reference to amount or timeframe because of an undertaking as a result of an event that has occurred, it is probable that a flow of resources will be required in order to regulate the undertaking and that a reliable estimation can be made.

Pensions, guarantee commitments, disputes and restructuring measures are recorded as provisions in the balance sheet.

Taxes. All tax is accounted for in the income statement that is expected to be paid on the recorded results. This tax has been estimated according to each country's tax regulations and is accounted for under the item "Taxes".

The Group's taxes consist partly of current tax on the taxable profits for the period and partly of deferred tax. The deferred tax mainly consists of tax calculated on the year's changes in untaxed reserves, other Group tax deductions and deferred tax assets regarding taxable loss carry-forwards.

Tax legislation in certain countries allows for allocation to special reserves and funds. Companies can thus, within certain limits, dispose and retain reported operating profits without being taxed immediately. The untaxed reserves are subject to tax only when they are dissolved for reasons other than covering losses.

The Group also reports deferred tax for temporary differences between reported and taxable values for assets and liabilities. Deferred tax assets are included in the balance sheet only to the extent of value that can probably be utilised within the near future. When calculating deferred tax the current nominal tax rate in each country is used.

The Group's balance sheet shows the individual company's untaxed reserves divided into shareholders' equity and deferred tax. The income statement shows deferred tax as tax relating to the annual change in untaxed reserves.

Deferred tax assets are reported in the balance sheet for the unutilised losses carried forward to the extent that they can be met by dissolving untaxed reserves or which have been calculated, in all probability, to be taken up in the foreseeable future.

Cash flow analysis. Cash flow analyses are drawn up using the indirect method, which means that the operating profit/loss is adjusted for transactions that did not entail payments in and out during the period and for future income and expenses relating to the cash flow of investing activities.

Liquid assets. Liquid assets comprise cash and bank balances plus approved bank credits. There is no other type of liquidity (current investment). Doro thus has no financial investments that shall be converted into real values.

Segment reporting. Doro's reporting is based on income statements and balance sheets from different countries. Different countries are therefore grouped together in segment reporting. Goodwill relating to different markets is divided.

Exchange rates. The following exchange rates have been used in consolidating the accounts:

		Average rate		Closing day rate	
Country	Currency	2003	2002	2003	2002
Australia	AUD	5.23	5.26	5.43	4.94
Denmark	DKK	1.23	1.23	1.22	1.23
Euro area	EUR	9.13	9.15	9.09	9.17
Hong Kong	HKD	1.04	1.25	0.93	1.12
Norway	NOK	1.15	1.23	1.08	1.26
Poland	PLN	2.08	2.39	1.93	2.28
Switzerland	CHF	6.02	6.23	5.83	6.31
United Kingdom	GBP	13.24	14.59	12.89	14.03
USA	USD	8.08	9.72	7.24	8.75

Parent company

Hedging of shareholders' equity in Group companies. In order to reduce the effects that arise when translating amounts for foreign subsidiaries the company's policy is that the parent company raises external loans in the exposed currency to meet the net assets in the foreign subsidiary. Exchange rate differences for these loans, after deductions for the relating tax effect, are reported in the consolidated accounts directly under shareholders' equity to the extent that they correspond to translation differences in the thereby hedged shareholders' equity in the foreign subsidiaries.

Intra-Group hedging. The parent company has internal hedging contracts with the subsidiaries. The parent company establishes the value of its exposure in USD by using the most advantageous of either the put/call rates of options or the spot rates on the closing date.

Write-downs and write-backs of shares in subsidiaries. Shares in subsidiaries are valued at their acquisition value. If the recyclable value should prove to be lower, a write-down occurs. Write-backs can occur of previous write-downs of the value of shares in subsidiaries.

notes Sums in SEK million unless otherwise stated.

Note 1 Net sales

Net sales presented as type of income

	2003	2002
Product sales	632.0	761.3
Service and repairs	11.7	7.8
Training and technical service	1.2	4.9
Project sales	2.3	0.0
Disposed businesses	0.3	64.6
Total	**647.5**	**838.6**

Note 2 Results per segment

Doro is organised into various geographic areas and reporting sectors. Results are therefore presented for each geographic segment.

2.1 Net sales per product line

	2003	2002
Telephony	572.9	696.7
Broadband	72.1	74.2
Parent company and eliminations	2.2	3.1
Disposed businesses	0.3	64.6
Total	**647.5**	**838.6**

2.2 Results per geographic segment

Results 2003	Net sales	Operating expenses	Financial expenses	Profit/loss after financial items
Nordic region	282.6	–278.5	–0.7	3.5
Rest of Europe	244.2	–235.8	+2.4	11.0
Rest of world	119.6	–107.5	+0.9	13.0
Parent company and eliminations	0.7	–10.4	+9.2	–0.5
Disposed businesses	0.3	0.0	+0.3	0.6
Total	**647.5**	**–632.1**	**+12.2**	**27.6**

