



INTERIM REPORT,
3RD QUARTER 2012/13
1 JUNE 2012 -
28 FEBRUARY 2013

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BANG & OLUFSEN **B&O**

HIGHLIGHTS

”The revenue development in AV remains challenging, whereas our investments in new product innovation continue to pay off evidenced by the success of BeoVision 11, B&O PLAY and Automotive. The quarter was negatively impacted by the accelerated transformation of our retail network, as we transition to fewer, more productive stores in Europe. We begin to see positive impact from our growth strategy in China however this is still not enough to compensate for the continued macro-economic weakness, especially in Europe”,
says CEO Tue Manton.

- The Group’s revenue was DKK 655 million for the third quarter of the 2012/13 financial year compared to revenue of DKK 766 million in the same period last year.
- The B2C business recorded revenue of DKK 524 million in the third quarter of the 2012/13 financial year compared to DKK 638 million in the same period last year. Newly launched products such as BeoVision 11 and B&O PLAY products showed strong performance.
- The B2B business recorded revenue of DKK 131 million in the third quarter of the 2012/13 financial year compared to revenue of DKK 126 million in the same period last year.
- B2C revenue in Europe decreased by 37 per cent in the third quarter compared to the same quarter last year. The decline was seen in all European markets. North America increased by 2 per cent, whereas B2C revenue in BRIC markets increased by 67 per cent. The strong revenue growth in the BRIC markets is mainly driven by strong growth in Bang & Olufsen’s own stores in Hong Kong and South China as well as sales related to the opening of new shops, whereas the takeover of the master dealer in mid-China continued, as expected, to have an adverse impact on the revenue in China. Revenue in Rest of World increased by 13 per cent.
- The Group’s gross margin for the third quarter of the 2012/13 financial year declined to 34.9 per cent from 38.3 per cent in the same period last year. The decline is mainly due to a decline in the AV margin related to the low revenue resulting in relatively higher semi-variable costs, and an adverse effect from indirect production costs due to a reduction in inventory.
- Capacity costs were DKK 343 million in the third quarter, compared to DKK 271 million in the third quarter last year. The increase includes non-recurring costs mainly related to organisational changes and network restructuring of DKK 15 million. In addition the quarter is impacted by higher amortisation and lower capitalisation on development projects of DKK 19 million compared to the same quarter last year. Additional cost increases relate to an increased level of own retail, the establishment of a B&O PLAY organisation etc.

- Earnings before tax for the third quarter of the 2012/13 financial year were negative DKK 125 million against positive DKK 19 million in the same quarter last year.
- Free cash flow in the third quarter was positive at DKK 92 million compared to positive DKK 16 million in the same period last year. The Group's net working capital was reduced to DKK 708 million at the end of the third quarter of the 2012/13 financial year, compared to DKK 927 million at the end of the second quarter and DKK 525 million at the end of the third quarter of the 2011/12 financial year.
- The Group's total revenue for the first nine months of the 2012/13 financial year was DKK 2,074 million against DKK 2,140 million last year, a decrease of 3 per cent. Earnings before tax for the first nine months of the 2012/13 financial year were negative DKK 167 million against positive DKK 27 million last year. Free cash flow in the first nine months of the 2012/13 financial year was negative at DKK 261 million compared to negative DKK 108 million last year.
- On 29 January Bang & Olufsen announced the partnership with Hengzhunzixun (Beijing) Co., (a JV between Sparkle Roll Group Ltd and Mr. Qi Jianhong), hereafter called Sparkle Roll. The company has agreed to open and operate B1 shops and dedicated B&O PLAY shop-in-shops in China. Sparkle Roll expects to open 3 B1 shops and more than 50 B&O PLAY shop-in-shops in the 2013 calendar year.
- As previously announced in company announcement no 12.21 from 22 March 2013 the revenue outlook for the 2012/13 financial year is expected to be in the range of DKK 2,800-2,900 million. The gross margin for the 2012/13 financial year is expected to be at the same level as the previous financial year, and the outlook for EBIT is a negative EBIT in the range of DKK 150-200 million for the 2012/13 financial year. The EBIT guidance for the 2012/13 financial year includes non-recurring costs of DKK 40 million mainly relating to organisational changes and network restructuring. In addition an adverse impact of more than DKK 100 million compared to last year is expected from higher amortisation and lower capitalisation of development projects, while continuing a high level of product development activity.
- After the end of the reporting period Bang & Olufsen and Universal Music Group have announced a new partnership dedicated to music excellence and sound experiences. In addition Bang & Olufsen has announced a new partnership with Spotify, the world's leading music streaming service and Spotify is now integrated into the BeoSound 5 music system.
- John Bennett-Therkildsen (Executive Vice President, Operations) has decided to retire from Bang & Olufsen in July 2014. John Bennett-Therkildsen will step down from Executive Management on 31 July 2013. John Bennett-Therkildsen will be replaced by Folkert Bölger who has been Head of Global Procurement since 1 August 2012. Prior to joining Bang & Olufsen, Folkert Bölger was Senior Vice President Procurement at Philips Health Care. Folkert Bölger will not be a member of Executive Management which hereafter will consist of CEO Tue Mantoni and CFO Henning Bejer Beck.

Any enquiries about this announcement can be addressed to:

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A webcast will be hosted on 5 April 2013 at 10.00. Access to the webcast is obtained through our homepage www.bang-olufsen.com.

KEY FIGURES

Bang & Olufsen a/s - Group

(DKK million)	3rd quarter		YTD	
	2012/13	2011/12	2012/13	2011/12
Income statement:				
Revenue	655	766	2,074	2,140
Gross margin, %	34.9	38.3	40.1	40.3
Earnings before interest, taxes, depreciation and capitalisation (EBITDAC)	(91)	24	(80)	30
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(30)	86	94	223
Earnings before interest and tax (EBIT)	(114)	23	(149)	41
Financial items, net	(12)	(4)	(18)	(12)
Earnings before tax (EBT)	(125)	19	(167)	27
Earnings after tax	(91)	17	(122)	19
Financial position:				
Total assets	2,825	2,599	2,825	2,599
Share capital	393	362	393	362
Equity	1,684	1,563	1,684	1,563
Net interest-bearing debt	331	194	331	194
Net working capital	708	525	708	525
Cash flow:				
- from operating activities	172	87	(42)	139
- from investing activities	(80)	(72)	(219)	(246)
- free cash flow	92	16	(261)	(108)
- from financing activities	(93)	(52)	193	43
Cash flow for the period	(2)	(36)	(67)	(65)
Key figures:				
EBITDA-margin, %	(4.5)	11.3	4.5	10.4
EBIT-margin, %	(17.5)	2.9	(7.2)	1.9
NIBD/EBITDA ratio *)	1.32	0.70	1.32	0.70
Return on assets, %	(4.8)	1.0	(6.3)	1.9
Return on invested capital, excl. goodwill, %	(3.1)	4.1	1.0	9.9
Return on equity, %	(5.6)	1.1	(7.5)	1.2
Full time employees at the end of the period	2,036	2,000	2,036	2,000
Stock related key figures:				
Earnings per share (EPS), DKK	(2.3)	0.5	(3.2)	0.5
Earnings per share diluted (EPS-D), DKK	(2.3)	0.5	(3.2)	0.5
Price/Earnings	(28)	153	(20)	138

