



Interim report (1 Jan-31 March 2008) **Continued strong growth in Care Electronics**

First quarter 2008

- ▶ Sales amounted to SEK 71 million (SEK 79 m)
- ▶ Profit after tax was SEK 0.6 million (SEK 1.3 m)
- ▶ Earnings per share after tax was SEK 0.03 (SEK 0.07)
- ▶ Operating profit (EBIT) was SEK 1.1 million (SEK 1.2 m)
- ▶ Strong performance in Care Electronics, which more than doubled sales volume mainly as a result from strong sales of mobile phones
- ▶ Continued price pressure in Home Electronics resulting in lower sales
- ▶ Cash flow from operations SEK -17 million (SEK -14 m) following investments in new products and increase in working capital
- ▶ Improved Equity base with assets ratio now 27 per cent (19 per cent)

About Doro

With over 30 years' experience in telephony Doro is today characterized by innovative and user-friendly consumer electronics products. The company develops markets and sells a wide range of products in three business units: Home Electronics, Business Electronics and Care Electronics. The company's products are sold in more than 30 countries worldwide through a variety of retail outlets, including electronics stores, online stores and specialized channels. The company had sales of SEK 346 million in 2007. Doro's shares are quoted on the OMX Nordic Exchange, Small companies. Read more about Doro at www.doro.com





Comments by the CEO, Jérôme Arnaud

“For the first quarter Doro shows a small positive result, which is in accordance with plan. It is the fifth quarter in a row that Doro can show a positive net result.

In Q1 Doro's business unit **Care Electronics** more than doubled the sales compared to Q1 2007. Care Electronics now constitutes some 30 per cent of total sales, compared to 15 per cent in 2007.

The increase is mainly coming from the successful sales of our range of easy-to-use mobile phones, particularly in the Nordic region. New distributors and the launching of new Care Electronic products, in the mobile phone segment as well as other products, in 2008 will improve sales further. The outlook for the German market is promising after the recent signing up of several new German distributors.

Home Electronics continues to operate in a difficult market with continued strong price pressure. In addition, the market for corded phones is contracting. Doro has in Q1 lost market shares in the cordless market in France and Sweden due to fierce competition. During Q1 Home Electronics had sales that were 17 per cent lower than Q1 2007 for comparable units, while quantities sold fell by 10 per cent.

The development of the business unit **Business Electronics** was in line with the first quarter last year. At the end of Q1 2008, we launched important new Voice over IP products. We are progressively building an improved market access by establishing new distribution channels.

Trend-wise, organic sales growth for Doro's overall current product range, excluding divestments, is now at a positive 3 per cent. All in all, due to an improvement in gross margins with 2 per cent and a 12 per cent lower operational cost base, Doro's Q1 EBIT is on about the same level as last year, despite overall lower sales.

We will continue to invest in Care Electronics and feed our growth with new product launches. In the Home Electronics business unit we will focus on regaining market share and in Business Electronics additional Voice over IP products will be launched.

Sales

The first quarter

Doro had sales of SEK 71 million (SEK 79 m) in Q1. The lower sales are due to the divestments of Doro's operations in Australia and Poland and fall in sales for Home Electronics. For comparable units, Doro's overall sales fell by 7 per cent in the first quarter, while Doro managed to maintain volumes compared to the same period last year. Care Electronics continues to show important and contributing growth in sales, with a 128 per cent rise compared to last year.

Operating profit - EBIT

The first quarter

Despite lower sales the operating profit before tax and financial items was in line with last year, SEK 1.1 million (SEK 1.2 m).

The gross margin improved due to a more favourable product mix with higher margins, notably products within the Care Electronics business unit. Lower costs compared to last year as a result of cost rationalisation did continue to contribute. The weaker US dollar has also had a positive effect on margins.

Cash flow, investments and financial position

The cash flow from operations during Q1 was SEK -17million (SEK -14 m), following seasonal patterns and higher working capital due to the build-up of new product ranges. Investments during the period amounted to SEK 2 million (0).

