

6.4%

Net sales growth

2.9%

EBIT margin

Signs of recovery - new framework agreement signed with SKL**July – September 2016**

- Net sales amounted to SEK 473.2m (444.9), an increase of 6.4 percent.
- Operating profit (EBIT), including restructuring costs of SEK 4.3m, was SEK 13.9m (29.7), corresponding to an operating margin of 2.9 percent (6.7).
- Order intake amounted to SEK 547.8m (566.3), a decrease of 3.3 percent.
- Order book at the end of the period amounted to SEK 310.9m (294.2).
- Profit after tax for the period amounted to SEK 12.6m (22.0).
- Earnings per share after tax amounted to SEK 0.54 (0.95).
- Cash flow from current activities amounted to SEK 36.5m (32.9).

January – September 2016

- Net sales amounted to SEK 1,359.7m (1,206.3), an increase of 12.7 percent.
- Operating profit (EBIT), including restructuring costs of SEK 9.2m, was SEK 27.4m (36.5), corresponding to an operating margin of 2.0 percent (3.0).
- Profit after tax for the period amounted to SEK 19.6m (21.4).
- Earnings per share after tax amounted to SEK 0.84 (0.94).
- Cash flow from current activities amounted to SEK 11.5m (53.6).

Outlook

2016 profit for the group is expected to be somewhat below 2015 while sales can still be expected to be higher than previous year.

DORO GROUP

(SEKm)	2016 Jul-Sept	2015 Jul-Sept	2016 Jan-Sept	2015 Jan-Sept	2015 Full year
Net sales	473.2	444.9	1,359.7	1,206.3	1,828.9
Net sales growth, %	6.4	33.8	12.7	44.6	44.0
EBITDA	32.9	39.4	76.2	67.4	139.2
EBITDA margin, %	7.0	8.9	5.6	5.6	7.6
EBITA	15.9	32.1	33.7	43.9	105.1
EBITA margin, %	3.4	7.2	2.5	3.6	5.7
EBIT	13.9	29.7	27.4	36.5	95.2
EBIT margin, %	2.9	6.7	2.0	3.0	5.2
Profit after tax	12.6	22.0	19.6	21.4	63.8
Earnings per share after tax, SEK	0.54	0.95	0.84	0.94	2.78
Equity/assets ratio, %	42.5	39.7	42.5	39.7	40.2



CEO comment

Fundamentals have improved since we issued a profit warning and lowered our full-year outlook in early July, though we show a modest growth rate this quarter. As sales since end of last year have been negatively affected by the situation in Doro Care, it is satisfying to see that our phone business continues to perform. This quarter we saw particularly good sales in the DACH region and in our feature phone offering. We continue developing and harvesting the senior phone market, a niche that has been resilient when the mobile device market globally has been under pressure during the year.

The production and logistics issues hampering our higher-end feature phones and smart phones have been solved during the quarter. Our simple 4G mobile Doro 8030, a follow up to our more advanced 4G mobile Doro 825, is now getting further listings after the initial hardware supply delays we experienced in the second quarter. The delayed launch of Doro 8030 has negatively affected our smartphone sales in the quarter, which by the end of the third quarter represented 18.5 percent of our total mobile sales (down from 21 percent by the end of the second quarter). The IFA fair in Berlin generated many interesting new contracts and projects.

Doro Care has not met our expectations this year and as explained previously the standstill due to the appealed framework agreement with SKL (Sveriges Kommuner och Landsting) continued to affect the third quarter. However, since mid-October, the situation has improved as the judgment by the Administrative Court (Förvaltningsrätten) was in our favour. As one of three approved suppliers Doro Care has now signed a new contract with the procurement office of SKL (SKI Kommentus Inköpscentral AB).

We now expect sales for social alarm devices and services to start materializing during the fourth quarter and mainly during 2017. Our own estimate is that, in a normal market environment, the overall market for digital care phone subscriptions in Sweden during the stand-still period would have been in the range of 20,000 – 30,000. In the period January-September 2015 Doro Care added 20,000 subscribers, while during the same period this year, the number of new subscribers was 5,000. Forward looking 12 months recurring revenues by the end of the third quarter reached SEK 132m, which can be compared to SEK 71m reported at year-end 2015 (SEK 89m excluding Trygghetscentralen).

In the past quarter we decided to integrate Doro Care under the Doro Group management and we are already seeing that it is working better.

We continue to address profitability. Rationalizations in our product portfolio have had a negative impact of SEK 6.5m on EBIT in the quarter due to accelerated depreciation mainly. Organizational changes have resulted in restructuring costs in the third quarter of SEK 4.3m. Better sales mix, improved production efficiency and incorporation of Trygghetscentralen have contributed to the improved gross margin compared to last quarter and last year, however operating costs have increased and need close monitoring and further actions going forward.