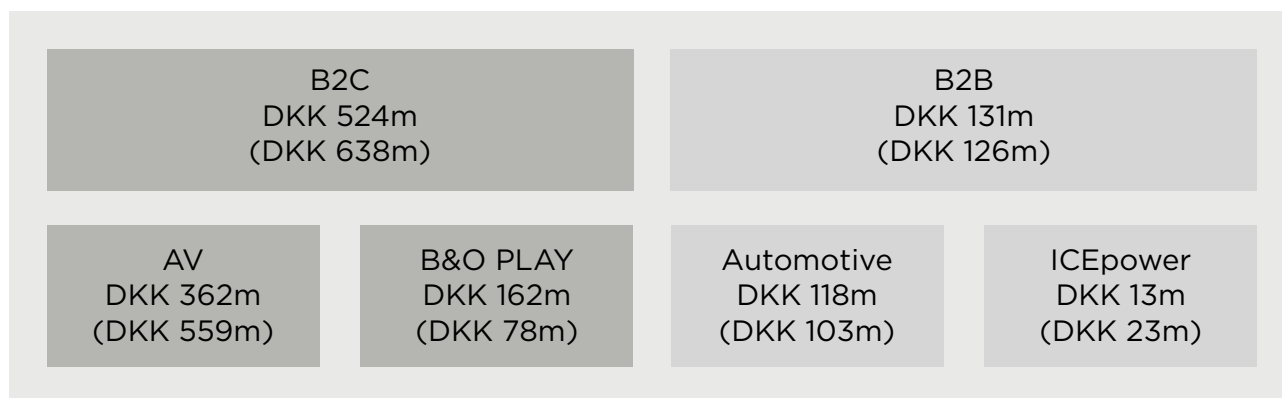
*) Calculated based on rolling 12m EBITDA

MANAGEMENT REPORT

The third quarter of the 2012/13 financial year continued to show decline in the AV revenue, whereas growth in B&O PLAY and Automotive remained strong. Group earnings continue to be impacted by a series of strategic initiatives combined with continued macro-economic headwind in key markets.

Development in the third quarter

Revenue third quarter 2012/13 (third quarter 2011/12 within brackets)



Revenue

The Group's revenue for the third quarter of the 2012/13 financial year was DKK 655 million, compared to DKK 766 million last year, corresponding to a decline of 14.6 per cent.

The B2C business, which consists of the AV and the B&O PLAY segments, recorded revenue of DKK 524 million in the third quarter of the 2012/13 financial year compared to revenue of DKK 638 million in the same period last year. The B2C segment was therefore the main explanation for the decline in group revenue.

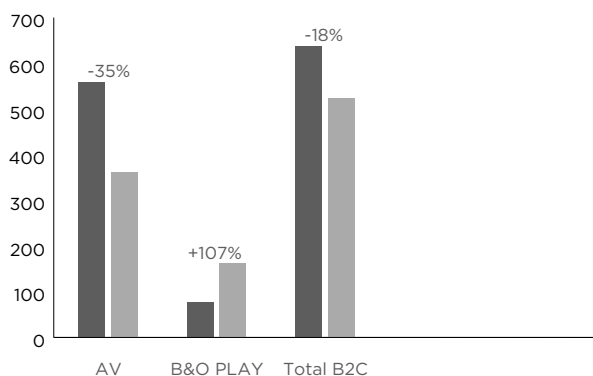
B2C revenue in Europe decreased by 37 per cent in the quarter driven by a broad decline across all

the European markets. As announced in the interim report for the second quarter of the 2012/13 financial year Bang & Olufsen has decided to transform the retail network to focus on fewer, more productive stores in existing markets. The execution of this strategic initiative has been accelerated to optimise the retail network and thereby ensuring stability and future growth. More than 80 stores, of a target of 125 stores, have already been terminated during the third quarter.

The extra-ordinary store terminations have been executed in most European markets. The remaining markets will be addressed in the coming quarters and are

Revenue and growth by segment Q3 – B2C (DKK million)

■ Q3 11/12
■ Q3 12/13



expected to be finalised earlier than the previously announced time horizon.

BRIC markets grew by 67 per cent mainly driven by strong growth in Bang & Olufsen's own stores in Hong Kong and South China, as well as sales related to the opening of new B1 shops and dedicated B&O PLAY shop-in-shops in China. The take-over of the master dealer in mid-China continued, as expected, to have an adverse impact on the revenue from China.

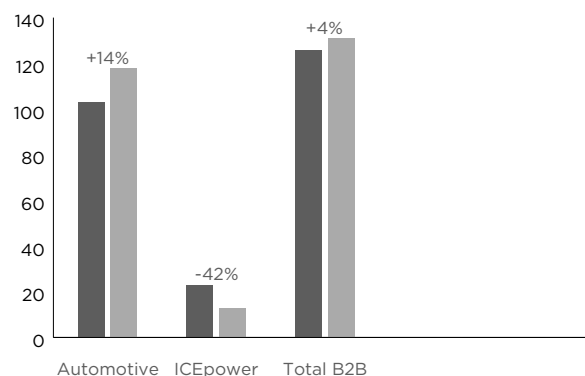
North America increased by 2 per cent. B2C revenue in the Rest of World increased by 13 per cent.

The AV segment recorded revenue of DKK 362 million in the third quarter of the 2012/13 financial year compared to DKK 559 million in the same period last year, which was positively impacted by the launch of BeoVision 12 and BeoLab 12. Newly launched AV products, such as the BeoVision 11, continue to perform well, but this is not enough to outweigh the decline in the sale of older TV products which has worsened during the third quarter.

B&O PLAY recorded revenue of DKK 162 million in the third quarter of the 2012/13 financial year compared to

Revenue and growth by segment Q3 – B2B (DKK million)

■ Q3 11/12
■ Q3 12/13



DKK 78 million in the same period last year. The third quarter has in particular shown strong performance of the BeoPlay A9, which was launched in November 2012.

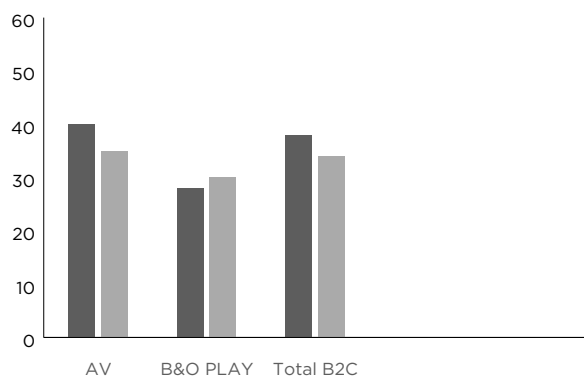
The B2B business, which consists of the Automotive and ICEpower segments, recorded revenue of DKK 131 million in the third quarter of the 2012/13 financial year compared to revenue of DKK 126 million in the same period last year, which corresponds to an increase of 4 per cent.

The Automotive segment recorded revenue of DKK 118 million in the third quarter of the 2012/13 financial year, compared to DKK 103 million in the third quarter last year and hence continued to show strong growth despite some automotive partners closing factories early for the Christmas holiday. The strong growth continues to be driven by the launch of a number of new car models at the end of the 2011/12 financial year, and the execution of various strong joint brand campaigns with the automotive partners across the world.

The ICEpower segment recorded revenue of DKK 13 million in the third quarter of the 2012/13 financial year compared to DKK 23 million in the same period last year.

Gross margin by segment Q3 – B2C

(%)

■ Q3 11/12
■ Q3 12/13**Gross margin**

The Group's gross margin decreased to 34.9 per cent from a gross margin of 38.3 per cent in the third quarter of the financial year 2011/12.

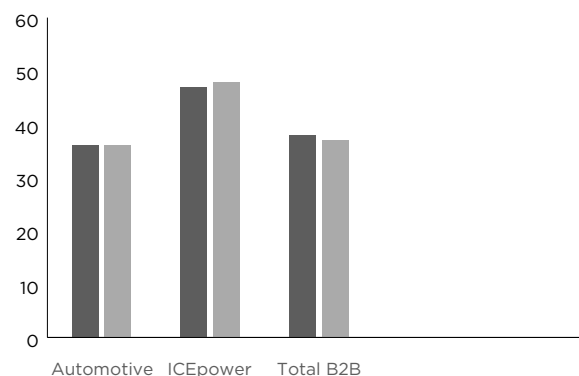
The gross margin in AV was 35.1 per cent in the third quarter of the financial year, compared to 39.9 per cent in the same quarter last year. The decrease in gross margin is mainly due to the low revenue resulting in relatively higher semi-variable costs, and an adverse effect from indirect production costs due to a reduction in inventory.