Results 2002	Net sales	Operating expenses	Financial expenses	Profit/loss after financial items
Nordic region	326.0	–332.7	–0.9	–7.5
Rest of Europe	297.0	–275.9	+2.1	23.2
Rest of world	140.0	–119.5	+0.2	20.6
Parent company and eliminations	11.0	–31.4	–8.8	–29.1
Disposed businesses	64.6	–62.3	+1.1	3.4
Total	**838.6**	**–821.8**	**–6.2**	**10.6**

Balance sheet 2003	Assets	Liabilities	Net assets
Nordic region	150.2	–87.2	63.0
Rest of Europe	150.8	–55.8	95.0
Rest of world	45.2	–22.2	23.0
Parent company and eliminations	–107.7	–5.8	–113.5
Disposed businesses	3.9	–0.9	3.0
Total	**242.4**	**–172.0**	**70.4**

Balance sheet 2002	Assets	Liabilities	Net assets
Nordic region	220.0	–142.2	77.8
Rest of Europe	169.0	–71.5	97.5
Rest of world	73.0	–47.0	26.0
Parent company and eliminations	–199.0	+25.0	–174.1
Disposed businesses	41.2	–15.4	25.8
Total	**304.2**	**–251.1**	**53.0**

Investments	2003	2002
Nordic region	0.5	0.9
Rest of Europe	2.0	1.4
Rest of world	0.5	0.2
Parent company and eliminations	1.7	3.2
Total	**4.7**	**5.7**

Depreciation	2003	2002
Nordic region	1.5	2.0
Rest of Europe	1.3	2.4
Rest of world	0.4	0.3
Parent company and eliminations	8.8	11.1
Disposed businesses	–	0.7
Total	**12.0**	**16.5**

Write-downs	2003	2002
Nordic region	–	–
Rest of Europe	–	–
Rest of world	–	–
Parent company and eliminations	7.3	–
Disposed businesses	–	–
Total	**7.3**	**–**

Note 3 Intra-Group transactions

Of the parent company's invoicing, SEK 18 million (32) relates to subsidiaries. Invoicing from subsidiaries to the parent company amounted to SEK 5 million (29).

The parent company sold brand names to subsidiaries amounting to SEK 20 million in 2002.

Note 4 Leasing agreements

Costs for operational leasing charges during the year totalled SEK 2.1 million (4.4). Agreed future leasing costs amount to SEK 2.5 million (7.2) and fall due for payment over the next four years as follows: 2004 (SEK 1.6 m), 2005 (SEK 0.6 m), 2006 (SEK 0.2 m) and 2007 (SEK 0.0 m).

Note 5 Average number of employees

	2003	Of which men	Staff turnover	2002	Of which men	Staff turnover
Parent company	17	82%	6%	18	89%	11%
Other, Sweden	55	74%	5%	64	78%	3%
Norway	8	75%	0%	12	92%	0%
Denmark	6	50%	0%	10	50%	0%
Finland	5	60%	0%	6	50%	0%
United Kingdom	17	71%	12%	19	74%	11%
Switzerland	1	100%	–	7	86%	0%
Australia	21	47%	19%	23	52%	28%
Hong Kong	4	75%	0%	5	60%	0%
France	26	53%	12%	34	53%	14%
Poland	13	69%	8%	12	67%	8%
Total	**172**	**67%**	**8%**	**210**	**70%**	**8%**

Note 6 Gender of senior managers

	Total	Women (%)
Board	6	17%
Group management	5	0%
Parent company	1	0%
Other, Sweden	2	0%
Norway	1	0%
Denmark	2	0%
Finland	1	0%
United Kingdom	1	0%
Australia	1	0%
Hong Kong	1	0%
France	1	0%
Poland	1	0%

Note 7 Staff absence in Sweden, from 1 July 2003

Age	Total absence	Of which above 60 days
Under 30	2.4%	–
30-50	2.4%	–
Over 50	0.0%	–
Men	2.3%	–
Women	2.5%	–

Note 8 Age of staff

	2003	2002
Under 30	32	44
30-50	128	152
Over 50	12	14
	172	**210**

Note 9 Salaries and other remuneration

	2003	2002
Salaries and other remuneration		
Parent company	10.9	10.4
Subsidiaries	63.8	81.3
Group, total	**74.7**	**91.7**
Payroll overheads (of which pension costs)		
Parent company	4.5 (2.0)	5.3 (1.4)
Subsidiaries	14.3 (5.2)	16.7 (2.2)
Group, total	**18.8 (7.2)**	**22.0 (3.6)**

Pension costs for the managing directors of the subsidiaries amounted to SEK 1.2 million (0.7).