We are now in the important fourth quarter, Christmas sales have a significant effect on our full-year sales and profitability. The situation has started to brighten, but most improvements have impact on a longer term, therefore 2016 will be a lost year for Doro Care in terms of profitability. We reiterate our amended full-year outlook that we presented in July. We expect profit for the group to be somewhat below 2015 while sales can still be expected to be higher than previous year.

Jérôme Arnaud, President & CEO

Stabilized situation although single-digit growth rate

Phones, particularly feature phones, performing well

Shipments of high-end feature phones and smart phones back on track

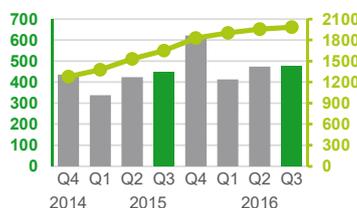
New framework agreement with SKL signed

Reduced group management team

Improved gross margin

Revised outlook reiterated

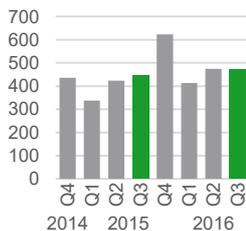
Net sales per quarter and R12m, SEKm



EBIT per quarter and R12m, SEKm



Net sales per quarter, SEKm



EBIT and EBIT margin per quarter, SEKm and %



Financial overview group, third quarter 2016

Sales

Doro's net sales in the third quarter amounted to SEK 473.2m (444.9), an increase of 6.4 percent compared to the third quarter 2015, or an increase of 2.8 percent excluding Trygghetssentralen. Currency adjusted growth for the third quarter amounted to 7.5 percent including Trygghetssentralen.

The many challenges that Doro struggled with in the second quarter have now been solved. Shipments of high-end feature phones and smartphones are back on track. The roll-out of the new 4G smartphone Doro 8030 that was expected for the second quarter was mainly realized in the third quarter. Sales are though still suffering from the delisting with a major customer in the second quarter. No new major contracts are compensating.

Particularly strong sales in the quarter are noted in our region DACH, sales have increased by 26.2% and the region's share of total sales is growing. Sales in USA and Canada on the other hand have slowed down significantly compared to the beginning of the year and UK due to lower conversion rate of £ to Swedish currency after Brexit announcement.

Sales in Doro Care are gradually coming back. Although there was a significant standstill in new contracts while the new framework agreement was under appeal, existing customers continued ordering. By the end of the third quarter, the number of subscribers within Doro Care reached nearly 113,000 (85,000 excluding Trygghetssentralen). Recurring revenues by the end of the third quarter reached SEK 132.3m, which can be compared to SEK 71m reported at year-end 2015 (SEK 89m excluding Trygghetssentralen).

Order intake during the third quarter decreased by 3.3 percent to SEK 547.8 m (566.3), mainly due to lower order activity in USA and Canada.

Result

The gross margin for the quarter improved to 39.3 percent (36.6), due to better mix of regional sales as well as incorporation of Trygghetssentralen. Higher operating costs are mainly attributable to higher expenses in general as well as adding Trygghetssentralen to the group. EBITDA for the third quarter decreased compared to last year, to SEK 32.9m (39.4), corresponding to an EBITDA-margin of 7.0 percent (8.9).

EBITA for the third quarter decreased to SEK 15.9m (32.1). Depreciation has increased due to increased investments and review of certain products' lifecycles.

Depreciation according to plan of intangible assets related to company acquisitions amounted to SEK -2.0m (-2.4) in the third quarter, resulting in an EBIT of SEK 13.9m (29.7), which corresponds to an EBIT-margin of 2.9 percent (6.7). The temporarily lower share of new Doro Care contracts had a significant impact on EBIT just as in previous quarters in 2016. Restructuring costs in the quarter amounted to SEK 4.3m.

Net financial items in the third quarter were SEK -0.1m (-0.8), including revaluation of financial instruments in foreign currencies.

Group tax in the quarter amounted to SEK -1.2m (-6.9).

Profit after tax or the period amounted to SEK 12.6m (22.0).

Cash flow, investments and financial position

Cash flow from current activities in the third quarter was SEK 36.5m (32.9).

Cash and cash equivalents at the end of the third quarter amounted to SEK 22.9m (42.6).

The equity/asset ratio was 42.5 percent (39.7) at the end of the period.

Net debt was SEK 178.6m, compared to SEK 198.8m at the end of the second quarter.