The gross margin for B&O PLAY in the third quarter of the 2012/13 financial year was 30.1 per cent against a gross margin of 27.8 per cent for the same period last year. The increase compared to the same quarter last year is mainly due to the launch of the BeoPlay A9.

The gross margin within the Automotive segment in the third quarter of the 2012/13 financial year was 36.1 per cent against a gross margin of 36.2 per cent for the same period last year.

Gross margin by segment Q3 – B2B

(%)

■ Q3 11/12
■ Q3 12/13

The gross margin within the ICEpower segment was 48.3 per cent in the third quarter of the 2012/13 financial year against a gross margin of 47.2 per cent for the same period last year.

Capacity costs

During the third quarter of the 2012/13 financial year, the capacity costs increased to DKK 343 million from DKK 271 million in the same period last year but are on the same level as in the second quarter. The increase mainly relates to higher development costs, and higher distribution and marketing costs. The capacity cost includes non-recurring costs of DKK 15 million for the third quarter of the financial year, which mainly relate to organisational changes and network restructuring and with the majority impacting the distribution and marketing costs.

Distribution and marketing costs were DKK 202 million in the third quarter of the 2012/13 financial year compared to DKK 163 million in the same period last year. This corresponds to an increase of DKK 39 million, among other things as a result of increased marketing

of newly launched products. As noted in the first two quarters, costs have also increased compared to the prior year due to the establishment of a national sales office in Shanghai, the acquisition of activities and own distribution in Hong Kong and Southern China in Q3 2011/12, and the establishment of a B&O PLAY sales organisation during the course of the 2011/12 financial year.

Administration costs etc. totalled DKK 22 million in the third quarter of the 2012/13 financial year which is on level with the third quarter of the 2011/12 financial year.

The Group incurred development costs of DKK 125 million for the third quarter of the 2012/13 financial year (of which DKK 61 million were capitalised) against incurred development costs of DKK 111 million for the same period last year (of which DKK 63 million were capitalised). The activity level in product development remains high.

Expensed development costs (incl. amortisation and impairment losses) were DKK 119 million for the third quarter of the 2012/13 financial year, compared to DKK 86 million for the same period last year. Total amortisation charges and impairment losses on development projects were DKK 56 million compared to DKK 38 million last year. The increase in amortisation charges mainly relates to amortisation on the video engine, which was launched in the fourth quarter 2011/12 (in BeoPlay V1) and to amortisation on newly launched automotive models. The net effect of capitalisation was positive DKK 6 million compared to a positive effect of DKK 25 million last year - an adverse impact from capitalisation of DKK 19 million compared to the same period last year.

Capitalised development costs and carrying amount (DKK million) - Q3

2012/13	B2C	B2B	Total
Capitalised, net	38	23	61
Carrying amount, net	420	224	644

Capitalised development costs and carrying amount (DKK million) - Q3

2011/12	B2C	B2B	Total
Capitalised, net	39	24	63
Carrying amount, net	411	180	591

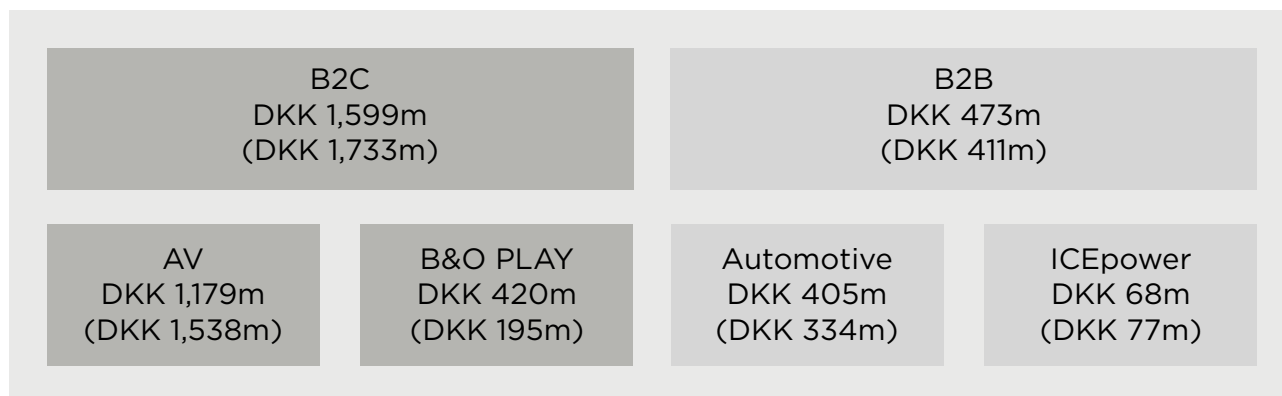
In the third quarter of the 2012/13 financial year the capitalised development costs were DKK 61 million, of which DKK 21 million relate to Automotive projects.

During the third quarter reimbursements of DKK 2 million were received from Automotive partners for development projects compared to DKK 3 million in the same period last year. The reimbursements received have been offset directly in intangible assets.

Earnings before tax for the third quarter of the 2012/13 financial year were negative DKK 125 million against positive DKK 19 million in the same period last year.

Development year-to-date

Revenue YTD 2012/13 (YTD 2011/12 within brackets)



Revenue

The Group's total revenue for the first nine months of the 2012/13 financial year was DKK 2,074 million against DKK 2,140 million in the same period last year, which corresponds to a decline of 3 per cent.

Accumulated the B2C business recorded revenue of DKK 1,599 million compared to DKK 1,733 million in the first 9 months of the 2011/12 financial year. Accumulated the AV segment recorded revenue of DKK 1,179 million compared to DKK 1,538 million in the first 9 months of the 2011/12 financial year, or a decline of 23 per cent. Newly launched AV products, such as the BeoVision 11, continue to perform well, but this is not enough to outweigh the decline in the sale of older TV products which has worsened during the third quarter, mainly due to lower than expected demand in Europe. The decline in AV is also explained by dealer network restructuring and the transition from a master dealer set-up to direct distribution in China and Brazil.

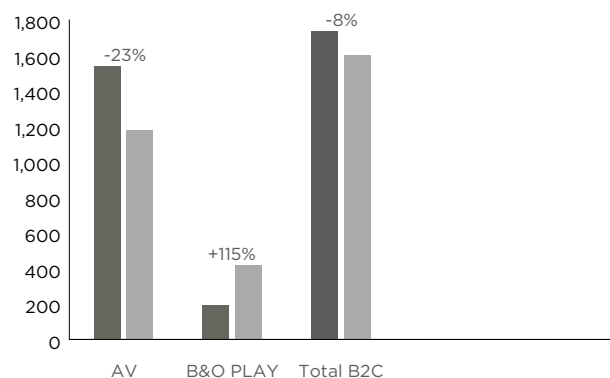
B&O PLAY recorded revenue of DKK 420 million compared to DKK 195 million in the first nine months of the 2011/12 financial year, corresponding to a growth of 115 per cent. The growth has been driven by the successful launch of several products within the B&O PLAY range, with the latest contribution being the award winning BeoPlay A9 launched in November 2012.

The B2B business recorded revenue of DKK 473 million compared to DKK 411 million in the first nine months of the 2011/12 financial year, corresponding to an increase of 15 per cent. This was mainly driven by an increase of 21 per cent in the Automotive revenue which increased to DKK 405 million compared to DKK 334 million in the first nine months of the 2011/12 financial year.

ICEpower recorded revenue of DKK 68 million compared to DKK 77 million in the first nine months of the 2011/12 financial year, or a decrease of 12 per cent.

