## Interim report for the period 1 June - 31 August 2008 for Bang \& Olufsen a/s

- Group turnover for the first quarter of the 2008/09 financial year totalled DKK 757 million against DKK 926 million last year. Turnover for the branded business was DKK 742 million against DKK 908 million for the same period last year, i.e. in line with expectations.
- Result before tax was negative at DKK 58 million against a profit of DKK 56 million for the first quarter 2007/08.
- In the first quarter, which is not usually indicative of the year as a whole, the Group's three largest markets, the UK, Germany and Denmark, recorded a decline in turnover of DKK 104 million. Growth, however, was sustained in Russia, Expansion Markets and the Middle East as well as the Automotive business area with an overall advance in turnover of DKK 43 million.
- A new, overall plan for the Group's strategy and cost structure will be presented at the end of October.
- Bang \& Olufsen maintains its expectations for the 2008/09 financial year, i.e. to post an operating profit and a result before tax on the same level as, or above, the result for the previous financial year, based on an expected lower turnover than in the 2007/08 financial year. However, the recent instability of the financial markets combined with the traditional seasonal fluctuations of Bang \& Olufsen increases the uncertainty of the expectations.

Jørgen Worning<br>Karl Kristian Hvidt Nielsen<br>Chairman<br>President, CEO

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BANG \& OLUFSEN A/S

## Main figures - Bang \& Olufsen a/s Group <br> (unaudited and not reviewed by the company's auditor)

(DKK million)

| Main figures for the period 1/6-31/8 | 2008/09 |  | 2007/08 |
| :---: | :---: | :---: | :---: |
| Net turnover | 757.2 |  | 926.4 |
| Gross profit | 320.8 |  | 425.0 |
| Gross margin | 42.4 |  | 45.9 |
| Operating profit | (51.5) |  | 56.7 |
| Result of investments in associated companies after tax | (3.0) |  | (0.8) |
| Financial items, net | (3.7) |  | (0.1) |
| Result before tax | (58.2) |  | 55.8 |
| Tax on result for the period | 9.8 |  | 2.3 |
| Result for the period | (48.4) |  | 58.1 |
| Attributable to: |  |  |  |
| Shareholders of the parent company | (49.5) |  | 57.6 |
| Minority interests | 1.1 |  | 0.5 |
| Result for the period | (48.4) |  | 58.1 |
| Earnings per share |  |  |  |
| Earnings per share, DKK | (4.4) |  | 5.0 |
| Diluted earnings per share, DKK | (4.4) |  | 5.0 |
| Balance sheet information | 31/82008 | 31/5 2008 | 31/8 2007 |
| Intangible assets | 441.4 | 417.2 | 445.2 |
| Tangible assets | 657.9 | 655.7 | 635.7 |
| Investment property | 51.9 | 52.8 | 55.5 |
| Financial assets | 63.3 | 58.3 | 88.7 |
| Deferred tax assets | 29.9 | 22.7 | 27.1 |
| Total non-current assets | 1,244.4 | 1,206.7 | 1,252.2 |
| Inventories | 768.7 | 801.4 | 701.2 |
| Receivables | 675.5 | 702.1 | 813.9 |
| Cash | 117.5 | 107.1 | 151.1 |
| Total current assets | 1,561.7 | 1,610.6 | 1,666.2 |
| Total assets | 2,806.1 | 2,817.3 | 2,918.4 |
| Equity | 1,418.3 | 1,483.8 | 1,709.7 |
| Non-current liabilities | 506.7 | 494.4 | 357.1 |
| Current liabilities | 881.1 | 839.1 | 851.6 |
| Total equity and liabilities | 2,806.1 | 2,817.3 | 2,918.4 |

