

Interim report for the period 1 June - 31 August 2009 for Bang & Olufsen a/s

- For the first quarter of the 2009/10 financial year, the Group's total turnover was DKK 565 million against DKK 757 million last year. The decline in turnover must be seen in the light of the fact that the first quarter last year was not affected by the global financial crisis to the same extent in that the crisis did not intensify for real until after the close of the quarter. In addition, the first quarter is traditionally not indicative for the year as a whole.
- The Group has reduced capacity costs by DKK 98 million from DKK 376 million to DKK 278 million, equal to 26 per cent. Administration costs etc. declined by 28 per cent alone from DKK 26 million in the first quarter of 2008/09 to DKK 19 million as a consequence of the cost adjustments.
- Gross profit was DKK 225 million against DKK 321 million in the first quarter of 2008/09.
- Result before tax was negative at DKK 53 million against a negative result of DKK 62 million for the first quarter of 2008/09, which underpins the expectations for a break-even result for the year.
- With a turnover of DKK 49 million against DKK 44 million for the same period last year, the Automotive business area continued to show progress in the first quarter. The company continues to anticipate growth in the business segment.
- Bang & Olufsen maintains the expectations that the 2009/10 financial year will result in a break-even result before tax based on a turnover level a little below the previously announced DKK 3,200 million.

Jørgen Worning
Chairman

Karl Kristian Hvidt Nielsen
President & CEO

Management's report

Main figures – Bang & Olufsen a/s - Group

(The interim report is unaudited and has not been reviewed by the company's auditor)

(DKK million)

Main figures for the period 1/6 – 31/8	2009/10	2008/09
Net turnover	565.0	757.2
Gross profit	225.3	320.8
<i>Gross margin</i>	39.9 %	42.4 %
Operating loss	(52.5)	(54.9)
Result of investments in associates after tax	(1.1)	(3.0)
Financial items, net	0.8	(3.7)
Result before tax	(52.8)	(61.6)
Tax on result for the period	10.2	10.7
Result for the period	(42.6)	(50.9)
Attributable to:		
Shareholders of the parent company	(42.7)	(52.0)
Minority interests	0.1	1.1
Result for the period	(42.6)	(50.9)
Earnings per share		
Earnings per share, DKK	(1.2)	(2.2)
Diluted earnings per share, DKK	(1.2)	(2.2)

Balance sheet information	31/8 2009	31/5 2009	31/8 2008
Intangible assets	491.8	481.2	441.4
Tangible assets	601.2	613.2	657.9
Investment property	48.2	49.1	51.9
Financial assets	58.8	69.9	63.3
Deferred tax assets	119.0	104.9	31.8
Total non-current assets	1,319.0	1,318.3	1,246.3
Inventories	616.0	593.3	761.2
Receivables	454.6	491.0	675.5
Cash	156.7	258.1	117.5
Non-current assets classified as held for sale	15.7	-	-
Total current assets	1,243.0	1,342.4	1,554.2
Total assets	2,562.0	2,660.7	2,800.5
Equity	1,479.1	1,516.7	1,412.7
Non-current liabilities	417.4	422.6	506.7
Current liabilities	665.5	721.4	881.1
Total equity and liabilities	2,562.0	2,660.7	2,800.5

Parentheses denote negative figures or amounts to be deducted.

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Development in equity 1/6 – 31/8	2009/10	2008/09
Equity as at 1 June	1,520.1	1,483.8
Accumulated effect at the beginning of the period from changes to accounting principles applied	<u>(3.4)</u>	<u>(3.1)</u>
Adjusted equity as at 1 June	1,516.7	1,480.7
Comprehensive income for the period	(36.4)	(51.4)
Costs related to capital increase	(2.6)	-
Purchase of 10 % equity interest in Bang & Olufsen ICEpower a/s	-	(23.0)
Grant of share options	1.4	2.6
Sale of own shares	<u>-</u>	<u>3.8</u>
Equity as at 31 August	<u>1,479.1</u>	<u>1,412.7</u>

Cash flows, main figures 1/6 – 31/8	2009/10	2008/09
Cash flows from operating activities	(24.0)	12.5
Cash flows from investment activities	(60.7)	(120.4)
Cash flows from financing activities	<u>(5.6)</u>	<u>(2.8)</u>
Cash flows for the period	<u>(90.3)</u>	<u>(110.7)</u>

Parentheses denote negative figures or amounts to be deducted.