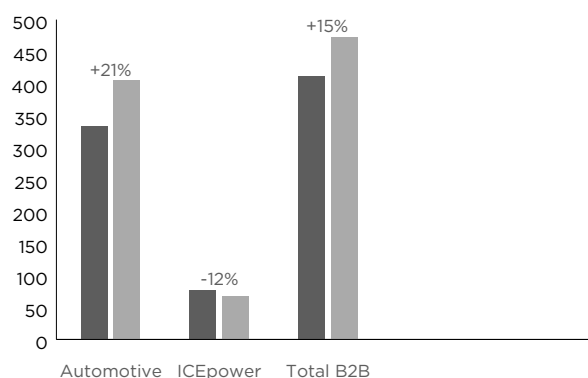
Revenue and growth by segment YTD - B2C (DKK million)

■ YTD 11/12
■ YTD 12/13



Revenue and growth by segment YTD - B2B (DKK million)

■ YTD 11/12
■ YTD 12/13



Gross margin

The Group's gross margin was 40.1 per cent in the first nine months of the 2012/13 financial year compared to a gross margin of 40.3 for the same period last year.

The gross margin in AV was 44.2 per cent compared to 41.8 per cent for the same period last year. The improvement in the AV margin is positively supported by the distribution development, where the stores acquired in Hong Kong and Southern China increase the overall group margin. This is however to a certain extent off-set by increased distribution and marketing costs as evidenced by the development in the capacity costs.

The gross margin for B&O PLAY in the first nine months of the 2012/13 financial year was 29.1 per cent against

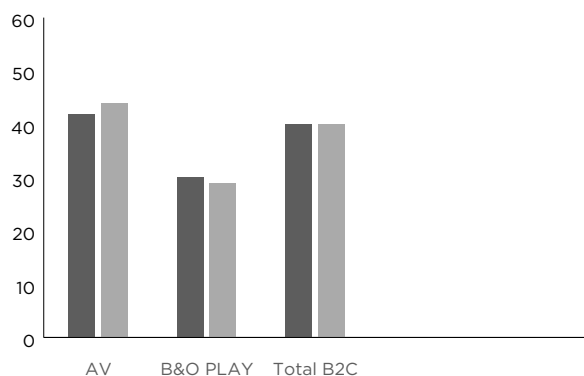
a gross margin of 29.7 per cent in the same period last year.

The gross margin in the Automotive segment in the first nine months of the 2012/13 financial year was 36.2 per cent against a gross margin of 38.2 per cent for the same period last year. The lower margin mainly relates to change in product mix.

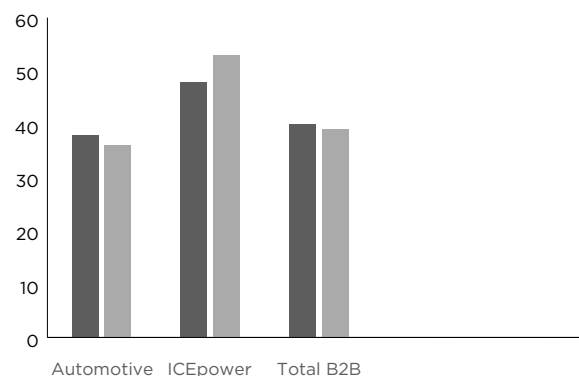
The gross margin within the ICEpower segment was 53.3 per cent in the period against a gross margin of 47.5 per cent for first nine months in the 2011/12 financial year.

Gross margin by segment YTD - B2C(**%**)

■ YTD 11/12
■ YTD 12/13

**Gross margin by segment YTD - B2B**(**%**)

■ YTD 11/12
■ YTD 12/13

**Capacity costs**

During the first nine months of the 2012/13 financial year, the Group increased its capacity costs by DKK 159 million from DKK 822 million in the same period last year to DKK 981 million this year.

Distribution and marketing expenses increased to DKK 568 million in the first nine months compared to DKK 486 million in the same period last year. The increased costs are a result of increased marketing of newly launched products as well as the establishment of a national sales office in Shanghai, the acquisition of activities and own distribution in Hong Kong and Southern China in Q3 2011/12, and the establishment of a B&O PLAY sales organisation.

Administration costs etc. totalled DKK 64 million in the first nine months of the 2012/13 financial year compared to DKK 72 million incurred in the same period last year.

The Group incurred development costs of DKK 365 million for the first nine months of the 2012/13 financial year (of which DKK 174 million were capitalised) against DKK 351 million (of which DKK 193 million were capitalised) for the same period last year. Total amortisation charges and impairment losses on development projects were DKK 158 million compared to DKK 106 million last year. The net effect of capitalisation was positive DKK 16 million compared to a positive effect of DKK 87 million last year, or an adverse impact from capitalisation of DKK 71 million in the first nine months of the 2012/13 financial year compared to the same period last year.

During the first nine months of the 2012/13 financial year, the Groups capitalisation rate was 48 per cent compared to 55 per cent during the same period last year.

Capitalised development costs and carrying amount
(DKK million) – YTD

2012/13	B2C	B2B	Total
Capitalised, net	100	74	174
Carrying amount, net	420	224	644

During the first nine months of the 2012/13 financial year capitalised development costs were DKK 174 million, of which DKK 69 million are Automotive projects. A significant part of the capitalised development costs in Automotive relate to a new, even more advanced, generation of an amplifier platform for existing and future High end systems.

During the first nine months reimbursements of DKK 8 million were received from Automotive partners for development projects compared to DKK 10 million in the same period last year. The reimbursements received have been offset directly in intangible assets.

Earnings before tax for the first nine months were negative at DKK 167 million against positive earnings of DKK 27 million in the same period last year.

Development in balance sheet items and cash flow

Free cash flow in the third quarter was positive at DKK 92 million compared to positive DKK 16 million in the same period last year. In the first nine months of the financial year 2012/13 Bang & Olufsen generated a free cash flow of negative DKK 261 million compared to negative DKK 108 million in the same period last year.

Capitalised development costs and carrying amount
(DKK million) – YTD

2011/12	B2C	B2B	Total
Capitalised, net	117	76	193
Carrying amount, net	411	180	591

At the end of the third quarter the Group's net working capital was reduced to DKK 708 million from DKK 927 million at the end of the second quarter of the 2012/13 financial year, and from DKK 525 million at the end of the third quarter of the 2011/12 financial year. The decrease compared to the previous quarter mainly relates to a reduction in inventory and trade receivables offset to a certain extent by a decrease in payables. As indicated in the interim report for the first half-year it is expected that net working capital will be further reduced in the fourth quarter of the 2012/13 financial year.

The net interest bearing debt increased to DKK 331 million from DKK 194 million by the end of the third quarter of the 2011/12 financial year. The increase in the net interest bearing debt is primarily caused by higher net working capital.

The Group's equity has increased from DKK 1,626 million to DKK 1,684 million which, as explained in the half-year report for the financial year 2012/13, primarily is due to a capital increase of DKK 182 million less costs of DKK 4 million through a directed share issue. The equity is also affected by the negative net result for the period. The equity ratio is 59.6 per cent.

The development in Bang & Olufsen distribution by region

Revenue development in the third quarter

In the third quarter of the 2012/13 financial year revenue in Region Europe decreased by DKK 171 million – corresponding to 37 per cent – to DKK 292 million. The decline was seen in all European markets.

North America recorded revenue of DKK 49 million which is 2 per cent higher than the same quarter last year.

BRIC markets grew by 67 per cent, mainly driven by strong growth in Bang & Olufsen's own stores in Hong Kong and South China as well as sales related to the opening of new BI-shops and dedicated B&O PLAY shop-in-shops in China. The takeover of the master dealer in mid-China continued to have an adverse impact on the revenue from China.