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| Development in equity 1/6-31/8 | 2008/09 | 2007/08 |
| :---: | :---: | :---: |
| Equity as at 1 June | 1,483.8 | 1,681.9 |
| Equity and exchange rate adjustments in subsidiaries | (0.5) | 0.7 |
| Change in fair value of derivative financial instruments | - | (0.1) |
| Net income recognised directly in equity | (0.5) | 0.6 |
| Retained earnings | (48.4) | 58.1 |
| Total recognised income and expenses for the period | (48.9) | 58.7 |
| Purchase of 10 \% equity interest in ICEpower a/s | (23.0) | - |
| Grant of share options | 2.6 | 2.7 |
| Purchase of own shares | - | (35.2) |
| Sale of own shares | 3.8 | 1.6 |
|  | (16.6) | (30.9) |
| Equity as at 31 August | 1,418.3 | 1,709.7 |
| Cash flow, main figures 1/6-31/8 | 2008/09 | 2007/08 |
| Cash flow from operating activities | 12.5 | 96.5 |
| Cash flow from investment activities | (120.4) | (62.8) |
| Cash flow from financing activities | (2.8) | (39.5) |
| Cash flow for the period | (110.7) | (5.8) |

Parentheses denote negative figures or amounts to be deducted.

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## Management's report

## Bang \& Olufsen $\mathrm{a} / \mathrm{s}$

## Comments on the development for the first quarter

Turnover for the Bang \& Olufsen a/s Group for the first quarter 2008/09 was DKK 757 million against DKK 926 million last year. This represents a decline in turnover of DKK 169 million, or 18 per cent.

Turnover in the branded business totalled DKK 742 million against DKK 908 million for the first quarter last year. The decline can largely be ascribed to the large geographical markets in the consumer segment, while a business area such as Automotive continued to record turnover growth.

Of the DKK 166 million decline in turnover in the branded business, DKK 104 million was accounted for by the Group's three largest markets, the UK, Germany and Denmark.

The Group's gross margin for the quarter was 42.4 per cent compared to 45.9 per cent for the same quarter last year. This is owing to the fact that some of the production costs are fixed costs that remain at last year's level, thus contributing to a decrease in the gross margin. In addition, the change in the product mix towards increased sales of TVs on which the Group historically has a lower gross margin compared to other parts of the product portfolio continues.

Gross profit was DKK 321 million against DKK 425 million in the first quarter 2007/08.
Expensed development costs increased by DKK 15 million from DKK 123 million to DKK 138 million as a result of the continuing high activity level within the AN business. The net effect of capitalisation had a positive effect on the result by DKK 20 million for the quarter against a negative effect for the same quarter last year of DKK 2 million.

Distribution and marketing costs increased during the quarter by DKK 8 million. This is largely due to the increased losses on receivables and provisions to counter such losses.

The first quarter's result before tax was negative at DKK 58 million against a positive result of DKK 56 million last year. After tax, the result for the quarter was negative at DKK 48 million against a profit of DKK 58 million last year.

Cash flow for the period was negative at DKK 111 million against a negative cash flow of DKK 6 million last year. Cash flow from operating activities continued to be positive at DKK 13 million against DKK 97 million for the same period last year. Cash flow was also affected by the Group's purchase of the remaining 10 per cent of the shares in Bang \& Olufsen ICEpower a/s. These shares were acquired for DKK 23 million.

## Development in the markets

As expected and as announced in the Annual Financial Statement Release dated 13 August, 2008, the market situation during the first months of the financial year 2008/09 remained challenging. It should be expected that turnover for the first half year will be at a lower level than last year. This, however, should be seen against the fact that the first quarters of the past financial year, in terms of turnover, were the best since the start of the new millennium.

As previously announced, turnover growth and an improvement in the results are not expected until the second half year at the earliest on the basis of the planned product launches.

For the first quarter of 2008/09, turnover for the Group's three largest markets, the UK, Germany and Denmark totalled DKK 230 million, which is DKK 104 million less than for the same quarter last year. As mentioned above, this should, however, be seen on the backdrop of the strong performance in the first quarter of the past financial year.

By contrast, a positive development in turnover was maintained in geographical markets such as Russia, Expansion Markets and the Middle East which delivered an increase in turnover of DKK 15 million. In addition, the Automotive business area saw an increase in turnover of DKK 28 million.

## Distribution development

During the quarter, 5 B1 shops were opened or upgraded, while 15 shops were closed or converted to shop in shops.

By the end of August 2008, there were 812 B1 shops worldwide against 822 at the end of the 2007/08 financial year. As a consequence, the net movement for the quarter was -10 shops. Although the Group expects this trend to continue, the number of new shops in Asia and Expansion Market is expected to increase.