Significant events during the period

New organization and CEO in Doro Care, announced September 8

After evaluating how to build the Doro Care business further and realize additional synergies, the conclusion was that Doro Care would benefit from an even more intense co-operation with the rest of the Doro group. As Group CEO Jérôme Arnaud therefore assumed the position as CEO of Doro Care and Trygghetssentralen.

The administrative court issued its judgement on the appeal regarding a new framework agreement with SKL, announced September 30

A new framework agreement with the procurement office of the Swedish municipalities (SKL) had been appealed by a competitor. The administrative court (Förvaltningsrätten) rejected the appeal.

Significant events after the period

Changes in Group Management

Further changes has been made to the Group Management Team. Caroline Noublanche, Vice President Portfolio & Marketing, is leaving the company. As mentioned in our interim report for the second quarter 2016, Henric Ungh has been recruited as new Vice President Sales & Marketing with effect November 1.

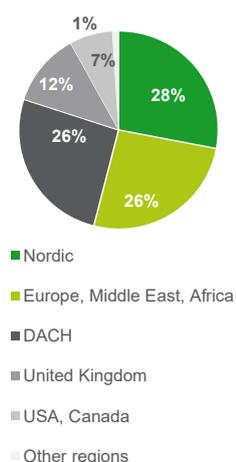
Doro Care has signed a new framework agreement with SKL

Doro Care was by the end of 2015 chosen as one of three parties that SKL Kommentar Inköpscentral AB (SKI) would sign a new framework agreement with, regarding social alarm devices and services. The procurement process was appealed and the new framework agreement could never come into effect. The Administrative court (Förvaltningsrätten) has now delivered their judgement. The appeal was rejected. SKI has thereby been able to proceed and on October 17 signed the new framework agreement with Doro Care and two other suppliers.

New Chairman of the Board

Doro's Chairman Magnus Mandersson resigned due to time constraints as of October 17. Johan Andsjö was appointed acting Chairman and Henri Österlund was appointed acting Vice-Chairman.

Total sales per region



Sales per region July – September 2016

SALES PER REGION^{*)}

Doro Group (SEK m)	2016 Jul-Sept	Net sales growth, %	2015 Jul-Sept recalc.	2016 Jan-Sept	2015 Jan-Sept recalc.	2015 Full year recalc.
Nordic	133.3	10.1%	121.1	365.4	325.3	463.9
Europe, Middle East and Africa	125.4	5.3%	119.1	338.2	335.4	468.5
DACH (Germany, Austria, Switzerland, CE)	123.7	26.2%	98.0	312.8	270.4	444.7
United Kingdom	56.5	-11.0%	63.5	171.2	178.4	278.8
USA and Canada	32.8	-15.9%	39.0	161.6	90.9	149.5
Other regions	4.4	-	3.0	12.9	6.7	13.0
Central	-2.9	-	1.2	-2.4	-0.8	10.5
Total	473.2	6.4%	444.9	1,359.7	1,206.3	1,828.9

^{*)} Note 1, 2

The Nordic region

Sales in the Nordic region increased by 10.1 percent in the third quarter. Excluding Trygghetscentralen sales have decreased by 3.0 percent. Sales in Doro Care are still lower than in the same period 2015, but as a new framework agreement now is in place and municipalities have started to place new orders, we anticipate that sales will improve from current levels. Device sales continue to be strong in both consumer and B2B channels, although we are suffering from customers keeping low stocks.

DACH (Germany, Austria, Switzerland and Central Europe)

Sales in the DACH region have been strong, up 26.2 percent during the third quarter. Feature phones have sold well with both retailers and operators. The 4G smartphone Doro 8030 was launched in a promising joint offer with Telekom Deutschland. In Switzerland, sales have been especially strong due to new listings and a better product mix. The launch of Doro in Croatia has been well received but volumes are still limited.

EMEA (Europe, Middle East and Africa)

Most significant in the past quarter was a large order from Algeria Telecom in July. Sales in the EMEA region increased by 5.3 percent in the third quarter. Sales of feature phones in the region are decreasing, nevertheless a successful launch of a new feature phone was made with Orange in France during the quarter. Smartphone sales are stable and were supported by listings with two new operators during the quarter.

United Kingdom

Sales in the region decreased by 11.0 percent in the third quarter. Sales are hampered during the transition from some successful 2G feature phones with 3G feature phones and smartphones with many customers. However, sales of the new products have started well. Currency effects following Brexit has a significant impact on consumer demand and will continue, as local prices are progressively increased.

USA and Canada

Sales in the region have decreased by 15.9 percent during the third quarter. Feature phones now are ordered in a quite normalized pattern and smartphones have been stocked in the first half year of the year and have not been reordered in the third quarter.