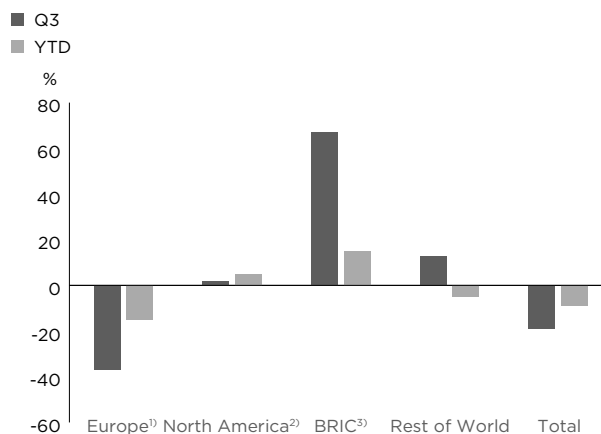
Revenue in Rest of World increased from DKK 52 million for the same period last year to DKK 59 million.

Revenue through third party channels was DKK 17 million compared to DKK 11 million for the same period last year.

Revenue development year-to-date

Europe recorded revenue of DKK 1,026 million in the first nine months of the 2012/13 financial year, compared to DKK 1,200 million in the same period last year, a decline of 15 per cent.

Revenue growth by region (Q3 and YTD)



North America recorded revenue of DKK 131 million in the first nine months of the 2012/13 financial year, compared to DKK 125 million last year.

BRIC recorded revenue of DKK 222 million in the first nine months of the 2012/13 financial year, compared to DKK 194 million last year.

Rest of World recorded revenue of DKK 177 million in the first nine months of the 2012/13 financial year, compared to DKK 187 million last year.

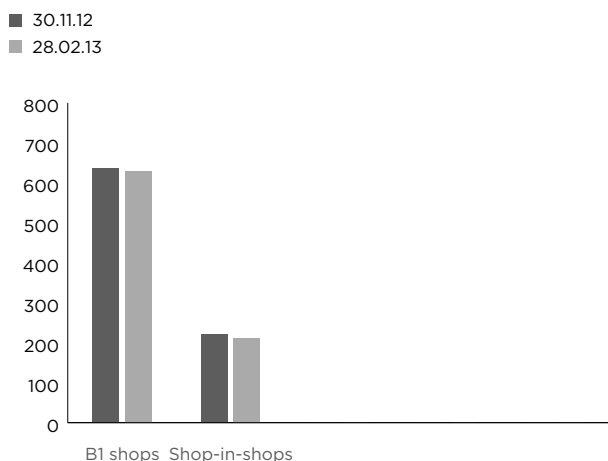
Revenue through third party channels increased to DKK 44 million in the first nine months of the 2012/13 financial year, compared to DKK 27 million last year.

¹⁾ Europe covers Denmark, Norway, Sweden, United Kingdom, Netherlands, Belgium, Germany, Switzerland, Austria, Spain, Italy and France.

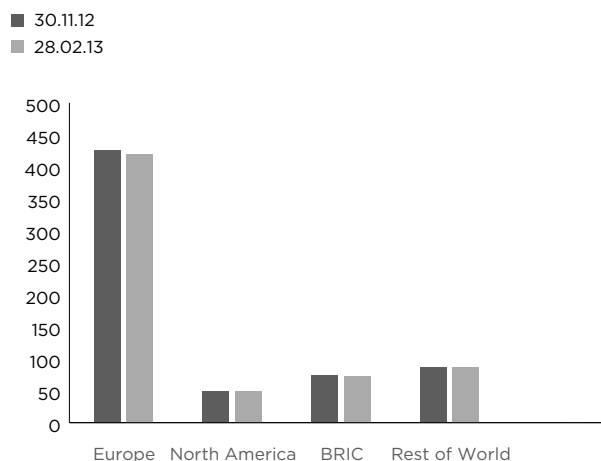
²⁾ North America covers USA, Canada and Mexico.

³⁾ BRIC covers Brazil, Russia, India, China, Taiwan, Hong Kong and Korea.

Number of B1 shops and shop-in-shops



B1 shops by region



Distribution development

In the interim report for the second quarter of the 2012/13 financial year Bang & Olufsen announced that initiatives would be taken to close up to 125 stores primarily in Europe. The execution of this strategic initiative has been accelerated to optimise the retail network and thereby ensuring stability and future growth. More than 80 stores have already been terminated during the third quarter in Austria, Switzerland, Denmark, Finland, Germany, the United Kingdom, Italy, the Netherlands, Norway and Sweden. These stores will impact the store count when the termination periods end which can take up to six months.

By the end of the third quarter, there were 628 B1 shops across the world against 637 at the end of the second quarter of the 2012/13 financial year. Thus, the net movement for the third quarter was a reduction of 9 shops, with 6 openings and 15 closures.

In accordance with the communicated strategy, the Group expects a reduction in the number of shops

in Europe and an increase in the number of shops in growth markets over the coming years.

By the end of February 2013, there were 419 B1 shops in Region Europe against 426 at the end of the second quarter 2012/13. The net movement in Europe for the third quarter therefore amounts to a reduction of 7 shops, with 4 openings and 11 closures.

In Region North America, there were 50 B1 shops, compared to 50 at the end of the second quarter of the financial year 2012/13. The movement in North America for the third quarter was one opening and one closure.

In the BRIC markets there were 73 B1 shops against 74 at the end of the second quarter of the financial year 2012/13. The net movement for the third quarter is a reduction of one shop, with one opening and two closures. On January 29, Bang & Olufsen signed an agreement with Hengzhunzixun (Beijing) Co., Ltd., a joint venture between Sparkle Roll Group Ltd. and Mr.

Qi Jianhong (hereafter called Sparkle Roll). Sparkle Roll will open and operate B1 stores in three cities in China (Chongqing, Wuhan and Wuxi) and this could be expanded over time. In addition, Sparkle Roll has agreed to open and operate more than 50 dedicated B&O PLAY stores across China.

In Rest of World there were 86 B1 shops against 87 at the end of the second quarter of the financial year 2012/13. The net movement for the third quarter amounts to one closure.

The number of shop-in-shops was 212 against 222 at the end of the second quarter of the financial year 2012/13. The share of revenue for B1 shops was 86 per cent compared to 84 per cent in the first nine months of the 2011/12 financial year.

For the third quarter of the 2012/13 financial year the organic revenue decline in Bang & Olufsen shops with more than 24 months of operation was 32 per cent for B1 shops and 38 per cent for shop-in-shops.

New product launches

In the third quarter of the 2012/13 financial year, Bang & Olufsen launched BeoLab 15/BeoLab 16/Amplifier 1. ICEpower launched ICEtheater7 and ICEextend.



BeoLab 15/BeoLab 16/Amplifier 1

Bang & Olufsen launched a new built-in sound system at the Consumer Electronics Show, CES, in Las Vegas in January. The sound system comprises two loudspeakers with a motorised tilt function, BeoLab 15, and a subwoofer, BeoLab 16, all connected to a separate hideaway amplifier, Amplifier 1, then tucked into walls or the ceiling. The built-in speakers are an alternative to free-standing speakers, where limitations are caused by space or interior decor.

The Group's expectations to the 2012/13 financial year

In August 2011 Bang & Olufsen launched a new strategy "Leaner, Faster, Stronger". Based on the new strategy a major transformation process was initiated. Since then, Bang & Olufsen has among other things entered into a new partnership in China, launched the B&O PLAY brand and introduced a number of successful products.

Negative short term effects of the ongoing transformation process of Bang & Olufsen combined with continued macro-economic uncertainty, especially in Europe, have had an adverse impact on the 2012/13 financial year.

The revenue for the 2012/13 financial year is impacted by the following:

- The acquisition of the master dealer operations in mid-China and Brazil is expected to have an adverse effect on revenue of up to DKK 100 million.
- The decision in January this year to transform the retail network to focus on fewer, more productive stores in existing markets. The execution of this initiative has been accelerated further during the third quarter to optimise the retail network and thereby ensuring stability and future growth. More than 80 stores, of a target of 125 stores, have already been terminated during the third quarter. The closures are estimated to have an adverse revenue impact in the financial year 2012/13 of up to DKK 130 million compared to previously announced DKK 100 million.