The share of turnover from B1 shops remains unchanged at 81 per cent. The number of shop-in-shops is 407 against 421 at the close of the previous financial year.

## Business-to-business areas

## Enterprise

Bang \& Olufsen Enterprise, which encompasses the Group's sales to luxury hotels across the world as well as to development projects in the Middle East and Asia, achieved a turnover of DKK 19 million for the first quarter 2008/09 against a turnover of DKK 38 million last year. The fall reflects time-related differences as the business area is characterised by project sales. The order book for this business area continues to be highly satisfactory. In the final month of the quarter, August, Bang \& Olufsen announced the biggest ever single order for the business area in the form of a contract with a property development company in Dubai. Over the next three years, the contract will generate turnover of at least DKK 50 million. Shortly after the close of the quarter, Bang \& Olufsen announced a further major order for Dubai. The Group will supply products for a two-digit million sum for more than 100 villas in Jumeirah Golf Estates, one of the world's most prestigious golf projects.

## Automotive

Bang \& Olufsen Automotive, which produces and sells exclusive sound systems for the automobile industry, achieved a turnover of DKK 44 million for the first quarter against a turnover of DKK 16 million for the same period in the 2007/08 financial year. The area remains an investment and development area and is developing as planned. During the first quarter of the financial year, Bang \& Olufsen announced that, over the coming years, the Group is to supply sound systems for further Audi models. Moreover, in early August, it was announced that the Group had entered into a new partnership with Mercedes-AMG. The partnership with Aston Martin is also developing positively and according to schedule. Shortly after the end of the first quarter, Bang \& Olufsen announced that the Group is ready to launch its first sound system for Aston Martin DBS. BeoSound DBS will be standard in Aston Martin DBS.

## Bang \& Olufsen ICEpower a/s

Turnover for Bang \& Olufsen ICEpower a/s totalled DKK 19 million against DKK 22 million in 2007/08. The first quarter witnessed a landmark event in that in July, Bang \& Olufsen secured full ownership of the company. As ICEpower's ground-breaking technology is used in a wide range of products across Bang \& Olufsen's product portfolio, it is of great strategic importance for the Group to have full control of the company.

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## Expectations for the financial year 2008/09

The first quarter proceeded as expected. Historically, developments during the first quarter, the weakest quarter of the financial year, are not indicative of the rest of the year.

At the end of the 2007/08 financial year, the Group expressed its expectations for the current financial year as follows:
"Market conditions for the 2008/09 financial year are expected to remain challenging. The first two months of the financial year are below last year's level.

Growth and an improvement to the results can at the earliest be expected in the second half year where the planned product launches will begin to take effect. The Group expects to be able to maintain its gross margin, and work will continue to focus on the Group's cost structure.

On that backdrop, Bang \& Olufsen expects to post an operating profit and a result before tax on the same level as, or above, the result for the previous financial year based on an expected lower turnover than in the 2007/08 financial year."

On the basis of the realised result for the quarter, the Group maintains the above expectations.

## Statement by the Management

The Board of Directors and the Management have today considered and adopted the interim report for the period 1 June to 31 August 2008 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 financial statements for listed companies.

We consider the applied accounting policies 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 2008 and as well as the Group's result of the activities and cash flow for the period 1 June to 31 August 2008.

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.

Struer, 9 October 2008
The Board of Directors for Bang \& Olufsen a/s

Jørgen Worning
Chairman

Thorleif Krarup

Knud Olesen

The Board of Management for Bang \& Olufsen $\mathrm{a} / \mathrm{s}$

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## Profit and loss account

## Bang \& Olufsen a/s

(DKK million)

|  | Group |  |
| :---: | :---: | :---: |
|  | $\begin{array}{r} 1 / 6-31 / 8 \\ 2008 / 09 \end{array}$ | $\begin{array}{r} 1 / 6-31 / 8 \\ 2007 / 08 \end{array}$ |
| Net turnover Production costs | $\begin{gathered} 757.2 \\ (436.4) \\ \hline \end{gathered}$ | $\begin{gathered} 926.4 \\ (501.4) \end{gathered}$ |
| Gross profit | 320.8 | 425.0 |
| Development costs | (118.1) | (124.3) |
| Distribution and marketing costs | (228.2) | (219.9) |
| Administration costs etc. | (26.0) | (24.1) |
| Operating profit | (51.5) | 56.7 |
| Result of investments in associated companies after tax | (3.0) | (0.8) |
| Financial income | 3.3 | 4.4 |
| Financial costs | (7.0) | (4.5) |
| Financial items, net | (3.7) | (0.1) |
| Result before tax | (58.2) | 55.8 |
| Tax on result for the period | 9.8 | 2.3 |
| Result for the period | (48.4) | 58.1 |