Note 10 Break-down of salaries and remuneration

	2003 Board and CEO	Other staff	2002 Board and CEO	Other staff
Sweden	5.9	26.9	4.8	29.1
Norway	1.1	3.6	1.0	5.2
Denmark	1.0	1.7	1.1	2.9
Finland	0.7	1.9	1.2	2.0
United Kingdom	1.5	6.5	1.1	7.0
Switzerland	1.6	0.5	2.3	3.2
Australia	2.4	6.0	3.6	10.2
Hong Kong	0.0	2.0	0.0	2.7
France	1.9	8.1	2.0	9.2
Poland	0.7	1.2	1.4	1.1
Total	**17.0**	**57.8**	**18.5**	**72.6**

Note 11 Management's remuneration (Tkr)

Board 2003	Fee	Pension	Other remuneration	Total
Chairman	200	0	0	200
Ulf Körner	70	0	60	130
Anders Frick	70	0	17,5	87.5
Other Board members	210	0	0	210
Total	**550**	**0**	**77,5**	**627.5**

Board 2002	Fee	Pension	Other remuneration	Total
Chairman	200	0	240	440
Ulf Körner	70	0	60	130
Other Board members	280	0	0	280
Total	**550**	**0**	**300**	**850**

Senior executives 2003	Salary	Bonus	Pension	Other remuneration	Total
Rune Torbjörnsen (CEO)	281	55	91	8	436
Gunnar Åkerblom	1,810	540	412	5	2,767
Other executives	2,840	648	683	92	4,263
Total	**4,931**	**1,243**	**1,186**	**105**	**7,465**

Senior executives 2002	Salary	Bonus	Pension	Other remuneration	Total
Gunnar Åkerblom (CEO)	1,798	270	354	0	2,422
Other executives	2,972	185	805	81	4,043
Total	**4,770**	**455**	**1,159**	**81**	**6,465**

Principles. Fees are paid to the Chairman and other Board members in accordance with decisions made by the AGM. Payment for work on the boards of subsidiaries is made separately.

Remuneration to the CEO and other senior executives comprises a basic salary, variable remuneration, other benefits (primarily a company car) and pension payments. The balance between basic salary and variable remuneration should be in proportion to the responsibility and authority of the executive.

There are 4 (4) other senior executives. Jérôme Arnaud, CEO of Doro SA, France, joined the senior management team in February 2003. His remuneration is reported as the CEO of a subsidiary and not in the item for other executives.

Comments on the table. The annual salary to the acting CEO, Rune Torbjörnsen, consists of a fixed salary of SEK 1.2 million. A bonus of 20 per cent of the basic salary is guaranteed for the period up to the end of 2004.

Bonus. As a bonus, the CEO has a variable remuneration linked to targets corresponding to 20 per cent of the basic salary. The maximum bonus is 100 per cent of the basic salary. This refers to an earned bonus. The bonus is linked to the return on capital employed and individual targets. The bonus is normally paid out during the year after it is earned.

Pensions. The CEO's pension is premium-based with an annual premium of 27 per cent of the total salary and a retirement age of 65. The retirement age for other senior executives of the Group is 65 and pensions are usually paid in accordance with the general pension plan plus full remuneration for the entire amount of salaries according to the ITP/ITPK plans. All pension benefits are irrevocable, i.e. not dependent on continued employment. The period of notice for senior executives is in line with LAS (the Employment Protection Act), or a maximum 24 months.

No agreements have been signed concerning pension commitments or the equivalent, more than is mentioned in the periods of notice mentioned above, whether for board members or senior executives.

Notice. The period of notice by the company is one year and by the CEO six months. The CEO has the right to salary over 12 months during the period of notice.

Gunnar Åkerblom left the post of CEO in October 2003 and was replaced by Rune Torbjörnsen. Allocations totalling SEK 4.4 million were made for all estimated expenses, which will be incurred after the end of 2003, relating to this change. The Board has cancelled the departing CEO's non-competition clause and therefore does not consider that compensation for termination is necessary. A reserve of SEK 1.1 million has been made for costs relating to other changes in Group management during 2003.

Compensation for termination will not be paid for senior executives who choose to resign.

Nominations and decisions. These procedures are explained in the Directors' report.

Share-related compensation. No member of the Board or senior executive has any compensation relating to shares (options, convertible debentures or similar) issued by Doro.

Options. Mellby Gård Industri AB, a company owned by Rune Andersson, has issued 239,000 options to 21 senior executives. All options fall due in April 2004.

Note 12 Interest income and similar income

	Group 2003	2002	Parent company 2003	2002
Interest income	1.3	1.0	1.1	1.9
Exchange rate gains	35.0	0.6	43.0	3.7
Other	0.3	0.0	0.0	0.0
Total	**36.6**	**1.6**	**44.1**	**5.6**

Note 13 Interest expenses and similar expenses

	Group 2003	2002	Parent company 2003	2002
Interest income	4.9	6.8	8.6	9.3
Exchange rate losses	18.4	1.0	18.0	0.0
Other	1.1	0.0	1.2	0.0
Total	**24.4**	**7.8**	**27.9**	**9.3**

Note 14 Appropriations

Parent company	2003	2002
Difference between booked depreciation and depreciation according to plan	0.0	0.0
Dissolution of tax allocation reserve	1.2	0.0
Total	**1.2**	**0.0**

Note 15 Intangible assets

The Group/ Goodwill	2003	2002
Acquisition value brought forward	78.6	85.5
Acquisitions during the year	0	0
Adjustment of acquisition value	0	–6.9
Closing accumulated acquisition value	**78.6**	**78.6**
Depreciation according to plan brought forward	33.8	27.8
Depreciation according to plan during the year	5.7	6.0
Write-downs brought forward	17.8	17.8
Write-downs during the year	7.3	0.0
Closing depreciation and write-downs	**64.7**	**51.6**
Closing residual balance according to plan	**13.9**	**27.0**

No acquisitions were made in 2003 and no amounts have been paid as purchase sums.