Other regions

Net sales of other regions amounted to SEK 4.4m (3.0).

Central overhead

For the third quarter, income and income adjustments not related to any specific region amounted to SEK -2.9m (1.2).

Shareholders' equity and the Doro share

Doro's shares are listed on Nasdaq Stockholm, Small Cap – Telecom/IT list. As per September 30, 2016, the total number of shares outstanding was 23,238,256. Shareholders' equity amounted to SEK 511.2m (448.9).

Transactions with related parties

No transactions took place between Doro and related parties that had a material impact on the Company's financial position and results during the period.

Employees

Doro had 492 (358) employees as of September 30, 2016, equivalent to 376 (287) full-time employees. Of these, 260 (235) are based in Sweden, 39 (38) in France, 16 (13) in the UK, 9 (9) in Hong Kong, 107 (3) in Norway 2 (1) in Italy, and 59 (59) in Germany.

Risks

Risks and instability factors are mainly related to supplier disruption, product adaptation and certification, customer relations, exchange rate fluctuations and loan financing. Apart from these risks and the instability factors described on page 20 of the 2015 Annual Report, and the public tender process in Doro Care, no other risks of any significance have been identified during the period.

Parent Company

The Parent Company's net sales for the third quarter amounted to SEK 341.3m (348.2). The profit after tax amounted to SEK 16.1m (15.1).

Accounting principles

This Interim Report has been prepared on behalf of the Group according to IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting of legal entities. The accounting principles and calculation methods applied are consistent with those that were applied when drawing up the previous year's accounts.

Seasonality

Doro's sales are subject to seasonal changes. Sales in the first quarter are normally the weakest in the year. In terms of normal seasonality, sales in the second and third quarter are normally sequentially higher than in Q1. Sales in the fourth quarter are normally the strongest in the year.

Outlook

2016 profit for the group is expected to be somewhat below 2015 while sales can still be expected to be higher than previous year.

Nomination Committee for the 2017 Annual General Meeting

At October 25, 2016, Doro announced the members of its Nomination Committee for the 2017 Annual General Meeting.

In accordance with the decision by Doro's Annual General Meeting (AGM) on 3 May 2016, the acting chairman of the board, Johan Andsjö, has summoned the Nomination Committee. After consultation with the major shareholders of the company as per 30 September, the committee consist of the following members who represent the three largest shareholders as per September 30:

- Mark Shay, nominated by Accendo Capital, also elected chairman of the nomination committee.
- Helen Fasth Gillstedt, nominated by Handelsbanken Fonder.
- Bengt Belfrage, nominated by Nordea Fonder.
- Johan Andsjö, acting chairman of the board is adjunct to the Nomination Committee.

The Nomination Committee will prepare proposals for the AGM in 2017, including proposals for the Chairman of the AGM, Board members, Chairman of the Board, remuneration for Board members, auditors, fees to the auditors and the tasks and composition of the Nomination Committee for the AGM in 2018.

Shareholders who wish to submit proposals to the Nomination Committee should send an email to valberedning@doro.com.

Reporting dates

Q4 report October – December 2016:	February 17, 2017
Q1 report January – March 2017:	April 27, 2017
Q2 report April – June 2017:	July 13, 2017
Q3 report July – September 2017:	October 24, 2017
Q4 report October – December 2017:	February 15, 2018

Annual General Meeting 2017

The annual general meeting 2017 will be held on April 27, 2017.

For further information, please contact:

Jérôme Arnaud, President and CEO, +46 (0)46 280 50 05
Magnus Eriksson, CFO, +46 (0)46 280 50 06

Doro's report to be presented via audiocast

Analysts, investors and the media are welcome to attend a presentation via <http://edge.media-server.com/m/p/kg4i2a5> or by telephone at 09:00 CET on October 28, 2016. Doro's President and CEO Jérôme Arnaud and Doro's CFO Magnus Eriksson will hold the presentation and answer questions. Before the start of the presentation, the material will be made available at <http://corporate.doro.com/blog/hp-doro-webcast>.