Attributable to:

Shareholders of the parent company
Minority interests

| $(49.5)$ |  |  |
| ---: | ---: | ---: |
| 1.1 |  |  |
|  |  | 57.6 |
|  | $\mathbf{4 8 . 4})$ |  |
|  |  | $\mathbf{5 8 . 1}$ |

## Earnings per share

Earnings per share, DKK
Diluted earnings per share, DKK

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## Balance sheet

## Assets

## Bang \& Olufsen $\mathrm{a} / \mathrm{s}$

(DKK million)

| Group |  |  |
| :---: | :---: | :---: |
| 31/8-08 | 31/5-08 | 31/8-07 |
| 44.8 | 44.8 | 44.8 |
| 45.1 | 41.1 | 43.1 |
| 191.7 | 218.8 | 250.8 |
| 159.8 | 112.5 | 106.5 |
| 441.4 | 417.2 | 445.2 |
| 274.2 | 274.4 | 249.1 |
| 204.4 | 221.8 | 204.4 |
| 51.2 | 50.0 | 68.0 |
| 27.9 | 28.7 | 27.9 |
| 100.2 | 80.8 | 86.3 |
| 657.9 | 655.7 | 635.7 |
| 51.9 | 52.8 | 55.5 |
| 6.3 | 6.3 | 15.0 |
| 57.0 | 52.0 | 73.7 |
| 63.3 | 58.3 | 88.7 |
| 29.9 | 22.7 | 27.1 |
| 1,244.4 | 1,206.7 | 1,252.2 |
| 768.7 | 801.4 | 701.2 |
| 543.0 | 593.0 | 702.6 |
| - | - | 8.1 |
| 55.0 | 39.7 | 33.7 |
| 28.6 | 38.9 | 34.5 |
| 48.9 | 30.5 | 35.0 |
| 675.5 | 702.1 | 813.9 |
| 117.5 | 107.1 | 151.1 |
| 1,561.7 | 1,610.6 | 1,666.2 |
| 2,806.1 | 2,817.3 | 2,918.4 |

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## Balance sheet

## Equity and liabilities

## Bang \& Olufsen $\mathrm{a} / \mathrm{s}$

(DKK million)

| Group |  |  |
| :---: | :---: | :---: |
| 31/8-08 | 31/5-08 | 31/8-07 |
| 120.8 | 120.8 | 120.8 |
| 14.6 | 14.6 | 14.6 |
| (34.3) | (42.9) | (20.1) |
| - | - | - |
| 1,310.9 | 1,379.2 | 1,588.3 |
| 1,412.0 | 1,471.7 | 1,703.6 |
| 6.3 | 12.1 | 6.1 |
| 1,418.3 | 1,483.8 | 1,709.7 |
| 9.5 | 9.5 | 9.7 |
| 79.3 | 64.2 | 58.4 |
| 77.3 | 77.3 | 96.6 |
| 234.8 | 235.7 | 88.9 |
| 99.2 | 101.1 | 97.4 |
| 6.6 | 6.6 | 6.1 |
| 506.7 | 494.4 | 357.1 |
| 8.5 | 8.5 | 14.0 |
| 42.9 | 42.9 | 30.7 |
| 174.8 | 53.7 | - |
| 45.9 | 46.0 | 33.3 |
| 159.3 | 216.0 | 189.9 |
| 2.7 | 1.8 | - |
| 52.4 | 66.3 | 131.1 |
| 300.6 | 320.0 | 359.9 |
| 94.0 | 83.9 | 92.7 |
| 881.1 | 839.1 | 851.6 |
| 1,387.8 | 1,333.5 | 1,208.7 |
| 2,806.1 | 2,817.3 | 2,918.4 |