Comments on the development for the first quarter

For the first quarter 2009/10, turnover for the Bang & Olufsen a/s Group was DKK 565 million against DKK 757 million last year, equating to a decline of DKK 192 million or 25 per cent.

Net turnover according to business area

(DKK million)	1/6-31/8 2009/10	1/6-31/8 2008/09
Audio and video business	502	696
Automotive	49	44
Branded business, total	551	740
Bang & Olufsen ICEpower a/s	16	19
Non-branded business, total	16	19
Intra-group turnover	(2)	(2)
Net turnover in total	565	757

For the branded business, turnover totalled DKK 551 million against DKK 740 million for the first quarter last year. The decline is largely attributable to the major geographical markets within the consumer business, while a business area such as Automotive continues to show an increase in turnover.

The Group's gross margin for the quarter was 39.9 per cent against 42.4 per cent for the same quarter last year.

Gross profit totalled DKK 225 million against DKK 321 million for the first quarter of 2008/09.

The Group has reduced its capacity costs by DKK 98 million from DKK 376 million to DKK 278 million, which equates to 26 per cent. Administration costs etc. declined by 28 per cent alone from DKK 26 million in the first quarter of 2008/09 to DKK 19 million as a consequence of the cost adjustments.

The first quarter's result before tax was negative at DKK 53 million against a negative result of DKK 62 million last year, which underpins the Group's expectations for a break-even result for the 2009/10 financial year. After tax, the result for the quarter was negative at DKK 43 million against a negative result of DKK 51 million last year.

Cash flows for the period were negative at DKK 90 million against negative at DKK 111 million last year.

Development in the markets

As expected, the market situation for the first months of the 2009/10 financial year continued to be characterised by the general economic downturn.

The general decline in turnover in the markets compared to the same period last year must be seen in the light of the global financial crisis. The Group expects that a strong product pipeline for the remainder of the 2009/10 financial year will contribute to advances in the markets in the current financial year.

Distribution development

During the quarter, 17 B1 shops were opened or upgraded while 35 shops were closed or converted to shop-in-shops.

At the end of August 2009, the number of B1 shops worldwide stood at 740 against 758 at the end of the 2008/09 financial year. The net movement for the quarter, therefore, amounted to -18 shops. The Group expects a small decline in the number of shops in the financial year.

B1 shops accounted for 82 per cent of the turnover. The number of shop-in-shops was 349 against 385 at the end of the last financial year.

Performance-related remuneration

The value of the option schemes calculated in accordance with Black & Scholes is reduced by 50 per cent compared to last year, while the number of employee shares is kept unchanged compared to last year despite the fact that the number of Bang & Olufsen shares has increased by a factor 3. Please refer to appendix 2.

Business-to-business

Enterprise

In the first quarter of 2009/10, Bang & Olufsen Enterprise, which comprises the Group's sales to luxury hotels across the world as well as to development projects in among others the Middle East and Asia, recorded a turnover of DKK 13 million against DKK 19 million last year. The order book remains satisfactory.

Automotive

For the first quarter, Bang & Olufsen Automotive, which produces and sells exclusive sound systems to the automotive industry, had a turnover of DKK 49 million against a turnover of DKK 44 million for the same period of the 2008/09 financial year. Automotive made a positive contribution to the Group's result for the period under review.

In the first quarter of the financial year – and in connection with the Frankfurt Motorshow - Bang & Olufsen announced that, over the years ahead, the Group will supply sound systems to yet more makes of cars. Consequently, Mercedes SLS AMG will be the first car in the Mercedes portfolio to be equipped with Bang & Olufsen sound systems. With the introduction of a standard-assembled sound system in the recently launched Aston Martin Rapide as well as the introduction of Bang & Olufsen sound systems for Aston Martin V8 Vantage and V12 Vantage, all Aston Martin models currently on the market are now available with Bang & Olufsen sound systems. More Audi models also offer excellent sound performance from Struer as both the Audi R8 Spyder and the Audi A5 Sportback have just been introduced with Bang & Olufsen Sound Systems.

The combination of the current product portfolio, the new launches mentioned above and a number of planned launches over the years ahead means that Bang & Olufsen is well prepared for further growth and earnings within the Automotive segment.

Bang & Olufsen ICEpower a/s

For the first quarter of 2009/10, turnover for Bang & Olufsen ICEpower a/s totalled DKK 16 million against DKK 19 million in 2009/09. The decline is owing to the economic downturn.