At the close of the period Doro had bank loan for SEK 19 million, and the company had a total of SEK 50 million in total pre-agreed credit facilities per 31 March 2008. The equity/assets ratio was 27 per cent (19) at the end of the period

Business units

Doro has three business units,; Home Electronics, which is mainly home telephony, represents 59 per cent of sales (73 per cent in Q1, 2007), Business Electronics, mainly specialising in business telephony, 14 per cent of sales (15 per cent in Q1, 2007) and Care Electronics, which specialises in telecoms and electronic products for senior citizens, 27 per cent of sales (12 per cent in Q1, 2007).

Home Electronics

During Q1 sales fell by 29 per cent to SEK 42 million (SEK 60 m). For comparable units, sales fell by 17 per cent. Margins are, however higher than last year.

The most positive sales development has been shown by the new thin line of DECT telephones, which so far has been launched in the Nordic region.

Business Electronics

Business Electronics had sales of SEK 10 million (SEK 10 m). The new VoIP (Voice over IP) products, IP 500 and IP 800, were launched at the end of Q1 and are expected to contribute positively to sales from the second quarter onwards.

Care Electronics

Care Electronics increased its sales to SEK 19 million (SEK 9 m). This growth was driven by the new GSM phone, the HandleEasy 326gsm, designed with simplified features making it easy to use for elderly.

The photo phone, MemoryPlus 319ph received the French design award dedicated to the health sector: "Janus de la Santé".

Regions

Doro's three regions are Mainland Europe run from France (44 per cent of sales), the Nordic region (40 per cent) and the UK including Ireland (16 per cent). Doro operates via its own sales force or distributors in selected markets in these regions.

Mainland Europe

Mainland Europe's sales fell by 7 per cent during Q1 2008. Home electronics sales drop is partially compensated by Care Electronics sales growth. Sales of mobile telephones for elderly have not yet reached levels of Nordic region.

Nordic region

Nordic sales rose by 2 per cent during Q1 2008. Major regional operators Telia, Telenor and TDC are actively promoting the Care gsm range in their stores.

UK and Ireland

The UK is developing well in all three business segments due to listings with key distributors.

Personnel

The number of employees amounted to 57 at the end of the period. 28 are based in Sweden, 17 in France, 4 in the UK, 4 in Norway and 4 in Hong Kong.

Doro's shares

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

Eight key employees bought 130 000 shares in the company from DO Intressenter as of 7 January 2008.

Parent company

The parent company's net sales amounted to SEK 30.6 million (SEK 1.2 m). Doro Nordic AB, the former sales company, merged with the parent company Doro AB on 1 January 2008. The loss before tax was SEK 7.7 million (SEK -13.1 m).



Outlook

Lower sales in Home Electronics and higher marketing expenses invested in Care Electronics may have a negative effect on the results in the coming quarter, while the growth from the higher margin products in Care Electronics is expected to gradually improve the quarterly result compared to last year from Q3 onwards.

Risks

Doro's risks and instability factors are mainly related to supplier disruption, customer relations and currency exchange rate fluctuations. Apart from these risks and instability factors, which are described in the Annual Report 2007 on pages 24, 41 and 42, no other risks of any significance have been identified during the last period.

Accounting principles

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

Future reports and events

Annual Report

The Annual Report 2007 was published on 18 April. A pdf version of the Annual Report can be downloaded at www.doro.com

AGM

The Annual General Meeting will be held at the Scandic Star Hotel, Glimmervägen 5, Lund at 5 pm on 6 May 2008.

Quarterly reports

The Board has decided the following dates for the quarterly reports:

January-June 2008: 20 August

January-September 2008: 23 October

The quarterly reports are available at

Doro's website: www.doro.com

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

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

Lund, 6 May 2008 – 11. 00 a.m.

The Board Doro AB (publ)

Co. Reg. No 556161-9429

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

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Interim Report 1 January - 31 March 2008

INCOME STATEMENT (SEK m) Group	2008 Jan-Mar	2007 Jan-Mar	2007 Jan-Dec
Net sales	71.4	78.7	346.3
Operating costs	-69.5	-76.8	-336.3
Operating profit before depreciation	1.9	1.9	10.0
Depreciation acc. to plan	-0.8	-0.7	0.8
Operating profit after depreciation	1.1	1.2	9.2
Net financial items	-0.5	0.1	-1.1
Pretax profit	0.6	1.3	8.1
Taxes	0.0	0.0	-0.6
Net profit	0.6	1.3	7.5
Numbers of shares (average thousand)	17408	17408	17408
EPS before tax	0.03	0.07	0.47
EPS after tax	0.03	0.07	0.43