During 2002 final settlements were made for acquisitions and additional purchase sums were paid (lower than estimated).

Note 16 Tangible assets

	The Group		Parent company	
Inventory and tools	2003	2002	2003	2002
Acquisition value brought forward	66.0	74.7	21.3	22.7
Acquisitions during the year	4.7	5.7	1.7	2.5
Sales/Disposals/Other	–23.3	–14.4	–10.0	–3.9
Closing acquisition value	**47.4**	**66.0**	**13.0**	**21.3**
Depreciation according to plan brought forward	55.0	56.8	17.4	16.1
Depreciation according to plan during the year	6.3	10.5	3.0	5.0
Sales/Disposals/Other	–21.9	–12.3	–9.6	–3.8
Closing depreciation according to plan	**39.4**	**55.0**	**10.7**	**17.4**
Closing residual balance	**8.0**	**11.0**	**2.2**	**4.0**

Note 17 Participations in Group companies

Subsidiary	No. of shares	%		Nom. value	(SEK m) Book value 2003	Book value 2002
Doro A/S, Norway	3,000	100	NOK	1.5 m	4.0	13.9
Doro Danmark A/S	5,000	100	DKK	5.0 m	14.4	14.7
Doro Tele OY	29,600	100	EUR	0.6 m	5.8	7.9
Doro Protech AB[1)]	8,000	100	SEK	0.8 m	0.8	0.8
Doro Finans AB	1,000	100	SEK	0.1 m	26.8	26.8
Doro Nordic AB	200,000	100	SEK	20.0 m	26.1	24.0
Doro UK Ltd.	3,013,400	100	GBP	3.0 m	34.7	42.1
Doro Audioline AG[1)]	700	100	CHF	0.4 m	3.0	25.7
Doro Australia Ltd. Pty.	7	100	AUD	2.5 m	16.5	16.5
Doro Hong Kong Ltd.	4,500	100	HKD	4.5 m	4.7	4.7
Doro SAS	30,000	100	EUR	4.5 m	55.6	54.6
Doro Atlantel Sp.Zo.o.	2,800	100	PLN	14.0 m	15.2	38.9
Total					**207.8**	**270.6**

[1)] Dormant company

	2003	2002
Opening balance	270.6	230.5
Adjustment to acquisition value	–	–11.8
Redemption of shares	–23.5	–
New share issue	–	4.4
Shareholders' contributions paid	–	50.0
Write-downs during the year	–42.4	–37.4
Write-backs during the year	3.1	34.9
Closing balance	**207.8**	**270.6**

Write-downs during the year (depending mainly on dividends, goodwill depreciation and redemption of shares) amounted to SEK 42.4 million and were distributed among the following companies:

Doro UK Ltd.	SEK 7.4 m
Doro Audioline AG	SEK 1.3 m
Doro A/S	SEK 9.9 m
Doro Danmark A/S	SEK 0.3 m
Doro Atlantel Sp.Zo.o.	SEK 23.6 m

Write-backs during the year amounted to SEK 3.1 million and were distributed among the following companies:

Doro Nordic AB	SEK 2.1 m
Doro SAS	SEK 1.0 m
Doro Tele Oy	SEK 0.1 m

Write-backs have been completed following a settlement of shareholders' equity against the book value of the shares.

There are sub-groups within the Group, which include the following:

- Doro UK Ltd. is the parent company of Gima Electronics Ltd.
- Doro Finans AB is the parent company of UpGrade Communication AB.
- UpGrade Communication AB is the parent company of UpGrade Communication Danmark A/S.

Subsidiary – Company reg. no.	Registered office
Doro A/S - 934210719	Fredrikstad, Norway
Doro Danmark A/S - 180130	Birkeröd, Denmark
Doro Tele OY - 0994069-9	Helsinki, Finland
Doro Protech AB - 556542-2556 [1)]	Lund, Sweden
Doro Finans AB - 556450-7282	Lund, Sweden
Doro Nordic AB - 556558-0221	Lund, Sweden
Doro UK Ltd. - 1180330	Redditch, United Kingdom
Gima. Ltd. - 1627693 1)	Redditch, United Kingdom
Doro Audioline AG – 122237 [1)]	Köniz, Switzerland
Doro Australia Ltd. Pty. - ACN 003680528	NSW, Australia
Doro Hong Kong Ltd. - 08194263-000-12-98-6	Kowloon, Hong Kong
UpGrade Communication AB - 556280-7338	Lund, Sweden
UpGrade Communication A/S - 240210	Bröndby, Denmark
Doro SAS - 309 662 195	Versailles, France
Doro Atlantel Sp.zo.o. - H/B 9346	Krakow, Poland

[1)] Dormant company

Note 18 Prepaid expenses and accrued income

	The Group		Parent company	
	2003	2002	2003	2002
Prepaid rents	1.0	0.7	0.1	0.1
Other prepaid expenses	6.0	12.6	2.5	2.5
Other accrued income	3.7	0.0	4.7	0.0
Total	**10.7**	**13.3**	**7.4**	**2.6**

Note 19 Share capital and dividends

No. of shares		Voting rights	Type
A shares	9,703,154	1 vote per share	Normal
B shares	11,764,705	1/10 vote per share	Redeemable (up to March 2005)

Total numbers of shares 21,467,859

Share capital
21,467,859 shares at nominal SEK 1 per share = SEK 21,467,859

Dividends and redeemable shares
No dividend or redemption of shares was proposed as of 31 December 2003.