Expectations for the 2009/10 financial year

The first quarter proceeded as expected. Historically, developments in the first quarter, the smallest quarter of the year, are not indicative for the rest of the year.

At the end of the 2008/09 financial year, the Group expressed its expectations for the current financial year as follows:

“Bang & Olufsen expects, based on the implemented restructuring initiatives combined with a strong product launch programme, to achieve a break-even result before tax in the 2009/10 financial year based on a turnover level a little below the previously announced DKK 3,200 million.

An improvement in the result, however, can only be expected in the second quarter at the earliest based on the planned product launches.”

Based on the realised result for the quarter, the Group maintains the above-mentioned expectations.

Risk factors

The interim report contains statements relating to expectations for future developments, including future turnover and operating results as well as expected business-related events. Such statements are uncertain and carry an element of risk since many factors, of which some are beyond Bang & Olufsen's control, can mean that actual developments will deviate significantly from the expectations expressed in the interim report. Without being exhaustive, such factors include among others general economic and commercial factors, including market and competitive matters, supplier issues and financial issues in the form of foreign exchange, interest rates, credit and liquidity risks.

Statement by the Management

The Board of Directors and the Board of Management have today considered and adopted the interim report for the period 1 June to 31 August 2009 for Bang & Olufsen a/s.

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, as endorsed by the European Union as well as further Danish requirements to the presentation of interim reports for listed companies.

We consider the accounting principles applied to be appropriate so that the interim report provides a true and fair view of the Group's assets, liabilities and financial position as at 31 August 2009 and as well as the Group's result of the activities and cash flows for the period 1 June to 31 August 2009.

We believe that the management's report gives a fair presentation of the developments in the Group's activities and finances, results for the period and of the Group's financial position in general as well as a fair description of the most significant risks and uncertainties to which the Group is exposed.

Lyngby, 8 October 2009

The Board of Directors for Bang & Olufsen a/s

Jørgen Worning
Chairman

Rolf Eriksen
Deputy Chairman

Peter Skak Olufsen

Niels B. Christiansen

Ole Andersen

Tue Mantoni

Knud Olesen

Jesper Olesen

Anette Revsgaard Sejbjerg

The Board of Management for Bang & Olufsen a/s

Karl Kristian Hvidt Nielsen
President & CEO

Profit and loss account

Bang & Olufsen a/s

(DKK million)

		Group	
		1/6 - 31/8 2009/10	1/6 - 31/8 2008/09
Notes			
	Net turnover	565.0	757.2
	Production costs	<u>(339.7)</u>	<u>(436.4)</u>
	Gross profit	225.3	320.8
2	Development costs	(89.6)	(118.1)
	Distribution and marketing costs	(169.6)	(231.6)
	Administration costs etc.	<u>(18.6)</u>	<u>(26.0)</u>
	Operating loss	(52.5)	(54.9)
	Result of investments in associates after tax	(1.1)	(3.0)
3	Financial income	6.3	3.3
4	Financial costs	<u>(5.5)</u>	<u>(7.0)</u>
	Financial items, net	<u>0.8</u>	<u>(3.7)</u>
	Result before tax	(52.8)	(61.6)
	Tax on result for the period	<u>10.2</u>	<u>10.7</u>
	Result for the period	(42.6)	(50.9)
Result for the period attributable to:			
	Shareholders of the parent company	(42.7)	(52.0)
	Minority interests	<u>0.1</u>	<u>1.1</u>
		(42.6)	(50.9)
Earnings per share			
	Earnings per share, DKK *	<u>(1.2)</u>	<u>(2.2)</u>
	Diluted earnings per share, DKK *	<u>(1.2)</u>	<u>(2.2)</u>

* The amount for 2008/09 is adjusted due to the dilution resulting from the bonus element related to the rights issue in the spring of 2009 in accordance with IAS 33.