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## Cash flow statement for the period 1/6-31/8

## Bang \& Olufsen $\mathrm{a} / \mathrm{s}$

(DKK million)

|  | Group |  |
| :---: | :---: | :---: |
|  | 2008/09 | 2007/08 |
| Result for the period | (48.4) | 58.1 |
| Depreciations, amortisations and impairment losses | 73.2 | 64.9 |
| Adjustments | 16.0 | 1.8 |
| Change in working capital | 6.5 | (17.3) |
| Interest received etc. | 3.3 | 4.4 |
| Interest paid etc. | (7.0) | (4.5) |
| Income tax paid | (31.1) | (10.9) |
| Cash flow from operating activities | 12.5 | 96.5 |
| Purchase of intangible non-current assets | (57.7) | (30.2) |
| Purchase of tangible non-current assets | (37.7) | (47.6) |
| Sale of tangible non-current assets | 3.0 | 0.5 |
| Purchase of 10 \% equity interest in ICEpower a/s | (23.0) | - |
| Change in financial receivables | (5.0) | 14.5 |
| Cash flow from investment activities | (120.4) | (62.8) |
| Repayment of long-term loans | (2.8) | (5.9) |
| Purchase of own shares | - | (35.2) |
| Sale of own shares | - | 1.6 |
| Cash flow from financing activities | (2.8) | (39.5) |
| Changes in cash and cash equivalents | (110.7) | (5.8) |
| Cash and cash equivalents 1 June | 53.4 | 156.9 |
| Cash and cash equivalents 31 August | (57.3) | 151.1 |

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## Equity statement

## Bang \& Olufsen a/s, Group

(DKK million)

Equity 1 June 2007
Equity and exchange rate adjustments in subsidiaries

| 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 |
| 120.8 | 14.6 | (17.3) | 0.1 | 1,557.7 | 6.0 | 1,681.9 |
| - | - | (2.8) | - | 3.5 | - | 0.7 |
| - | - | - | (0.1) | - | - | (0.1) |
| - | - | (2.8) | (0.1) | 3.5 | - 5 | 0.6 |
| - | - | - | - | 57.6 | 0.5 | 58.1 |
| - | - | (2.8) | (0.1) | 61.1 | 0.5 | 58.7 |
| - | - | - | - | 2.7 | - | 2.7 |
| - | - | - | - | 0.4 | (0.4) | - |
| - | - | - | - | (35.2) | - | (35.2) |
| - | - | - | - | 1.6 | - | 1.6 |
| - | - | - | - | (30.5) | (0.4) | (30.9) |
| 120.8 | 14.6 | (20.1) | - | 1,588.3 | 6.1 | 1,709.7 |
| 120.8 | 14.6 | (42.9) | - | 1,379.2 | 12.1 | 1,483.8 |

Equity and exchange rate adjustments
in subsidiaries
Net income recognized directly
in equity
Retained earnings
Total recognised income and expense for the period
Purchase of $10 \%$ equity interest in ICEpower a/s
Grant of share options
Sale of own shares

Equity 31 August 2008

| - | - | 8.6 | - | (9.1) | - | (0.5) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| - | - | 8.6 | - | (9.1) | - | (0.5) |
| - | - | - | - | (49.5) | 1.1 | (48.4) |
| - | - | 8.6 | - | (58.6) | 1.1 | (48.9) |
| - | - | - | - | (16.1) | (6.9) | (23.0) |
| - | - | - |  | 2.6 | - | 2.6 |
| - | - | - | - | 3.8 | - | 3.8 |
| - | - | - | - | (9.7) | (6.9) | (16.6) |
| 120.8 | 14.6 | (34.3) | - | 1,310.9 | 6.3 | 1,418.3 |

## BANG \& OLUFSEN A/S 9 OCTOBER 2008

## Specifications for the interim report for the period 1/6-31/8

## Accounting principle applied

The interim report for Bang \& Olufsen $\mathrm{a} / \mathrm{s}$ is prepared in accordance with IAS 34 and further Danish information requirements for the presentation of financial statements for listed companies. Further Danish information requirements to the presentation of interim reports are issued in the interim report announcement and by the OMX Nordic Exchange Copenhagen A/S. IFRS is implemented so that the interim report is also within the provisions in the International Financial Reporting Standards that have been endorsed by the European Union. Accounting principles applied and methods of computation in the interim report are unchanged compared with the financial report 2007/08.