Call-in details

Sweden:	+ 46 (0) 8 505 564 74
France:	+ 33 (0) 170 750 712
United Kingdom:	+ 44 (0) 203 364 5374
United States:	+ 1 855 7532 230

The Q4 report will be presented on February 17, 2017

This report will be presented via an audiocast on October 28, at 09:00 CET

About Doro

Doro develops telecom products and services for Seniors to lead full and rich lives: to do things they want to do more easily as well as the things they thought they might never do. The global market-leader in senior mobile phone, Doro offers easy-to-use mobile phones and smartphones, mobile applications, fixed line telephony with loud and clear sound. Within Doro Group, Doro Care offers social care and telecare solutions for elder and disabled persons for independent and safe living in their own homes. Doro AB is a Swedish public company and its shares are quoted on the Nasdaq OMX Stockholm exchange, Nordic List, Small Companies. Total revenue of SEK 1,838 million (EUR 200 million) was reported for 2015. www.doro.com

Financial Reports

INCOME STATEMENT

Doro Group (SEKm)

	Note	2016 Jul-Sept	2015 Jul-Sept	2016 Jan-Sept	2015 Jan-Sept	2015 Full year
Net sales	1	473.2	444.9	1,359.7	1,206.3	1,828.9
Own work capitalized and other income	1	1.0	1.6	10.6	6.1	9.1
Operating cost		-441.3	-407.1	-1294.1	-1145.0	-1,698.8
Operating profit/loss before depreciation and write-downs, EBITDA		32.9	39.4	76.2	67.4	139.2
Depreciation according to plan, excl. depreciation of intangible assets related to company acquisition		-17.0	-7.3	-42.5	-23.5	-34.1
Operating profit/loss after depreciation and write-downs, EBITA		15.9	32.1	33.7	43.9	105.1
Depreciation according to plan of intangible assets related to company acquisitions		-2.0	-2.4	-6.3	-7.4	-9.9
Operating profit/loss after depreciation and write-downs, EBIT		13.9	29.7	27.4	36.5	95.2
Net financial items		-0.1	-0.8	-4.3	-8.7	-10.8
Profit/loss after financial items		13.8	28.9	23.1	27.8	84.4
Taxes		-1.2	-6.9	-3.5	-6.4	-20.6
Profit/loss for the period		12.6	22.0	19.6	21.4	63.8
Average number of shares, thousands		23,238	23,238	23,238	22,836	22,937
Average number of shares after dilution, thousands ^{*)}		23,440	23,266	23,506	22,862	22,995
Earnings per share before tax, SEK		0.59	1.24	0.99	1.22	3.68
Earnings per share before tax, after dilution, SEK ^{*)}		0.59	1.24	0.98	1.22	3.67
Earnings per share after tax, SEK		0.54	0.95	0.84	0.94	2.78
Earnings per share after tax, after dilution, SEK ^{*)}		0.54	0.95	0.83	0.94	2.77

^{*)} The effect of dilution is considered only when the effect on earnings per share is negative.

STATEMENT OF COMPREHENSIVE INCOME

Doro Group (SEKm)

	2016 Jul-Sept	2015 Jul-Sept	2016 Jan-Sept	2015 Jan-Sept	2015 Full year
Profit/loss for the period	12.6	22.0	19.6	21.4	63.8
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Translation differences	4.0	1.4	6.2	1.2	-2.3
Effects from cash flow hedges	-1.8	5.7	4.0	8.3	1.7
Deferred tax	0.4	-1.2	-0.9	-1.8	-0.4
Total Result related to Parent company's shareholders	15.2	27.9	28.9	29.1	62.8

STATEMENT OF FINANCIAL POSITION

Doro Group (SEKm)

	2016 30 Sept	2015 30 Sept	2015 31 Dec
Non-current assets			
Intangible assets	473.1	440.2	443.1
Property, plant and equipment	10.4	7.4	7.7
Financial assets	8.2	14.2	15.2
Deferred tax asset	20.6	14.8	15.6
Current assets			
Inventories	240.0	224.9	188.5
Current receivables	428.9	387.2	484.9
Cash and cash equivalents	22.9	42.6	43.9
Total assets	1,204.1	1,131.3	1,198.9
Shareholders' equity attributable to Parent company's shareholders	511.2	448.9	482.0
Longterm liabilities	192.0	187.0	170.3
Current liabilities	500.9	495.4	546.6
Total shareholders equity and liabilities	1,204.1	1,131.3	1,198.9

Financial instruments recognized at fair value in the Balance Sheet (SEKm)

	2016 30 Sept	2015 30 Sept	2015 31 Dec
Exchange rate contracts recorded as current liability	4.4	2.8	7.3
Exchange rate contracts recorded as current receivable	7.5	7.3	10.8

Financial instruments recognized at fair value consist of currency forward contracts and are used primarily for hedging purposes and are measured at level 2.