Comprehensive income

Bang & Olufsen a/s

(DKK million)

	Group	
	1/6 - 31/8 2009/10	1/6 - 31/8 2008/09
Notes		
Result for the period	(42.6)	(50.9)
Exchange rate adjustment of investments in foreign subsidiaries	5.5	(0.5)
Change in fair value of derivative financial instruments	0.9	-
Tax on other comprehensive income	(0.2)	-
Other comprehensive income, net of tax	6.2	(0.5)
Comprehensive income for the period	(36.4)	(51.4)
Comprehensive income for the period attributable to:		
Shareholders of the parent company	(36.5)	(52.5)
Minority interests	0.1	1.1
	(36.4)	(51.4)

Balance sheet

Assets

Bang & Olufsen a/s

(DKK million)

Notes	Group		
	31/8 - 09	31/5 - 09	31/8 - 08
Intangible assets			
Goodwill	44.7	44.8	44.8
Acquired rights	49.5	50.8	45.1
Completed development projects	209.1	200.6	191.7
Development projects in progress	188.5	185.0	159.8
Total intangible assets	491.8	481.2	441.4
Tangible assets			
Land and buildings	253.4	269.9	274.2
Plant and machinery	213.9	229.5	204.4
Other equipment	44.4	48.4	51.2
Leasehold improvements	29.3	32.2	27.9
Tangible assets in progress and prepayment for tangible assets	60.2	33.2	100.2
Total tangible assets	601.2	613.2	657.9
Investment property	48.2	49.1	51.9
Financial assets			
Investments in associates	8.3	9.5	6.3
Other financial receivables	50.5	60.4	57.0
Total financial assets	58.8	69.9	63.3
Deferred tax assets	119.0	104.9	31.8
Total non-current assets	1,319.0	1,318.3	1,246.3
Inventories	616.0	593.3	761.2
Receivables			
Trade receivables	379.8	407.9	543.0
Receivables from associates	1.0	1.4	-
Income tax receivables	22.3	21.7	55.0
Other receivables	23.2	31.6	28.6
Prepayments	28.3	28.4	48.9
Total receivables	454.6	491.0	675.5
Cash	156.7	258.1	117.5
Non-current assets classified as held for sale	15.7	-	-
Total current assets	1,243.0	1,342.4	1,554.2
Total assets	2,562.0	2,660.7	2,800.5

Balance sheet

Equity and liabilities

Bang & Olufsen a/s

(DKK million)

Notes	Group		
	31/8 - 09	31/5 - 09	31/8 - 08
Equity			
Share capital	362.4	362.4	120.8
Share premium	232.1	232.1	14.6
Translation reserve	(36.2)	(39.6)	(34.3)
Reserve for cash flow hedges	(0.1)	(1.0)	-
Retained earnings	918.5	960.5	1,305.3
Equity attributable to shareholders of the parent company	1,476.7	1,514.4	1,406.4
Minority interests	2.4	2.3	6.3
Total equity	1,479.1	1,516.7	1,412.7
Non-current liabilities			
Pensions	7.0	7.0	9.5
Deferred tax	4.3	4.8	79.3
Provisions	76.4	78.1	77.3
Mortgage loans	229.2	230.3	234.8
Loans from banks etc.	93.8	95.7	99.2
Other non-current liabilities	6.7	6.7	6.6
Total non-current liabilities	417.4	422.6	506.7
Current liabilities			
Mortgage loans, short-term part	6.5	6.5	8.5
Loans from banks etc., short-term part	32.6	32.6	42.9
Other loans from banks	1.9	13.0	174.8
Provisions	59.6	65.7	45.9
Trade payables	194.2	188.3	159.3
Payables to associates	-	-	2.7
Income tax	23.7	21.2	52.4
Other payables	285.1	324.6	300.6
Deferred income	61.9	69.5	94.0
Total current liabilities	665.5	721.4	881.1
Total liabilities	1,082.9	1,144.0	1,387.8
Total equity and liabilities	2,562.0	2,660.7	2,800.5

Cash flow statement for the period 1/6 – 31/8

Bang & Olufsen a/s

(DKK million)

Notes	Group	
	2009/10	2008/09
Result for the period	(42.6)	(50.9)
Depreciation, amortisation and impairment losses	62.8	73.2
5 Adjustments	(15.6)	(4.5)
6 Change in working capital	(26.9)	9.9
Interest received etc.	6.3	3.3
Interest paid etc.	(5.5)	(7.0)
Income tax paid	(2.5)	(11.5)
Cash flows from operating activities	(24.0)	12.5
Purchase of intangible non-current assets	(41.7)	(57.7)
Purchase of tangible non-current assets	(30.6)	(37.7)
Sale of tangible non-current assets	1.6	3.0
Purchase of 10 % equity interest in Bang & Olufsen ICEpower a/s	-	(23.0)
Change in financial receivables	10.0	(5.0)
Cash flows from investment activities	(60.7)	(120.4)
Costs related to capital increase	(2.6)	-
Repayment of long-term loans	(3.0)	(2.8)
Cash flows from financing activities	(5.6)	(2.8)
Changes in cash and cash equivalents	(90.3)	(110.7)
Cash and cash equivalents 1 June	245.1	53.4
Cash and cash equivalents 31 August	154.8	(57.3)