Some new or amended Standards and Interpretations are effective for the financial year 2008/09. The assessment of the management is that these Standards and Interpretations will not have significant influence on the annual report.

Interim report for the parent company has not been prepared.

## Bang \& Olufsen a/s

(DKK million)
Development costs
Expensed development costs before capitalisation
Of which capitalised
Amortisations and impairment losses on development projects
Development costs recognized in the profit and loss account

| Group |  |
| ---: | ---: |
| $1 / 6-31 / 8$ |  |
| $2008 / 09$ | $1 / 6-31 / 8$ |
|  | $2007 / 08$ |
| 138.3 | 122.5 |
| $(54.0)$ | $(29.8)$ |
| 33.8 | 31.6 |
|  |  |
|  |  |

## Financial income

Interest income from banks
Interest income from associated companies
Exchange rate gains, net
Other financial income
Financial income

## Financial costs

Interest costs on mortgage loans
Interest costs on bank loans etc.
Exchange rate losses, net
Other financial costs
Financial costs

## Tax on result for the period

Calculated tax on result for the period
Reduction of the corporation tax rate from 28 to 25
Tax on result for the period

## Adjustments

| Change in other liabilities | $(0.1)$ | $(0.4)$ |
| :--- | :---: | :---: |
| Financial income etc. | $(3.3)$ | $(4.4)$ |
| Financial costs etc. | 7.0 | 4.5 |
| Result of investments in associated companies after tax | 3.0 | 0.8 |
| Gain on sale of non-current assets | $(0.4)$ | - |
| Tax on result for the period | 9.8 | $(2.3)$ |
| Various adjustments | - | 3.6 |
| Adjustments | 16.0 | 1.8 |

Change in working capital
Change in receivale
Change in inventories
Change in accounts payables etc.
Change in working capital

| 60.3 |
| ---: |
| 32.7 |
| $(86.5)$ |
| 6.5 |

## BANG \& OLUFSEN A/S 9 OCTOBER 2008

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## Key figures

## Bang \& Olufsen a/s, Group

| (DKK million) | $\mathbf{2 0 0 7 / 0 8}$ |  |
| :--- | ---: | ---: |
| Key figures |  |  |
| EBITDA | 19 | 121 |
| EBITDA-margin, \% | 2 | 13 |
| Profit ratio (EBIT), \% | $(7)$ | 6 |
| Return on assets, \% | $(2)$ | 2 |
| Return on invested capital, excl. goodwill, \% | 1 | 7 |
| Return on equity, \% | $(3)$ | 3 |
| Current ratio | 1.8 | 2.0 |
| Equity ratio, \% | 51 | 59 |
| Financial gearing | 0.3 | 0.0 |
| Net turnover / Invested capital excl. goodwill | 0.4 | 0.6 |
| Intrinsic value per share (nom. DKK 10), DKK | 117 | 142 |
| Quotation as at 31 August | 232 | 595 |
| Price/earnings | $(53)$ | 118 |
| Price/earnings, diluted | $(53)$ | 118 |
| Quotation / Intrinsic value per share | 2.0 | 4.2 |
| Number of shares (multiple voting shares and ordinary shares) | $12,081,338$ | $12,081,338$ |
| Number of own shares (multiple voting shares and ordinary shares) | 747,987 | 677,291 |
| Average number of circulating shares | $11,315,686$ | $11,456,984$ |
| Average number of dilutive share options outstanding | 0 | 6,449 |
| Average number of circulating shares - diluted | $11,315,686$ | $11,463,433$ |

Parentheses denote negative figures.

## BANG \& OLUFSEN A/S 9 OCTOBER 2008

## Definitions of key figures:

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

Main and key figures from 2004/05 and onwards have been prepared in accordance with IFRS and "Recommendations and Key Figures 2005" from The Danish Society of Financial Analysts. Main and key figures for the previous years are prepared in accordance with "Recommendations and Key Figures 1997" from The Danish Society of Financial Analysts and with the company's previous accounting principles applied based on the Financial Statements Act.