In addition to these strategic initiatives the weaker than expected sale of older AV products, has had an adverse impact on the Group's revenue outlook for the 2012/13 financial year.

As a result, and as announced in company announcement no 12.21 from 22 March 2013, the revenue outlook

for the 2012/13 financial year is now expected to be in the range of DKK 2,800-2,900 million from previously exceeding the 2011/12 financial year revenue of DKK 3,008 million.

The gross margin for the 2012/13 financial year is expected to be at the same level as the previous financial year.

The outlook for EBIT is a negative EBIT in the range of DKK 150-200 million for the 2012/13 financial year compared to a previously expected positive EBIT margin. The EBIT guidance for the 2012/13 financial year includes non-recurring costs of DKK 40 million mainly relating to organisational changes and network restructuring. In addition an adverse impact of more than DKK 100 million compared to last year is expected from higher amortisation and lower capitalisation, while continuing a high level of product development activity.

Subsequent events

After the end of the reporting period Bang & Olufsen and Universal Music Group have announced a new partnership dedicated to music excellence and sound experiences. In addition, Bang & Olufsen has announced a new partnership with Spotify, the world's leading music streaming service and Spotify is now integrated into the BeoSound 5 music system.

John Bennett-Therkildsen (Executive Vice President, Operations) has decided to retire from Bang & Olufsen in July 2014. John Bennett-Therkildsen will step down from Executive Management on 31 July 2013. John Bennett-Therkildsen will be replaced by Folkert Bölger who has been head of Global Procurement since 1 August 2012. Prior to joining Bang & Olufsen, Folkert Bölger was Senior Vice President Procurement at Philips Health Care. Folkert Bölger will not be a member of Executive Management, which hereafter will consist of CEO Tue Mantoni and CFO Henning Bejer Beck.

MANAGEMENT'S STATEMENT

We have today considered and approved the interim report for the period 1 June 2012 – 28 February 2013 for Bang & Olufsen a/s.

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, as endorsed by the EU and further Danish disclosure requirements for interim reports for listed companies.

It is our opinion that the interim report provides a true and fair view of the Group's assets, liabilities and finan-

cial position as at 28 February 2013 and the results of the Group's operations and cash flows for the period 1 June 2012 – 28 February 2013.

It is also our opinion that the management report gives a true and fair view of developments in the Group's activities and financial situation, the earnings for the period and the Group's financial position in general as well as a description of the most significant risks and uncertainties to which the Group is exposed.

Struer, 5 April 2013

Executive Management:

Tue Manton
CEO

Henning Bejer Beck
Executive Vice President & CFO

John Christian Bennett-Therkildsen
Executive Vice President

Board of Directors:

Ole Andersen
Chairman

Jim Hagemann Snabe
Deputy Chairman

Jesper Jarlbæk

André Loesekrug-Pietri

Rolf Eriksen

Alberto Torres

Knud Olesen

Jesper Olesen

Per Østergaard Frederiksen

CONSOLIDATED INCOME STATEMENT

(DKK million)	Note	3rd quarter		YTD		Year
		2012/13	2011/12	2012/13	2011/12	2011/12
Revenue		654.6	766.3	2,074.0	2,140.3	3,007.7
Production costs		(426.3)	(473.0)	(1,242.9)	(1,277.0)	(1,792.0)
Gross profit		228.3	293.3	831.1	863.3	1,215.7
Gross margin, %		34.9	38.3	40.1	40.3	40.4
Development costs	3	(119.3)	(86.3)	(348.1)	(264.7)	(337.4)
Distribution and marketing costs		(201.8)	(162.9)	(568.3)	(486.1)	(654.3)
Administration costs etc.		(21.5)	(21.4)	(64.1)	(71.5)	(101.6)
Earnings before interest and tax (EBIT)		(114.3)	22.7	(149.4)	41.0	122.4
Share of result after tax in associated companies		0.6	(0.2)	1.2	(2.0)	(2.1)
Financial income		1.8	0.9	6.2	4.5	9.4
Financial costs		(13.4)	(4.6)	(24.6)	(16.5)	(25.5)
Financial items, net		(11.6)	(3.7)	(18.4)	(12.0)	(16.1)
Earnings before tax (EBT)		(125.3)	18.8	(166.6)	27.0	104.2
Tax for the period		34.6	(1.8)	44.1	(8.2)	(30.9)
Earnings after tax for the period		(90.7)	17.0	(122.5)	18.8	73.3
Attributable to:						
Shareholders in Bang & Olufsen a/s		(90.7)	17.0	(122.5)	18.8	73.3
		(90.7)	17.0	(122.5)	18.8	73.3
Earnings per share						
Earnings per share (EPS), DKK		(2.3)	0.5	(3.2)	0.5	2.0
Diluted earnings per share (EPS-D), DKK		(2.3)	0.5	(3.2)	0.5	2.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(DKK million)	3rd quarter		YTD		Year
	2012/13	2011/12	2012/13	2011/12	2011/12
Earnings for the period	(90.7)	17.0	(122.5)	18.8	73.3
Exchange rate adjustment of investments in foreign subsidiaries	(1.2)	5.5	1.2	(0.5)	0.0
Change in fair value of derivative financial instruments used as cash flow hedges	3.7	2.4	(5.6)	14.3	25.7
Transfer to the income statement of fair value adjustments of derivative financial instruments used as cash flow hedges, realised cash flows:					
- Transfer to revenue	(0.2)	(5.0)	(6.4)	(8.4)	(10.8)
- Transfer to production costs	(0.8)	2.4	4.8	2.4	4.3
Tax on other comprehensive income	(0.7)	0.0	1.8	(2.1)	(4.8)
Other comprehensive income, net of tax	0.8	5.3	(4.2)	5.7	14.4
Comprehensive income for the period	(89.9)	22.3	(126.7)	24.5	87.7
Attributable to:					
Shareholders in Bang & Olufsen a/s	(89.9)	22.3	(126.7)	24.5	87.7
	(89.9)	22.3	(126.7)	24.5	87.7

CONSOLIDATED BALANCE SHEET

(DKK million)	28/02 2013	29/02 2012	31/05 2012
Goodwill	50.1	49.1	47.8
Acquired rights	23.0	29.7	27.8
Completed development projects	448.6	311.0	296.8
Development projects in progress	195.0	280.5	338.9
Total intangible assets	716.7	670.3	711.3
Land and buildings	199.6	213.9	210.3
Plant and machinery	144.3	165.1	145.6
Other equipment	34.8	10.5	29.3
Leasehold improvements	17.6	14.6	17.5
Tangible assets in course of construction and prepayments of tangible assets	83.6	93.0	96.8
Total tangible assets	479.9	497.1	499.5
Investment property	40.3	41.6	41.3
Investments in associates	5.6	5.7	5.6
Other financial receivables	39.6	45.7	46.6
Total financial assets	45.2	51.4	52.2
Deferred tax assets	176.3	125.7	139.9
Total non-current assets	1,458.4	1,386.1	1,444.2
Inventories	704.7	611.5	665.0
Trade receivables	434.2	395.1	539.9
Receivables from associates	4.6	2.7	2.4
Corporation tax receivable	23.5	17.9	12.4
Other receivables	53.6	37.8	50.4
Prepayments	36.8	22.0	18.8
Total receivables	552.7	475.5	623.9
Cash	108.8	125.7	159.1
Total current assets	1,366.2	1,212.7	1,448.0
Total assets	2,824.6	2,598.8	2,892.2