Equity statement

Bang & Olufsen a/s, Group

(DKK million)

	Equity attributable to shareholders of the parent company					Minority interests	Total
	Share capital	Share premium	Translation reserve	Reserve for cash flow hedges	Retained earnings		Equity Group
Equity 1 June 2008	120.8	14.6	(42.9)	-	1,379.2	12.1	1,483.8
Accumulated effect at the beginning of the period from changes to accounting principles applied	-	-	-	-	(3.1)	-	(3.1)
Adjusted equity 1 June 2008	120.8	14.6	(42.9)	-	1,376.1	12.1	1,480.7
Comprehensive income for the period	-	-	8.6	-	(61.1)	1.1	(51.4)
Purchase of 10 % equity interest in Bang & Olufsen ICEpower a/s	-	-	-	-	(16.1)	(6.9)	(23.0)
Grant of share options	-	-	-	-	2.6	-	2.6
Sale of own shares	-	-	-	-	3.8	-	3.8
Equity 31 August 2008	120.8	14.6	(34.3)	-	1,305.3	6.3	1,412.7
Equity 1 June 2009	362.4	232.1	(39.6)	(1.0)	963.9	2.3	1,520.1
Accumulated effect at the beginning of the period from changes to accounting principles applied	-	-	-	-	(3.4)	-	(3.4)
Adjusted equity as at 1 June 2009	362.4	232.1	(39.6)	(1.0)	960.5	2.3	1,516.7
Comprehensive income for the period	-	-	3.4	0.9	(40.8)	0.1	(36.4)
Costs related to capital increase	-	-	-	-	(2.6)	-	(2.6)
Grant of share options	-	-	-	-	1.4	-	1.4
Equity 31 August 2009	362.4	232.1	(36.2)	(0.1)	918.5	2.4	1,479.1

Notes to the interim report for the period 1/6 - 31/8

1. Accounting principles applied

The interim report for Bang & Olufsen a/s is prepared in accordance with IAS 34, Interim Financial Reporting, as endorsed by the European Union and further Danish requirements to the presentation of interim reports for listed companies.

The interim report has been prepared in accordance with the same accounting principles as the 2008/09 annual report except that an amendment to IAS 38, Intangible Assets, has meant that marketing materials are now being expensed in connection with the acquisition compared to previously in connection with the external use thereof. As at 31 May, 2008, the effect from this on equity is DKK -3.1 million while the effect on the result after tax for the 2008/09 financial year is DKK -0.3 million. Seen in isolation, the effect on the result after tax for the first quarter 2008/09 is DKK -2.5 million.

In addition, the amended IAS 1, Presentation of Financial Statements, which amends the presentation of the primary statements, and IFRS 8, Operating segments, which involves amendments to information requirements for segments, were both implemented with effect from 1 June 2009. The implementation of these standards has not resulted in changes to recognition and measurement.

Moreover, other new and amended Standards and Interpretations with effect from 1 January, 2009, including IAS 23, Borrowing costs, were implemented with effect for the 2009/10 financial year. These changes to the accounting principles have not impacted on recognition and measurement in the interim report.

Interim report for the parent company has not been prepared.

Bang & Olufsen a/s

(DKK million)

	Group	
	1/6 - 31/8 2009/10	1/6 - 31/8 2008/09
2. Development costs		
Development costs incurred before capitalisation	99.4	138.3
Amount thereof capitalised	(38.3)	(54.0)
Total amortisation and impairment losses on development projects	28.5	33.8
Development costs recognised in the profit and loss account	89.6	118.1

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Bang & Olufsen a/s

(DKK million)