STATEMENT OF CASH FLOWS Doro Group (SEKm)

	Note	2016 Jul-Sept	2015 Jul-Sept	2016 Jan-Sept	2015 Jan-Sept	2015 Full year
Operating profit/loss after depreciation and write-downs, EBIT		13.9	29.7	27.4	36.5	95.2
Depreciation according to plan		19.0	9.7	48.8	30.9	44.0
Net Financial items		-1.1	-1.6	-4.2	-7.7	-10.8
Unrealized exchange rate differences in cash flow hedges		-1.9	2.0	4.3	12.8	6.3
Revaluation deferred consideration		0.0	0.0	0.0	0.0	-0.5
Taxes paid		-8.1	-3.1	-26.8	-18.8	-17.4
Changes in working capital (including changes in provisions)		14.7	-3.8	-38.0	-0.1	-31.1
Cash flow from current activities		36.5	32.9	11.5	53.6	85.7
Acquisitions	3	0.0	-1.5	-27.9	-162.0	-162.0
Investments		-17.8	-13.0	-48.9	-35.9	-58.7
Cash flow from investment activities		-17.8	-14.5	-76.8	-197.9	-220.7
Amortisation of debt		-36.8	-40.7	-59.6	-43.1	-52.9
New loans/change in bank overdraft facility		5.8	9.7	100.6	150.6	154.7
Dividend		0.0	0.0	0.0	0.0	0.0
New share issue		0.0	0.0	0.0	0.0	0.0
Warrant program, new/buy back		0.0	0.3	0.3	0.6	0.0
Cash flow from financial activities		-31.0	-30.7	41.3	108.1	101.8
Exchange rate differences in cash and cash equivalents		1.4	0.9	2.9	0.6	-1.1
Change in liquid funds		-10.9	-11.4	-21.1	-35.6	-34.3
Net debt		178.6	122.9	178.6	122.9	116.6

STATEMENT OF CHANGES IN EQUITY

Doro Group (SEKm)

	2016 30 Sept	2015 30 Sept	2015 31 Dec
Opening balance	482.0	334.8	334.8
Total Result related to Parent company's shareholders	28.9	29.1	62.8
Dividend	0.0	0.0	0.0
Warrants	0.3	0.6	0.0
New share issue	0.0	84.4	84.4
Closing balance	511.2	448.9	482.0

OTHER KEY FIGURES

Doro Group	2016 30 Sept	2015 30 Sept	2015 31 Dec
Orderbook at the end of the period, SEK m	310.9	294.2	193.7
Order intake Q, SEKm	547.8	566.3	527.5
Gross margin, %	36.8	36.5	37.2
Gross margin Q, %	39.3	36.6	-
Equity/assets ratio, %	42.5	39.7	40.2
Number of shares at the end of the period, thousands	23,238	23,238	23,238
Number of shares at the end of the period after dilution, thousands*	23,517	23,302	23,464
Equity per share, SEK	22.00	19.32	20.74
Equity per share, after dilution SEK*	21.74	19.26	20.54
Earnings per share after taxes paid, SEK	-0.16	0.39	2.92
Earnings per share after taxes paid, after dilution, SEK*	-0.16	0.39	2.91
Return on average share holders' equity, %	12.9	11.5	15.6
Return on average capital employed, %	12.7	15.1	17.1
Share price at period's end, SEK	63.00	46.20	62.00
Market value, SEKm	1,464.0	1,073.6	1,440.8

*) The effect of dilution is considered only when the effect on earnings per share is negative.

SALES PER REGION*)

Doro Group (SEKm)	2016 Jul-Sept	2015 Jul-Sept recalc	2016 Jan-Sept	2015 Jan-Sept recalc	2015 Full year recalc
Nordic	133.3	121.1	365.4	325.3	463.9
Europe, Middle East and Africa	125.4	119.1	338.2	335.4	468.5
Dach (Germany, Austria, Switzerland and Central Europe)	123.7	98.0	312.8	270.4	444.7
United Kingdom	56.5	63.5	171.2	178.4	278.8
USA and Canada	32.8	39.0	161.6	90.9	149.5
Other regions	4.4	3.0	12.9	6.7	13.0
Central	-2.9	1.2	-2.4	-0.8	10.5
Total	473.2	444.9	1,359.7	1,206.3	1,828.9

*) Note 1, 2

INCOME STATEMENT

Parent company (SEKm)	2016 Jul-Sept	2015 Jul-Sept	2016 Jan-Sept	2015 Jan-Sept	2015 Full year
Net sales	341.3	348.2	1,007.8	921.9	1,393.4
Own work capitalized and other income	-0.5	0.0	5.3	0.0	1.3
Operating cost	-305.6	-322.9	-945.7	-896.4	-1,332.2
Operating profit/loss before depreciation and write-downs, EBITDA	35.2	25.3	67.4	25.5	62.5
Depreciation	-16.0	-6.3	-39.7	-21.9	-31.0
Operating profit/loss after depreciation and write-downs, EBIT	19.2	19.0	27.7	3.6	31.5
Net financial items	1.0	0.2	-0.8	-4.1	-5.1
Profit/loss after financial items	20.2	19.2	26.9	-0.5	26.4
Taxes	-4.1	-4.1	-5.9	0.2	-6.1
Profit/loss for the period	16.1	15.1	21.0	-0.3	20.3