CONSOLIDATED BALANCE SHEET

(DKK million)	28/02 2013	29/02 2012	31/05 2012
Share capital	392.7	362.4	362.4
Translation reserve	26.3	24.6	25.1
Reserve for cash flow hedges	0.9	(2.6)	8.3
Retained earnings	1,264.0	1,178.9	1,230.2
Total equity	1,683.9	1,563.3	1,626.0
Pensions	10.1	8.9	9.8
Deferred tax	8.6	7.2	15.4
Provisions	79.3	89.1	86.2
Mortgage loans	207.8	216.2	212.9
Other non-current liabilities	0.9	0.8	0.9
Total non-current liabilities	306.7	322.2	325.2
Mortgage loans	7.1	5.1	6.6
Loans from banks	170.0	50.0	150.0
Overdraft facilities	54.9	48.3	37.8
Provisions	44.0	50.7	54.8
Trade payables	248.8	253.8	384.8
Corporation tax payable	29.8	14.7	27.8
Other liabilities	244.8	264.5	259.9
Deferred income	34.6	26.2	19.3
Total current liabilities	834.0	713.3	941.0
Total liabilities	1,140.8	1,035.5	1,266.2
Total equity and liabilities	2,824.6	2,598.8	2,892.2

CONSOLIDATED CASH FLOW STATEMENT

(DKK million)	Note	3rd quarter		YTD		Year
		2012/13	2011/12	2012/13	2011/12	2011/12
Earnings for the period		(90.7)	17.0	(122.5)	18.8	73.3
Amortisation, depreciation and impairment losses		84.8	63.6	243.3	181.8	256.2
Adjustments for non-cash items	4	(31.6)	(5.2)	(46.6)	28.3	81.6
Change in receivables		199.7	79.0	84.7	(50.4)	(204.7)
Change in inventories		143.6	0.7	(39.7)	(48.5)	(94.8)
Change in trade payables etc.		(120.6)	(71.7)	(137.9)	25.0	144.5
Cash flows from operations		185.2	83.4	(18.7)	155.0	256.1
Interest received and paid, net		(11.7)	(3.6)	(18.5)	(12.0)	(16.1)
Income tax paid		(1.7)	7.6	(4.6)	(4.4)	(14.7)
Cash flows from operating activities		171.8	87.4	(41.8)	138.6	225.3
Purchase of intangible non-current assets		(66.2)	(62.1)	(179.3)	(192.9)	(280.1)
Purchase of tangible non-current assets		(16.8)	(29.3)	(55.0)	(88.2)	(136.8)
Acquisition of activity		-	-	-	-	(12.9)
Sale of tangible non-current assets		0.7	16.0	0.8	36.0	45.6
Received reimbursements, intangible non-current assets		1.6	2.8	7.7	9.5	12.1
Capital increase, Bang & Olufsen Medicom a/s		-	(1.7)	-	(5.1)	(1.7)
Change in financial receivables		0.7	2.6	7.0	(5.6)	(6.5)
Cash flows from investing activities		(80.0)	(71.7)	(218.8)	(246.3)	(380.3)
Free cash flow		91.8	15.7	(260.6)	(107.7)	(155.0)
Repayment of long-term loans		(1.6)	(1.7)	(4.6)	(4.6)	(6.4)
Proceeds from short-term borrowings		(90.0)	(50.0)	20.0	50.0	150.0
Capital increase		(1.7)	-	178.7	-	-
Payment of debt regarding purchase of minority interest and dividend		-	-	-	(2.3)	(5.7)
Sales of own shares		-	-	(1.3)	-	-
Purchase of own shares		-	-	0.5	-	(4.3)
Cash flow from financing activities		(93.3)	(51.7)	193.3	43.1	133.6
Change in cash and cash equivalents		(1.5)	(36.0)	(67.3)	(64.6)	(21.4)
Cash and cash equivalents, opening balance		54.6	113.2	121.3	141.4	141.4
Exchange rate adjustment, cash and cash equivalents		0.8	0.2	(0.1)	0.6	1.3
Cash and cash equivalents, closing balance		53.9	77.4	53.9	77.4	121.3
Cash and cash equivalents:						
Cash		108.8	125.7	108.8	125.7	159.1
Current overdraft facilities		(54.9)	(48.3)	(54.9)	(48.3)	(37.8)
Cash and cash equivalents, closing balance		53.9	77.4	53.9	77.4	121.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(DKK million)	28/02 2013	29/02 2012	31/05 2012
Equity, opening balance	1,626.0	1,538.3	1,538.3
Earnings for the period	(122.5)	18.8	73.3
Other comprehensive income, net of tax	(4.2)	5.7	14.4
Comprehensive income for the period	(126.7)	24.5	87.7
Capital increase *)	178.7	-	-
Employee shares	-	-	1.2
Purchase of minority interest and distributed dividend	-	(2.9)	(2.9)
Grant of share options	6.7	3.4	6.0
Sale of own shares	0.5	-	-
Purchase of own shares	(1.3)	-	(4.3)
Equity, closing balance	1,683.9	1,563.3	1,626.0

*) All new shares have been subscribed for by Sparkle Roll Holdings Limited and A Capital Bravo Holding S.à.r.l. at a market price of DKK 60.22 per share of DKK 10.

NOTES

1 ACCOUNTING PRINCIPLES

The interim report for Bang & Olufsen a/s is prepared as a condensed set of financial statements in accordance with IAS 34 'Interim Financial Reporting', as endorsed by the European Union and further Danish disclosure requirements for interim reports for listed companies. The interim report has not been audited or reviewed by the company's external auditors. An interim report for the parent company has not been prepared. The interim report is stated in Danish krone (DKK) which is the functional currency of the parent company.

The Annual Report 2011/12 contains a full description of applied accounting principles.

Accounting principles and computation methods applied in the interim report are unchanged compared to the principles applied in the 2011/12 Annual Report, with the exception of some new or amended Standards (IFRS and IAS) and Interpretations (IFRICs) which have become effective. The new Standards and Interpretations have not had a material impact on recognition and measurement.

2 SIGNIFICANT ESTIMATES AND ASSESSMENTS BY MANAGEMENT

The preparation of interim reports requires that management makes estimates and assessments which affect the application of accounting principles and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The material estimates that management makes when applying the accounting principles of the group, and the material uncertainty connected with these estimates and assessments are unchanged in the preparation of the interim report compared to the preparation of the Annual Report as at 31 May 2012.

3 DEVELOPMENT COSTS

(DKK million)	3rd quarter		YTD		Year
	2012/13	2011/12	2012/13	2011/12	2011/12
Incurring development costs before capitalisation	124.8	111.3	364.5	351.3	471.5
Hereof capitalised	(61.1)	(62.6)	(174.2)	(192.9)	(279.9)
Incurring development costs after capitalisation	63.7	48.7	190.3	158.4	191.6
Capitalisation (%)	48.9	56.2	47.8	54.9	59.4
Total amortisation charges and impairment losses on development projects	55.6	37.6	157.8	106.3	145.8
Development costs recognised in the consolidated income statement	119.3	86.3	348.1	264.7	337.4

NOTES

4 ADJUSTMENTS FOR NON-CASH ITEMS IN THE CASH FLOW STATEMENT

(DKK million)	3rd quarter		YTD		Year
	2012/13	2011/12	2012/13	2011/12	2011/12
Change in other liabilities	(0.6)	1.2	(17.4)	1.7	3.9
Financial items, net	11.6	3.7	18.4	12.0	16.1
Share of result after tax in associated companies	(0.6)	0.2	(1.2)	2.0	0.1
Gain/loss on sale of non-current assets	0.2	(7.0)	(0.2)	(7.0)	(8.2)
Tax on earnings for the period	(34.7)	1.8	(44.1)	8.2	30.9
Various adjustments	(7.5)	(5.1)	(2.1)	11.4	38.8
Adjustment for non-cash items	(31.6)	(5.2)	(46.6)	28.3	81.6