	Group	
	1/6 - 31/8 2009/10	1/6 - 31/8 2008/09
3. Financial income		
Interest income from banks etc.	0.5	1.0
Exchange rate gains, net	4.9	0.1
Other financial income	0.9	2.2
Financial income	<u>6.3</u>	<u>3.3</u>
4. Financial costs		
Interest costs on bank loans etc.	1.1	2.8
Interest costs on mortgage loans	3.7	3.7
Other financial costs	0.7	0.5
Financial costs	<u>5.5</u>	<u>7.0</u>
5. Adjustments		
Change in other liabilities	(7.8)	(0.1)
Financial income etc.	(6.3)	(3.3)
Financial costs etc.	5.5	7.0
Result of investments in associates after tax	1.1	3.0
Gain/loss on sale of non-current assets	1.0	(0.4)
Tax on result for the period	(10.2)	(10.7)
Various adjustments	1.1	-
Adjustments	<u>(15.6)</u>	<u>(4.5)</u>
6. Change in working capital		
Change in receivables	36.5	60.3
Change in inventories	(22.7)	36.1
Change in accounts payables etc.	<u>(40.7)</u>	<u>(86.5)</u>
Change in working capital	<u>(26.9)</u>	<u>9.9</u>

Key figures

Bang & Olufsen a/s, Group

(DKK million)

2009/10 2008/09

7. Key figures

EBITDA	9	15
EBITDA-margin, %	2	2
Profit ratio (EBIT), %	(9)	(7)
Return on assets, %	(2)	(2)
Return on invested capital, excl. goodwill, %	1	1
Return on equity, %	(3)	(4)
Current ratio	1.9	1.8
Equity ratio, %	58	50
Financial gearing	0.1	0.3
Net turnover / Invested capital excl. goodwill	0.4	0.4
Intrinsic value per share (nom. DKK 10), DKK *	41	56
Quotation as at 31 August *	67	112
Price/earnings *	(56)	(50)
Price/earnings, diluted *	(56)	(50)
Quotation / Intrinsic value per share *	1.6	2.0
Number of shares, end of period	36,244,014	12,081,338
Number of own shares, end of period	110,076	747,987
Average number of shares in circulation *	36,133,938	23,459,349
Average number of shares in circulation - diluted *	36,133,938	23,459,349

* The amount for 2008/09 is adjusted due to the dilution resulting from the bonus element related to the rights issue in the spring of 2009 in accordance with IAS 33.

The key figures for 2008/09 are adjusted due to the change in the accounting principles applied.

Parentheses denote negative figures.

Definitions of key figures:

EBITDA:	Result before interests, tax, depreciation, amortisation and impairment losses
EBITDA-margin:	$\frac{\text{Result before interests, tax, depreciation, amortisation and impairment losses} \times 100}{\text{Net turnover}}$
Profit ratio (EBIT):	$\frac{\text{Operating profit/loss} \times 100}{\text{Net turnover}}$
Return on assets:	$\frac{\text{Operating profit/loss} \times 100}{\text{Average operational assets}}$
Return on invested capital, excl. goodwill:	$\frac{\text{Operating profit/loss before depreciation and goodwill write offs}}{\text{Average invested capital, excl. goodwill}}$
Return on equity:	$\frac{\text{Bang \& Olufsen a/s' share of result for the period} \times 100}{\text{Average equity, excl. minority interests}}$
Current ratio:	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Equity ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total equity and liabilities, end of year}}$
Financial gearing:	$\frac{\text{Interest bearing debt (net) end of year}}{\text{Equity, end of year}}$
Net turnover/invested capital, excl. goodwill:	$\frac{\text{Net turnover} \times 100}{\text{Average invested capital, excl. goodwill}}$
Earnings per share (nom. DKK 10), DKK:	$\frac{\text{Result after tax}}{\text{Average number of shares in circulation}}$
Diluted earnings per share (nom. DKK 10), DKK:	$\frac{\text{Result after tax}}{\text{Average number of shares in circulation - diluted}}$
Intrinsic value per share (nom. DKK 10), DKK:	$\frac{\text{Equity, end of year}}{\text{Number of shares, end of year}}$
Price / earnings:	$\frac{\text{Quotation}}{\text{Earnings per share (nom. DKK 10)}}$
Price/earnings, diluted:	$\frac{\text{Quotation}}{\text{Diluted earnings per share (nom. DKK 10)}}$

In the calculation of the above key figures for 2008/09 the number of shares and the quotation are adjusted for the dilution resulting from the bonus element related to the rights issue in the spring of 2009 in accordance with IAS 33:

Adjusted number of shares:	$\frac{\text{Original number of shares before the rights issue}}{\text{Adjustment factor for the dilution related to the rights issue}}$
Adjusted quotation:	Quotation before the rights issue x adjustment factor for the dilution related to the rights issue
Adjustment factor for the dilution related to the rights issue:	$\frac{\text{Theoretical quotation after the rights issue}}{\text{Quotation immediately before the rights issue}}$

Main and key figures are prepared in accordance with IFRS and "Recommendations and Key Figures 2005" from The Danish Association of Financial Analysts.