Convertible or synthetic options
There are no convertible or synthetic options outstanding.

Note 20 Untaxed reserves

Parent company	2003	2002
Transfers to allocation reserve		
1997 (tax year 1998)	0.0	0.7
1998 (tax year 1999)	0.0	0.5
Total	**0.0**	**1.2**

The deferred tax liability in the untaxed reserves totals SEK 0.0 million (0.3).

Note 21 Overdraft facilities

	The Group		Parent company	
	2003	2002	2003	2002
Approved credit	129.5	177.5	125.0	135.0
Utilised credit	4.2	24.7	13.0	16.5

Note 22 Accrued expenses and prepaid income

	The Group		Parent company	
	2003	2002	2003	2002
Holiday pay liability	5.7	6.8	1.2	1.3
Payroll overheads	2.3	3.5	0.7	0.7
Other staff liabilities	7.8	8.1	2.5	1.6
Other accrued expenses	15.0	12.9	2.8	3.1
Total	**30.8**	**31.2**	**7.2**	**6.7**

Note 23 Pledged assets to credit institutions

	The Group		Parent company	
	2003	2002	2003	2002
Chattel mortgages	180.5	180.5	170.0	170.0
Trade debtors and stock	44.3	59.5	0.0	0.0
Shares in Group companies [1)]	254.0	293.5	207.8	270.6
Total	**478.8**	**533.5**	**377.8**	**440.6**

[1)] The value of Group net assets refers to shares in subsidiaries.

Note 24 Contingent liabilities

	The Group		Parent company	
	2003	2002	2003	2002
Guarantee to subsidiary	12.7	20.4	12.7	20.4
Total	**12.7**	**20.4**	**12.7**	**20.4**

Note 25 Disputes

Doro works in an environment with different forms of responsibility for product functionality. Disputes can arise with suppliers because they do not deliver products that have the agreed quality, functionality or delivery time. Doro normally only has a small amount of these disputes.

Doro has reported a major dispute with a supplier in previous years' annual reports, for which funds of SEK 31 million were set aside in the accounts for 1999 and 2000. This means that there is no remaining risk. Nissho Iwai was taken to court in Osaka, Japan, in 2000 and sued for a total of SEK 106 million. Initial legal proceedings began in 2001 and are expected to be concluded in 2004.The entire legal process could take a further several years. A number of attempts have been made during the year to solve this dispute.

A successful outcome will mean that the entire sum will give the same result as a cash flow effect after deductions for ongoing legal fees and technical costs.

An older dispute about guarantees in connection with the purchase of a subsidiary has become more significant than expected. The previous owner had a dispute with a supplier. The supplier lost the case in a lower court and a payment was frozen by the court. Doro is of the opinion that no payment will be made before the case is finally decided.

Doro also has a commercial dispute with a previous distributor concerning stocks.

A new dispute has arisen concerning patent infringement. Extensive legal and patent-related consultations have taken place. Doro considers the case to be unfounded and that the risk of having to pay royalties is small. A legal assessment has been made that Doro's risks are limited.

Doro's principle is to reserve sums for estimated risks and legal costs until the case has been settled by a higher court.

Note 26 Auditors

Prior to the 2003 AGM tenders were made for auditing assignments. After negotiations the final proposals were presented to Doro's two main owners who chose Torbjörn Svensson (Deloitte & Touche AB) to audit the parent company, Doro AB. Deloitte & Touche will carry out the auditing at all large units within the Group for the period 2003-2006.

	The Group		Parent company	
Fees and costs	2003	2002	2003	2002
Auditing assignments	1.4	1.6	0.2	0.2
Other assignments	1.0	0.7	0.6	0.3

Auditing assignments refer to the auditing of the annual report, the accounts and the administration by the Board of Directors and the CEO. Auditing assignments also include what the company's auditors are required to perform, advise on, or other contributions resulting from observations made during this auditing work or while carrying out these assignments. Other assignments refer to all other activities.