BALANCE SHEET (SEK m) Group	2008 31 Mar	2007 31 Mar	2007 31 Dec
Intangible assets	10.4	8.8	10.4
Tangible assets	4.4	2.8	3.8
Inventories	55.9	65.9	51.2
Current receivables	67.0	73.3	87.7
Cash at hand	8.5	13.4	8.3
Total assets	146.3	164.2	161.4
Shareholders' equity	40.1	31.3	39.5
Interest bearing liabilities	27.0	3.2	8.0
Non-interest bearing liabilities	79.3	129.8	113.9
Total equity and liabilities	146.3	164.2	161.4

CASH FLOW (SEK m)	2008 Jan-Mar	2007 Jan-Mar	2007 Jan-Dec
Operating profit after depreciation	1.1	1.2	9.2
Depreciation	0.8	0.7	0.8
Net financial items	0.5	0.1	-1.1
Taxes	0.0	0.0	-0.1
Changes in working capital	-18.7	-16.0	-39.0
Cash flow from current activities	-17.4	-14.0	-30.2
Acquisitions	0.0	0.0	9.4
Investments	-1.5	0.0	-5.1
Cash flow from investments	-1.5	0.0	4.4
Loans raised	19.0	-2.0	3.6
New issue	0.0	0.0	0.0
Dividend paid out	0.0	0.0	0.0
Translation difference and other	0.1	-1.0	0.0
Cash flow from financing activities	19.1	-3.0	3.6
Change in liquid funds	0.2	-17.0	-22.2
Net debt	18.5	-10.2	-0.3

SHAREHOLDERS' EQUITY (SEK m)	2008 31 Mar	2007 31 Mar	2007 31 Dec
Opening balance	39.5	31.6	31.6
Result of the period	0.6	1.3	7.5
Dividend	0.0	0.0	0.0
New issue	0.0	0.0	0.0
Currency effect and other	0.0	-1.6	0.4
Closing balance	0.0	31.3	39.5

OTHER KEY FIGURES	2008 31 Mar	2007 31 Mar	2007 31 Dec
Equity / Asset ratio	27	19	24
Numbers of A-shares (average thousand)	17408	17408	17408
Reported equity per share	2.30	1.80	2.27
Return on average shareholders' equity	6	16	21
Return on average capital employed	10	8	27
Market price at period's end	5.80	5.40	5.80
Market value (SEK m)	101	94	101

SALES PER SEGMENT (SEK m)	2008 Jan-Mar	2007 Jan-Mar	2007 Jan-Dec
Home Electronics	42.3	49.0	238.0
Business Electronics	9.8	10.0	41.0
Care Electronics	19.3	8.9	51.0
Divested units	0.0	10.8	16.3
Total	71.4	78.7	346.3

OPERATING PROFIT/LOSS AFTER DEPRECIATION PER SEGMENT (SEK m)	2008 Jan-Mar	2007 Jan-Mar
Home Electronics	0.9	1.9
Business Electronics	-1.1	0.3
Care Electronics	1.3	1.0
Divested units	0.0	0.0
Operating profit/loss after depreciation	1.1	1.2

INCOME STATEMENT (SEK m) Parent company*	2008 Jan-Mar	2007 Jan-Mar
Net sales	30.5	2.2
Operating costs	-35.9	-13.9
Operating profit before depreciation	-5.4	-11.7
Depreciation acc. to plan	-1.4	-0.1
Operating profit after depreciation	-6.8	-11.8
Net financial items	-1.0	-1.3
Pretax profit	-7.8	-13.1
Taxes	0.0	0.0
Net profit	-7.8	-13.1

SUMMARY OF BALANCE SHEET (SEK m) Parent company*	2008 31 Mar	2007 31 Dec
Intangible assets	95.0	95.0
Tangible assets	1.5	1.0
Inventories	19.9	0.0
Current receivables	30.3	12.3
Cash at hand	0.0	1.8
Total assets	146.7	110.1
Shareholders' equity	37.5	45.3
Interest bearing liabilities	26.2	46.4
Non-interest bearing liabilities	83.0	18.4
Total equity and liabilities	146.7	110.1

* From 1 Jan 2008 Doro Nordic AB is merged with Doro AB.