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8. Segment information

The period 1/6 2009 to 31/8 2009

	Branded business	Non-branded business		
(DKK million)	Bang & Olufsen	Bang & Olufsen Medicom a/s	Bang & Olufsen ICEpower a/s	Total segments
Net turnover	549.9	-	16.4	566.3
Internal turnover	-	-	(2.2)	(2.2)
External turnover	<u>549.9</u>	<u>-</u>	<u>14.2</u>	<u>564.1</u>
Result before tax	<u>(53.5)</u>	<u>(1.0)</u>	<u>1.7</u>	<u>(52.8)</u>

The period 1/6 2008 to 31/8 2008

	Branded business	Non-branded business		
(DKK million)	Bang & Olufsen	Bang & Olufsen Medicom a/s	Bang & Olufsen ICEpower a/s	Total segments
Net turnover	744.3	-	19.1	763.4
Internal turnover	-	-	(1.7)	(1.7)
External turnover	<u>744.3</u>	<u>-</u>	<u>17.4</u>	<u>761.7</u>
Result before tax	<u>(57.1)</u>	<u>(3.0)</u>	<u>(1.5)</u>	<u>(61.6)</u>

Reconciliation of segment information	1/6 - 31/8 2009/10	1/6 - 31/8 2008/09
Net turnover, total segments	566.3	763.4
Different exchange rates used for translation	0.9	(4.5)
Elimination of internal turnover	<u>(2.2)</u>	<u>(1.7)</u>
Net turnover, Group	<u>565.0</u>	<u>757.2</u>
Result before tax, total segments	<u>(52.8)</u>	<u>(61.6)</u>
Result before tax, Group	<u>(52.8)</u>	<u>(61.6)</u>

Parentheses denote negative figures or amounts to be deducted.

9. Turnover branded business

	Turnover 1/6 - 31/8 2009/10	Turnover 1/6 - 31/8 2008/09	Growth in local currency
United Kingdom	60	79	(18.5) %
Denmark	53	72	(26.3) %
Germany	52	79	(33.5) %
Automotive	49	44	11.4 %
Asian markets excl. Japan	48	71	(32.3) %
Switzerland	42	52	(21.0) %
North America	34	41	(25.1) %
Holland	32	51	(36.8) %
Spain/Portugal	28	36	(20.0) %
France	24	35	(31.3) %
Italy	23	22	1.9 %
Expansion markets, excl Russia	17	29	(42.3) %
Russia	16	32	(49.5) %
Belgium	15	17	(11.3) %
Enterprise *	13	19	(28.3) %
Sweden	12	15	(6.1) %
Middle East	10	14	(32.9) %
Austria	8	11	(23.3) %
Japan	6	8	(42.1) %
Norway	6	9	(18.6) %
Other	3	4	-
Total branded business	551	740	

* Enterprise comprises turnover to the hotel sector etc.

Parentheses denote negative figures.

10. Distribution development

Shop segment	Number of shops per 31/8-09	Change in the period 1/6-09 – 31/8-09	Share of turnover per segment 2009/10	Share of turnover per segment 2008/09
B1	740	(18)	82 %	81 %
Shop-in-shop	349	(36)	18 %	19 %
Other	3	-	0 %	0 %
Total	1,092	(54)	100 %	100 %

Definitions of shop segments:

B1	Shops, which are dedicated retailers of Bang & Olufsen products.
Shop-in-shop	Shops with a dedicated sales area for Bang & Olufsen products.
Other	Shops without a dedicated sales area for Bang & Olufsen products.

Parentheses denote negative figures.

The organic growth for Bang & Olufsen shops, which have been in operation for more than 24 months, was for the period -26 per cent for B1-shops and -28 per cent for shop in shops.