Note 27 Taxes

	The Group		Parent company	
Components in tax for the period	2003	2002	2003	2002
Current tax cost	–5.1	–2.9	–	–
Deferred tax	–6.7	–7.0	–2.3	6.2
Total tax on profit/loss for the year	**–11.8**	**–9.9**	**–2.4**	**6.2**

Connection between the tax expense for the year and the reported earnings before tax:

	The Group		Parent company	
	2003	2002	2003	2002
Reported profit/loss before tax	27.6	10.6	–6.7	30.3
Tax at current rate, 28%	–7.7	–3.0	1.9	–8.4
Tax effect of non-deductible expenses:				
Depreciation/write-down of Group goodwill	–3.6	–1.7	–	–
Other non-deductible expenses	–1.6	–3.4	–14.4	–10.4
Tax effect due to Group contributions	–	–	2.3	–5.6
Non-taxable income	0.0	0.0	12.5	20.6
Change in deferred tax on loss carry-forwards	3.0	–9.7	0.6	3.6
Change in value of temporary differences	–3.0	6.4	–6.4	6.4
Adjustment for tax rates in foreign subsidiaries	1.1	1.5	–	–
Reported tax	**–11.8**	**–9.9**	**–3.5**	**6.2**

Temporary differences arise in those cases where accounted values of assets or liabilities and their tax value are different. Temporary differences, unutilised losses carried forward and other future tax deductions have led to deferred tax liabilities and tax assets for the following:

	The Group		Parent company	
	2003	2002	2003	2002
Deferred tax assets				
Unutilised losses carried forward	19	16	6	5
Allocation to restructuring reserve	–	3	0	0
Temporary differences	3	6	–	6
Total accounted deferred tax assets	**22**	**25**	**6**	**11**
Current tax	–5	–6	–1	1
Total booked tax assets	22	25	6	12
Total booked tax liabilities	–5	–6	0	–1
Deferred tax liabilities				
Tax allocation reserve	–	–	–	0.3
Total accounted deferred tax liabilities	**–**	**–**	**–**	**0.3**

Deferred tax assets are shown for unutilised losses carried forward, and temporary differences, when they can be met by resolving untaxed reserves or those that in all probability are calculated to be used in the near future.

Of the consolidated losses carried forward, SEK 204 million (216 m) can be used without a time limit being imposed. The substantial remaining losses are in Sweden, the UK, Denmark and France.

Non-accounted deferred tax assets for unutilised taxable losses carried forward amount to the following:

The Group		Parent company	
2003	2002	2003	2002
43	46	24	26

Temporary differences exist in the Group concerning intangible assets recorded under their respective taxable value in the consolidated balance sheet. Temporary differences arise for costs for which tax deductions can be made at a later date. These intangible assets (concerning the sale of brands between Group companies) appear in the Group companies' own balance sheets but are eliminated to zero in the consolidated balance sheet due to intra-Group transactions.

The deferred tax asset regarding the Group difference for these assets amounts to SEK 13 million (15), and this has not been included as a value in the Group's balance sheet.

Deferred tax receivables referring to allocations for restructuring measures amount to SEK 0 million (3) and for temporary differences SEK 2 million (0), which has not been included as a value.

Note 28 Profit/loss from participations in Group companies

	The Group		Parent company	
	2003	2002	2003	2002
Dividends	–	–	31.6	38.9
Write-down of shares	–	–	–42.4	–37.4
Write-back of shares	–	–	3.1	34.9
Write-back of receivables [1]	–	–	10.0	0.0
Total	**–**	**–**	**2.3**	**36.4**

[1] Concerns Doro SAS

Note 29 Information concerning comparisons

Items that affect comparisons between years include the following major items (SEK million):

Group	2003	2002
• Restructuring costs (excluding tax)	9	13

Note 30 Allocations for restructuring measures

An allocation for restructuring was made in Q4 2001.

	2003	2002
Opening balance	23	50
Amount released from	–15	–23
New allocations	0	0
Unutilised amount cancelled	0	–4
Closing balance	**8**	**23**

A major restructuring of the Doro Group was started in the autumn of 2001. This included job lay-offs, relocation to different premises, disposal of operations and the write-down of goodwill and deferred tax. The restructuring programme continued during 2002 and 2003 and is now entering its final phase.

Note 31 Allocations for guarantees

Doro's products are subjected to extensive quality testing. Guarantees are given to end-users that extend for one year after the date of purchase. Customers may be compensated in various forms through repairs, exchanging for similar products, credits or other measures. Doro has created a statistics model to estimate future compensation requirements based on predicted returned products over time, means of compensation and expenses for various compensation forms.

	2003	2002
Opening balance	20.3	29.0
Amount released from	–15.9	–19.0
New allocations	17.1	20.3
Unutilised amount cancelled	–4.7	–10.0
Closing balance	**16.8**	**20.3**

Note 32 Pension allocations

At most of its units Doro has premium-based pension systems. In certain countries there are fixed sums paid out when an employee retires. Furthermore there are shares in pension that are premium-based in Sweden.

	2003	2002
Opening balance	0.2	0.2
Amount released from	–0.1	0.0
New allocations	0.1	0.0
Unutilised amount cancelled	0.0	0.0
Closing balance	**0.2**	**0.2**

Note 33 Tax allocations

	2003	2002
Opening balance	4.5	0.2
Amount released from	–7.0	–
New allocations	6.0	4.4
Unutilised amount cancelled	–	–
Closing balance	**3.5**	**4.5**

Note 34 Allocations for disputes

The situation regarding disputes is explained in note 25. Reserves are made continually to cover the cost of court cases.