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The period 1/6 2008 to 31/8 2008

| (DKK million) | Branded Non-branded business |  |  |  | B\&O a/s Group |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Bang \& Olufsen | B\&O <br> Medicom a/s | B\&O <br> ICEpower a/s | Other/ eliminations |  |
| Net turnover | 742.4 | - | 19.1 | (4.3) | 757.2 |
| Internal turnover | (2.6) | - | (1.7) | 4.3 | - |
| External turnover | 739.8 | - | 17.4 | - | 757.2 |
| Operating profit | (52.2) | - | 0.7 | - | (51.5) |
| Result before tax | (53.7) | (3.0) | (1.5) | - | (58.2) |

The period 1/6 2007 to 31/8 2007

|  | Branded | Non-brand | d business |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| (DKK million) | Bang \& Olufsen | B\&O <br> Medicom a/s | B\&O <br> ICEpower a/s | Other/ eliminations | B\&O a/s Group |
| Net turnover | 908.3 | - | 22.2 | (4.1) | 926.4 |
| Internal turnover | (2.2) | - | (1.9) | 4.1 | - |
| External turnover | 906.1 | - | 20.3 | - | 926.4 |
| Operating profit | 52.9 | - | 3.8 | - | 56.7 |
| Result before tax | 55.0 | (0.8) | 1.6 | - | 55.8 |

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[^3]
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## Turnover branded business

| (DKK million) | $\begin{aligned} & \text { Turnover } \\ & 1 / 6-31 / 8 \\ & 2008 / 09 \end{aligned}$ | $\begin{aligned} & \text { Turnover } \\ & 1 / 6-31 / 8 \\ & 2007 / 08 \end{aligned}$ | Growth in local currency |
| :---: | :---: | :---: | :---: |
| United Kingdom | 79 | 111 | (16.4) \% |
| Germany | 79 | 94 | (16.1) \% |
| Denmark | 72 | 129 | (44.5) \% |
| Asian markets, excl. Japan | 71 | 72 | (1.5) \% |
| Switzerland | 52 | 66 | (23.3) \% |
| Holland | 51 | 57 | (10.9) \% |
| Automotive | 44 | 16 | 178.7 \% |
| North America | 41 | 58 | (20.2) \% |
| Spain/Portugal | 36 | 54 | (34.7) \% |
| France | 35 | 51 | (30.9) \% |
| Russia | 32 | 22 | 41.8 \% |
| Expansion Markets, excl. Russia | 29 | 25 | 17.6 \% |
| Italy | 22 | 23 | (5.0) \% |
| Enterprise | 19 | 38 | (50.9) \% |
| Belgium | 17 | 20 | (13.1) \% |
| Sweden | 15 | 19 | (20.6) \% |
| Middle East | 14 | 13 | 13.4 \% |
| Austria | 11 | 11 | (5.0) \% |
| Norway | 9 | 12 | (25.5) \% |
| Japan | 8 | 13 | (32.9) \% |
| Other | 4 | 2 | - |
| Turnover non-branded business | 2 | 2 | - |
| Total branded business | 742 | 908 | - |

Parentheses denote negative figures.

## Distribution development

| Shop segment | Number of shops per 31/8-08 | Change in the period $1 / 6-08-31 / 8-08$ | Share of turnover per segment 2008/09 | Share of turnover per segment 2007/09 |
| :---: | :---: | :---: | :---: | :---: |
| B1 | 812 | (10) | 81 \% | 81 \% |
| Shop in shop | 407 | (14) | 19 \% | 19 \% |
| Other | 6 | (8) | 0 \% | 0 \% |
| Total | 1,225 | (32) | 100 \% | 100 \% |

Definitions of shop segments:
B1
Shop in shop
Other
Shops, which are dedicated retailers of Bang \& Olufsen products.
Other Shops without ded sal

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 -21 per cent for B1 shops and -23 per cent for shop in shops.


[^0]:    Parentheses denote negative figures or amounts to be deducted

[^1]:    Karl Kristian Hvidt Nielsen
    President, CEO

[^2]:    Parentheses denote negative figures or amounts to be deducted.

[^3]:    Parentheses denote negative figures