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Appendix 1

(DKK million)

	2009/10 Quarterly results				2009/10 Accumulated quarterly results			
	1 quarter	2 quarter	3 quarter	4 quarter	1 quarter	2 quarter	3 quarter	4 quarter
Net turnover	565.0				565.0			
Gross profit	225.3				225.3			
Operating loss	(52.5)				(52.5)			
Result of investments in associates after tax	(1.1)				(1.1)			
Financial items, net	0.8				0.8			
Result before tax	(52.8)				(52.8)			
Tax on result for the period	10.2				10.2			
Result for the period	(42.6)				(42.6)			
Of which minority interests' share	(0.1)				(0.1)			
Shareholders of the parent company's share of result for the period	(42.7)				(42.7)			

	2008/09 Quarterly results				2008/09 Accumulated quarterly results			
	1 quarter	2 quarter	3 quarter	4 quarter	1 quarter	2 quarter	3 quarter	4 quarter
Net turnover	757.2	775.3	640.0	617.0	757.2	1,532.5	2,172.5	2,789.5
Gross profit	320.8	301.1	256.2	227.6	320.8	621.9	878.1	1,105.7
Operating loss	(54.9)	(153.3)	(180.5)	(107.2)	(54.9)	(208.2)	(388.7)	(495.9)
Result of investments in associates after tax	(3.0)	3.1	2.9	(0.7)	(3.0)	0.1	3.0	2.3
Financial items, net	(3.7)	1.5	(27.3)	(0.3)	(3.7)	(2.2)	(29.5)	(29.8)
Result before tax	(61.6)	(148.7)	(204.9)	(108.2)	(61.6)	(210.3)	(415.2)	(523.4)
Tax on result for the period	10.7	34.9	51.0	43.7	10.7	45.6	96.6	140.3
Result for the period	(50.9)	(113.8)	(153.9)	(64.5)	(50.9)	(164.7)	(318.6)	(383.1)
Of which minority interests' share	(1.1)	(0.1)	(0.8)	(0.3)	(1.1)	(1.2)	(2.0)	(2.3)
Shareholders of the parent company's share of result for the period	(52.0)	(113.9)	(154.7)	(64.8)	(52.0)	(165.9)	(320.6)	(385.4)

Parentheses denote negative figures.

Appendix 2

Performance-related remuneration

In accordance with the company's guidelines concerning performance-related remuneration, as adopted at the General Meeting on Friday, 26 September 2009, the Board of Directors has decided to assign share options to the Management Board and a group of key management personnel.

The options are earned on a straight-line basis over a period from 18 September 2009 and the following three years.

The options can be exercised after the publication of the company's annual report for the period 2011/12 at the earliest and lapse three years later. The exercise price is fixed at DKK 57.75 per share based on the average price of trading in the company's shares on NASDAQ OMX Copenhagen A/S during the 10 business days following the announcement of the report for the 2008/09 financial year. The options' exercise price is adjusted for dividend paid.

The value of the allocated options for individuals represents half the value of the last allocated options. No options have been allocated to the Board of Directors.

In addition, the Board of Directors has decided to assign employee shares to employees in the Danish Bang & Olufsen companies. These shares are assigned on the same terms as last year as well as in the same numbers.

The following persons, who are covered by the reporting requirements of the Act on Securities Trading, participate in the options allocation:

Name	Karl Kristian Hvidt Nielsen
Reason	President, CEO, in compliance with article 28a (2.1) of the Danish Securities Trading Act
Issuer	Bang & Olufsen a/s
Designation	Option
Nature of transaction	Allocation
Number	18,906
Market value in DKK (in accordance with Black & Scholes)	650,567

Name	John Bennett-Therkildsen
Reason	Sr. Vice President, Operations, in compliance with article 28a (2.1) of the Danish Securities Trading Act
Issuer	Bang & Olufsen a/s
Designation	Option
Nature of transaction	Allocation
Number	6,544
Market value in DKK (in accordance with Black & Scholes)	225,196

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Name	Michael Aagaard Andersen
Reason	Sr. Vice President, Sales, in compliance with article 28a (2.1) of the Danish Securities Trading Act
Issuer	Bang & Olufsen a/s
Designation	Option
Nature of transaction	Allocation
Number	6,544
Market value in DKK (in accordance with Black & Scholes)	225,196

Name	Christian Winther
Reason	Sr. Vice President, Marketing, in compliance with article 28a (2.1) of the Danish Securities Trading Act
Issuer	Bang & Olufsen a/s
Designation	Option
Nature of transaction	Allocation
Number	6,544
Market value in DKK (in accordance with Black & Scholes)	225,196