	2003	2002
Opening balance	2.8	2.5
Amount released from	–0.3	–1.5
New allocations	3.3	2.8
Unutilised amount cancelled	–	–1.0
Closing balance	**6.0**	**2.8**

Note 35 Other allocations

	2003	2002
Opening balance	3.5	1.7
Amount released from	–	–1.0
New allocations	1.1	0.5
Unutilised amount cancelled	–	–
Closing balance	**4.6**	**1.2**

Note 36 Winding up of activities

The restructuring started during autumn 2001 also involves focusing Doro's activities on chosen product segments and countries.

In 2003 the broadband business in Estonia was sold to management of the company. The sale was approved by the AGM of 13 March in accordance with the so-called Lex Leo. As a result, broadband activities are now focused on Scandinavia. The business had sales in 2002 of SEK 7 million and a loss was made as the company was in its start-up phase. The business was small and had operating capital of around SEK 4 million. The disposal of the company was completed in Q3 2003. The company was sold for the sum of its own capital and an agreement was signed regarding repayment of the loan to the previous owners. There was a negligible effect on cash flow.

Contracts were signed in December 2002 concerning the sale of some of the assets and liabilities in Doro Audioline AG, Switzerland, to Wycom AG. The deal was completed in January 2003. In 2002 sales in Switzerland amounted to SEK 36 million and resulted in a loss. At the end of 2002 operating capital amounted to SEK 11 million which has been converted to cash flow. During 2003 the share capital was written down and CHF 3.6 million (SEK 21 million) was repaid to Doro AB. The company in Switzerland is dormant.

Note 37 Effects of exchange rate fluctuations

Doro's currency policy is recorded in note 39 and a sensitivity analysis of changes in the US dollar is presented in the Directors' report.

The effects of exchange rate fluctuations on the Group amount to SEK 58 million (+12) and financial items are affected by SEK 12 million (+1). Exchange rate fluctuations include those differences arising between booking and paying debts and receivables in other currencies, the consolidation effect of the subsidiaries' results and the change to the average exchange rate when purchasing manufacturing services. Customer prices have been significantly reduced.

Shareholders' equity in foreign subsidiaries has been hedged by raising loans in the appropriate currencies. The unrealised profit amounts to SEK 5.7 million (loss of 2.2).

Note 38 Evaluation of financial instruments

At the end of 2003 the value of option contracts for the coming six months was SEK 1 million (0). The actual value of the options was SEK 0 million (0). The falling value of the US dollar has reduced the value of the options. There is therefore no expected income or expense.

At the end of the 2002 financial year forward contracts for the coming six months amounted to SEK 0 million (138 m). The unrealised loss (forward rate compared with closing rate) was SEK 0 million (8 m).

Other financial instruments (primarily customer receivables and supplier liabilities) are valued at the closing rate.

Note 39 Risks associated with financial instruments

Doro's finance policy. Doro's finance policy sets the framework for managing different types of financial risk and defines levels for risk exposure. The aim is to maintain a low risk profile.

Currency risks. Doro usually has a very limited currency risk on various receivables because most sales are made in local currencies. However, Doro does have a very significant exposure regarding liabilities. Because a large portion of products are bought in USD, changes can have a big impact (see the sensitivity analysis in the Directors' report). Purchasing options limits this risk to around 50 per cent for flows over a six-month period. The value of shareholders' equity in subsidiaries is protected via loans raised in local currencies.

Interest risks. Doro has only a limited amount of loans and a change in interest rates has an insignificant effect on results. Cash flow is uneven over the year and Doro borrows only over the short term and at variable rates.

Market risks. Doro is primarily active within telephony and is affected by the general price reductions in the electronics industry. This can mean that buy-back prices are lower than acquisition prices. Doro works proactively with various forecasting tools and stock monitoring programs. Co-operation with suppliers enables good flexibility based on forecasts that are converted into purchase orders. Stock levels are very low and therefore price risks are correspondingly low.

Credit risks. In recent years Doro has experienced very low credit losses (less than 0.5 per cent of sales) due to the fact that the main customer group is large businesses with regular trade. The largest single customer accounts for less than 5 per cent of the Group's sales. Doro has no liquid funds invested outside a normal bank account.

Liquidity risks. Doro has an annual credit contract with Nordea and maintains a continuous dialogue with the bank. The risk of having insufficient credit is assessed as small.

Cash flow risks. Doro's cash flow is uneven. It is strongly negative in the first half of the year and strongly positive in the final quarter. Credit volumes are adjusted to meet these fluctuations.

Note 40 Statement concerning interested parties

Doro has a credit agreement with Nordea bank that is reviewed annually and whose conditions are assessed as being market-based. The credit agreement includes a series of financial services such as loans, letters of credit, options, currency hedging, guarantees and ongoing transactions.

During the year Mellby Gård Industri AB carried out onward invoicing for certain services.

Doro has no other transactions with interested parties.

Lund, Sweden
30 January 2004

Anders Bülow
Chairman

Kerstin Häregård

Ulf Körner

Joen Magnusson

Tomas Persson

Rune Torbjörnsen
CEO

My auditor's report was submitted on 4 February 2004

Torbjörn Svensson
Authorised Public Accountant

auditor's report

To the Annual General Meeting of Doro AB (Publ)
Company Reg.No.556161-9429

I have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and CEO of Doro AB for 2003. These accounts and the administration of the Company are the responsibility of the Board of Directors and the CEO. My responsibility is to express an opinion on the annual accounts, the consolidated accounts, and the administration, based on my audit.