STATEMENT OF COMPREHENSIVE INCOME

Parent company (SEKm)	2016 Jul-Sept	2015 Jul-Sept	2016 Jan-Sept	2015 Jan-Sept	2015 Full year
Profit/loss for the period	16.1	15.1	21.0	-0.3	20.3
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Effects from cash flow hedges	-1.8	5.7	4.0	8.3	1.7
Deferred tax	0.4	-1.2	-0.9	-1.8	-0.4
Total Result related to Parent company's shareholders	14.7	19.6	24.1	6.2	21.6

STATEMENT OF FINANCIAL POSITION

Parent company (SEKm)

	Note	2016 30 Sept	2015 30 Sept	2015 31 Dec
Non-current assets				
Intangible assets		59.4	48.9	59.0
Property, plant and equipment		1.0	1.6	1.4
Financial assets		347.3	320.3	319.3
Current assets				
Inventories		158.7	160.2	120.8
Current receivables		439.2	456.4	525.2
Cash and cash equivalents		4.0	17.7	7.1
Total assets		1,009.6	1,005.1	1,032.8
Shareholders' equity attributable to Parent company's shareholders				
Provisions		73.5	72.5	73.0
Longterm liabilities		150.0	127.5	120.0
Current liabilities		391.0	449.6	468.9
Total shareholders equity and liabilities		1,009.6	1,005.1	1,032.8

Notes

Note 1 – Revenue

As from 2016, Net sales and Own work capitalized and Other income are reported separately, as in the Annual report. Previously, these items were reported together.

Note 2 – Sales per region

At the acquisition of Doro Care it was decided to report all sales of the acquired business as Nordic. As from 2016 Doro Care reports sales per region in the same way as the rest of Doro Group. Comparable figures for 2015 have been recalculated in accordance with the 2016 principle.

Note 3 – Aquisitions 2016

Acquisition of Trygghetssentralen AS 2016

On April 15, 2016, DORO AB acquired all shares of Trygghetssentralen AS in Norway. Costs for the acquisition of SEK 1.2m were charged to the operating result. The purchase price was paid in cash of SEK 29.4m, of which SEK 8.8m referred to settlement of Trygghetssentralen's loans from its previous owner. Goodwill is linked to the enhanced position in the Care area in Norway that Trygghetssentralen's sales channel provides, as well as increased expertise in the Care area. On the acquisition date, the headcount was 68 permanent employees and approximately 60 temporary employees. In 2015, Trygghetssentralen had annual sales of NOK 68m.

The preliminary figures for the acquired net assets and goodwill are presented below:

	Fair value (SEKm)
Property, plant and equipment	2.2
Deferred tax assets	0.5
Inventories	2.2
Accounts receivables	6.1
Other receivables, Prepaid expenses and accrued income	2.0
Cash and bank balances	1.5
Accounts payable	-1.2
Other liabilities, Accrued expenses and prepaid income	-5.1
Acquired Net Assets	8.2
Goodwill	21.2
Total purchase consideration	29.4
Cash in acquired company	1.5
Change in the Group's cash flow resulting from the acquisition	27.9

Definitions

Gross Margin	Net sales - Merchandise costs
Gross Margin, %	Gross Margin in percentage of Net sales
Average number of shares	Number of shares at the end of each period divided with number of periods.
Average number of shares after dilution	Average number of shares adjusted with the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the exercise price and the assumed number of shares issued at average market price for the period.
Earnings per share before tax	Profit/loss after financial items divided by the average number of shares for the period.
Earnings per share before tax, after dilution	Profit/loss after financial items divided by the average number of shares for the period after dilution.
Earnings per share after tax	Profit/loss after financial items minus tax divided by average number of shares for the period.
Earnings per share after tax, after dilution	Profit/loss after financial items minus tax divided by the average number of shares for the period after dilution.
Number of shares at the end of the period	Actual number of shares at the end of the period.
Number of shares at the end of the period, after dilution	The number of shares at the end of the period adjusted with the dilution effect from warrants is calculated as the difference between assumed number of shares issued at the exercise price and the assumed number of shares issued at the closing market price at the end of the period.
Equity per share	Shareholders' equity at the end of the period divided by the number of shares at the end of the period.
Equity per share, after dilution	Shareholders' equity at the end of the period divided by the number of shares at the end of the period, after dilution.
Earnings per share after taxes paid	Profit/loss after taxes paid divided by average number of shares for the period.
Earnings per share after taxes paid, after dilution	Profit/loss after taxes paid divided by the average number of shares for the period after dilution.
Net Debt/Net Cash	Cash and bank balances reduced with interest bearing liabilities.
Equity/assets ratio, %	Shareholders' equity as a percentage of the balance sheet total.
Return on average shareholders' equity, %	Profit/Loss rolling twelve months after financial items and tax divided by average shareholders' equity.
Capital employed	Total assets reduced with non-interest bearing debt and cash and bank balances.
Return on average capital employed, %	Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.
Share price at period's end	Closing market price at the end of the period.
Market value, SEK m	Share price at period's end times the number of shares at the end of the period.