5 SEGMENT INFORMATION

(DKK million)	3rd quarter		YTD		Change, %
	2012/13	2011/12	2012/13	2011/12	YTD
Revenue by segment and business area					
Consumer business (B2C):					
AV	361.9	559.3	1,179.2	1,538.2	(23.3)
B&O PLAY	161.9	78.2	419.8	195.0	115.3
Total consumer business (B2C)	523.8	637.5	1,599.0	1,733.2	7.7
Business to business (B2B):					
Automotive	117.8	103.3	405.4	334.0	21.4
ICEpower	13.3	22.9	67.7	77.0	(12.1)
Total business to business (B2B)	131.1	126.2	473.1	411.0	15.1
Elimination of internal revenue	(1.8)	(3.5)	(8.6)	(11.9)	-
Exchange rate adjustments	1.5	6.1	10.5	8.0	-
Revenue, Group	654.6	766.3	2,074.0	2,140.3	(3.1)
Gross margin by business area, %					
Consumer business (B2C):					
AV	35.1	39.9	44.2	41.8	
B&O PLAY	30.1	27.8	29.1	29.7	
Business to business (B2B):					
Automotive	36.1	36.2	36.2	38.2	
ICEpower	48.3	47.2	53.3	47.5	
Gross margin %, Group	34.9	38.3	40.1	40.3	

NOTES

5 SEGMENT INFORMATION (CONTINUED)

(DKK million)	3rd quarter		YTD		Change, %
	2012/13	2011/12	2012/13	2011/12	YTD
Revenue by region					
Consumer business (B2C)					
Bang & Olufsen distribution:					
Europe	291.7	462.7	1,025.5	1,200.3	(14.6)
North America	48.5	47.6	131.1	125.3	4.6
BRIC	107.8	64.4	221.8	193.7	14.5
Rest of World	58.8	52.1	176.6	186.6	(5.4)
Total Bang & Olufsen distribution	506.8	626.8	1,555.0	1,705.9	(8.8)
3rd party distribution and e-commerce:					
B&O PLAY	17.0	10.7	44.0	27.3	61.2
Total 3rd party distribution and e-commerce	17.0	10.7	44.0	27.3	61.2
Total consumer business (B2C)	523.8	637.5	1,599.0	1,733.2	(7.7)
Business to business (B2B)					
Automotive	117.8	103.3	405.4	334.0	21.4
ICEpower	13.3	22.9	67.7	77.0	(12.1)
Total business to business (B2B)	131.1	126.2	473.1	411.0	15.1
Elimination of internal revenue	(1.8)	(3.5)	(8.6)	(11.9)	-
Exchange rate adjustments	1.5	6.1	10.5	8.0	-
Revenue, Group	654.6	766.3	2,074.0	2,140.3	(3.1)

(DKK million)	YTD 2012/13					Total
	Consumer business (B2C)		Business to business (B2B)		Internal revenue and adj.	
	AV	B&O PLAY	Automotive	ICEpower		
Revenue	1,179.2	419.8	405.4	67.7	1.9	2,074.0
Production costs	(658.0)	(297.8)	(258.6)	(31.7)	3.2	(1,242.9)
Gross profit	521.2	122.0	146.8	36.0	5.1	831.1
Unallocated costs	-	-	-	-	-	(997.7)
Earnings before tax (EBT)	-	-	-	-	-	(166.6)

NOTES

6 SHOPS BY REGION - BANG & OLUFSEN DISTRIBUTION
(B1 AND SHOP-IN-SHOP)

	Number (units)				Share of revenue (%)	
	28.02.2013	30.11.2012	31.08.2012	31.05.2012	YTD 2012/13	YTD 2011/12
Europe ⁴	627	644	651	680	66.0%	70.4%
North America ⁵	52	52	50	53	8.4%	7.3%
BRIC ⁶	74	75	78	80	14.3%	11.4%
Rest of World ⁷	87	88	91	105	11.3%	10.9%
	840	859	870	918	100%	100%

⁴) Shop-in-shop; 208 (30.11.2012; 218)

⁵) Shop-in-shop; 2 (30.11.2012; 2)

⁶) Shop-in-shop; 1 (30.11.2012; 1)

⁷) Shop-in-shop; 1 (30.11.2012; 1)

APPENDIX 1

Earnings by quarter 2012/13:

(DKK million)	2012/13			
	Q1	Q2	Q3	Q4
Revenue	600.4	819.0	654.6	
Gross profit	245.0	357.8	228.3	
Earnings before interest and tax (EBIT)	(61.3)	26.2	(114.3)	
Share of result after tax in associated companies	-	0.6	0.6	
Financial items, net	(2.9)	(3.9)	(11.6)	
Earnings before tax (EBT)	(64.2)	22.9	(125.3)	
Tax for the period	17.0	(7.5)	34.6	
Earnings after tax for the period	(47.2)	15.4	(90.7)	

Accumulated earnings by quarter 2012/13:

(DKK million)	2012/13			
	Q1	Q2	Q3	Q4
Revenue	600.4	1,419.4	2,074.0	
Gross profit	245.0	602.8	831.1	
Earnings before interest and tax (EBIT)	(61.3)	(35.1)	(149.4)	
Share of result after tax in associated companies	-	0.6	1.2	
Financial items, net	(2.9)	(6.8)	(18.4)	
Earnings before tax (EBT)	(64.2)	(41.3)	(166.6)	
Tax for the period	17.0	9.5	44.1	
Earnings after tax for the period	(47.2)	(31.8)	(122.5)	

APPENDIX 1

Earnings by quarter 2011/12:

(DKK million)	2011/12			
	Q1	Q2	Q3	Q4
Revenue	598.6	775.5	766.3	867.4
Gross profit	231.0	339.3	293.3	352.4
Earnings before interest and tax (EBIT)	(28.5)	46.8	22.7	81.4
Share of result after tax in associated companies	(0.9)	(0.9)	(0.2)	(0.1)
Financial items, net	(3.2)	(5.1)	(3.7)	(4.1)
Earnings before tax (EBT)	(32.6)	40.8	18.8	77.2
Tax for the period	5.6	(12.0)	(1.8)	(22.7)
Earnings after tax for the period	(27.0)	28.8	17.0	54.5

Accumulated earnings by quarter 2011/12:

(DKK million)	2011/12			
	Q1	Q2	Q3	Q4
Revenue	598.6	1,374.1	2,140.3	3,007.7
Gross profit	231.0	570.3	863.3	1,215.7
Earnings before interest and tax (EBIT)	(28.5)	18.3	41.0	122.4
Share of result after tax in associated companies	(0.9)	(1.8)	(2.0)	(2.1)
Financial items, net	(3.2)	(8.3)	(12.0)	(16.1)
Earnings before tax (EBT)	(32.6)	8.2	27.0	104.2
Tax for the period	5.6	(6.4)	(8.2)	(30.9)
Earnings after tax for the period	(27.0)	1.8	18.8	73.3

ADDITIONAL INFORMATION

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Financial calendar

Friday 16 August 2013

Annual Report 2012/13

Thursday 19 September 2013

Annual General Meeting

Wednesday 2 October 2013

Interim report (1st quarter 2013/14)

Safe Harbour statement

The report contains statements relating to expectations for future developments, including future revenue and earnings, 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 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.

Applicable version

The interim report has been translated from Danish. In case of doubt the Danish version shall apply at all times.

About Bang & Olufsen

Bang & Olufsen was founded in Struer, Denmark, in 1925 by Peter Bang and Svend Olufsen, two innovative, young engineers devoted to high quality audio reproduction. Since then, the brand has become an icon of performance and design excellence through its long-standing craftsmanship tradition and the strongest possible commitment to high-tech research and development. Still at the forefront of domestic technology, Bang & Olufsen has extended its comprehensive experience with integrated audio and video solutions for the home to other areas such as the hospitality and automotive industries in recent years. Consequently, its current product range epitomises seamless media experiences in the home as well as in the car and on the move.

For additional information refer to www.bang-olufsen.com