I conducted my audit in accordance with Generally Accepted Auditing Standards in Sweden. Those Standards require that I plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the CEO, as well as evaluating the overall presentation of information in the annual accounts and consolidated accounts.

As a basis for my opinion concerning discharge from liability, I examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any Board Member or the CEO.

I also examined whether any Board Member or the CEO has, in any other way, acted in contravention of the Swedish Companies Act, The Annual Accounts Act or the Articles of Association. I believe that my audit provides a reasonable basis for my opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and, thereby, give a true and fair view of the company's and the Group's financial position and results of operations, in accordance with generally accepted accounting principles in Sweden.

I recommend to the general meeting of shareholders that the income statements and balance sheets of the parent company and the Group be adopted, that the profit of the parent company be allocated in accordance with the proposal in the Directors' report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Lund,4 February 2004

Torbjörn Svensson
Authorised Public Accountant

definitions

Average return on capital employed. Operating profit/loss divided by the quarterly average capital employed excluding cash and bank balances.

Average return on shareholders' equity. Profit/loss after financial items and final tax divided by average shareholders' equity.

Gross margin. Operating profit/loss before depreciation as a percentage of the year's sales.

Operating margin. Operating profit/loss after depreciation as a percentage of the year's sales.

Liquid funds. Cash balances plus approved unutilised bank credit. Doro does not have any other liquid funds (short-term investments).

Net margin. Operating profit/loss after financial items as a percentage of the year's sales.

Capital turnover rate. Net sales for the year divided by the average balance sheet total.

Net debt/equity ratio. Net interest-bearing liabilities minus cash balances as a percentage of shareholders' equity.

Interest cover ratio. Profit/loss after net financial items plus financial expenses divided by financial expenses.

Equity/assets ratio. Shareholders' equity as a percentage of the balance sheet total.

Cash flow. Cash flow from current activities.

Investments. Net investments excluding acquisitions.

Earnings per share before tax. Profit/loss after financial items divided by the average number of shares.

Earnings per share after tax. Profit/loss after financial items less final tax divided by the average number of shares.

Cash flow per share. Cash flow from current activities divided by the average number of shares.

management group

Standing, from left: Jérôme Arnaud and Thomas Bergdahl.
Seated: Per Carlenhag, Rune Torbjörnsen and Ingvar Karlsson.

Rune Torbjörnsen, born 1964.
CEO of Doro.
Employed since 2003.
Shareholding: 0 shares
Options: 0

Ingvar Karlsson, born 1956.
Deputy CEO and CFO.
Employed since 1998.
Shareholding: 7,050 shares
Options: 33.000

Jérôme Arnaud, born 1963.
MD of Doro SAS, France.
Employed since 2000.
Shareholding: 0 shares
Options: 10,000

Thomas Bergdahl, born 1964.
Product and supply manager.
Employed since 2002.
Shareholding: 0 shares
Options: 0

Per Carlenhag, born 1954.
Quality and environmental manager. Employed since 1999.
Shareholding: 2,000 shares
Options: 4,000

Gunnar Åkerblom was a member of the management team until 7 October.
Allan Mårtensson was a member of the management team until 10 December.

Shares and options holdings also include shares and options held via personal companies and family holdings. Options are issued by Mellby Gård Industri AB.

board of directors

Members

Anders Bülow, born 1953.
CEO Mellby Industri AB.
Chairman of the Board
since 2001.
Other positions: Chairman of Svanströms AB, Brämhults Jos AB and Flash Holding AB and Board member of Bewator Holding AB.
Shareholding: 0
Options: 0

Kerstin Häregård, born 1957.
Head of marketing for private and farming markets at Länsförsäkringar Älvsborg.
Board member since 2003.
Other positions: None
Shareholding: 400 shares
Options: 0

Ulf Körner, born 1946.
Professor of Teletraffic systems at Lund University.
Board member since 1993.
Other positions: Board member of Consafe Infotech, Post-och Telestyrelsen and Chairman of UpGrade Communication AB.
Shareholding: 5,000 shares
Options: 0

Joen Magnusson, born 1951.
CEO G&L Beijer AB.
Board member since 1993.
Other positions: Board member of Beijer Electronics AB and others.
Shareholding: 2,142 shares
Options: 0

Tomas Persson, born 1954.
CEO of Brio.
Board member since 2002.
Other positions: Chairman of Lugi HF and Board member of Flügger AS.
Shareholding: 0
Options: 0

Gunnar Åkerblom
Left the Board on 7 October

Deputy

Anders Frick, born 1945.
Deputy Board member
since 2001.
Other positions: Chairman of AB Fagerhult and ProstaLund AB, Deputy Chairman of Sweco, Board member of Getinge AB and Securitas AB.
Shareholding: 0
Options: 0

Auditor

Torbjörn Svensson, born 1953.
Authorised Accountant
Deloitte & Touche AB.
Auditor for Doro since 1999.

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