Use of non-IFRS performance measures

Guidelines on Alternative Performance Measures (APMs) for companies with securities listed on a regulated market within the European Union have been issued by ESMA (the European Securities and Markets Authority). These guidelines apply to APMs disclosed when publishing regulated information on or after July 3, 2016. Reference is made in the interim report to a number of non-IFRS performance measures that are used to help investors as well as management analyse the company's operations. Described below are the non-IFRS performance measures that are used as a complement to the financial information that is reported in accordance with IFRS.

Description of financial performance measures that are not used in IFRS

Non-IFRS performance measure	Description	Reason for use of the measure
Restructuring costs	Costs for impairment together with personnel costs in connection with restructuring.	This measure shows the specific costs that have arisen in connection with restructuring of a specific operation, which contributes to a better understanding of the underlying cost level in the continuing operations.
Gross Margin %	Net Sales minus Merchandise costs in percentage of Net Sales.	Gross Margin is an important measure for showing the margin before Personnel expenses and Other external expenses.
Sales growth comparable entities %	Net Sales for the period minus Net Sales for entities acquired during the year minus Net Sales for the corresponding period last year in percentage of Net Sales for the corresponding period last year.	Sales growth for comparable entities shows the Group's organic growth excluding acquired businesses.
Currency adjusted Sales growth %	Net Sales for the period recalculated using last year's currency exchange rates minus Net Sales for the corresponding period last year in percentage of Net Sales for the corresponding period last year.	The measure shows the Sales growth excluding the effect of changes in currency exchange rates between the years.
Equity/assets ratio	Equity expressed as a percentage of total assets.	A traditional measure for showing financial risk, expressing the amount of restricted equity that is financed by the owners.
Return on average shareholders' equity	Profit/Loss rolling twelve months after financial items and tax divided by average shareholders' equity.	Shows from a shareholder perspective the return that is generated on the owners' capital that is invested in the company.
Capital employed	Total assets reduced with non-interest bearing debt and cash and bank balances.	This measure shows the amount of total capital that is used in the operations and is thus one component for measuring the return from operations.
Return on average capital employed	Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.	This is the central ratio for measuring the return on the capital tied up in operations.
Recurring revenues	Net Sales during the next 12 months coming from existing subscription agreements.	The measure shows already agreed revenues for the coming twelve months-period.
Number of subscribers	Number of subscribers connected to the alarm receiving centre.	The measure shows the volume of customers in the alarm receiving centre.

Calculation of financial performance measures that are not defined in IFRS

	2016 Jul-Sept	2015 Jul-Sept	2016 Jan-Sept	2015 Jan-Sept	2015 Full year
Currency adjusted Sales growth (MSEK)					
Currency adjusted Sales growth	33.0	92.1			
Currency effect	-4.7	20.4			
Reported Sales growth	28.3	112.5			
Capital employed					
Total assets			1,204.1	1,131.3	1,198.9
Non interest-bearing liabilities			460.6	491.6	522.3
Cash and bank			22.9	42.6	43.9
Reported Capital employed			720.6	597.1	632.7



Board Assurance

The Board of Directors and CEO confirm that this interim report provides a fair overview of the Company's and Group's business, position and results and describes the significant risks and uncertainties faced by the Company and its subsidiaries.

Lund, Sweden, October 28, 2016

Johan Andsjö
Acting Chairman of the Board

Henri Österlund
Acting Vice-Chairman of the Board

Jérôme Arnaud
President and CEO

Lena Hofsberger
Board Member

Karin Moberg
Board Member

Jonas Mårtensson
Board Member

This information is information that Doro AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 08:00 CET on 28 October 2016.

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

Doro AB (publ), corporate identity number 556161-9429

To the Board of Directors of Doro AB (publ)

Introduction

We have reviewed the condensed interim report for Doro AB (publ) as at September 30, 2016 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Malmö, October 28, 2016

Ernst & Young AB

Stefan Engdahl

Authorized Public Accountant