

INTERIM REPORT

THIRD QUARTER OF THE 2011/12 FINANCIAL YEAR



BANG & OLUFSEN

AGENDA

THE THIRD QUARTER HIGHLIGHTS – Tue Mantoni, CEO

THE FINANCIAL RESULT FOR THE THIRD QUARTER OF 2011/12 – Henning Bejer Beck, CFO

THE EXPECTATIONS FOR THE 2011/12 FINANCIAL YEAR – Tue Mantoni, CEO

QUESTIONS & ANSWERS



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FINANCIAL HIGHLIGHTS FOR THIRD QUARTER

- Third quarter revenues at DKK 766 million compared to DKK 820 million last year
- AV revenues in BRIC markets grew 5 per cent
- Gross margin was 38.3 per cent against a gross margin of 39.8 per cent last year
- Result before tax was DKK 19 million against DKK 30 million in same period last year
- Free cash flow was positive at DKK 16 million
- Net working capital was DKK 525 million which is an increase of 18 per cent



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NEW PRODUCTS RELEASED IN THIRD QUARTER



BeoVision 12 launched in February:

- 65-inch plasma television
- Integrated center loudspeaker
- The video engine includes a complete 7.1 surround sound-module as standard

BeoLab 12 launched in February:

- Wall-mounted loudspeaker developed with TV- and surround sound-systems in mind
- Perfect fit with all flatscreens in the market
- Delivers 480 watts in total



Beolit 12 launched in January:

- First product under the B&O PLAY brand
- Portable music system with Apple's AirPlay-technology
- High-quality listening experience



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SUBSEQUENT EVENTS

- New master dealer in India
- New B&O PLAY distribution agreements
- Red dot award for Beolit 12
- Best Brand in Car-HiFi



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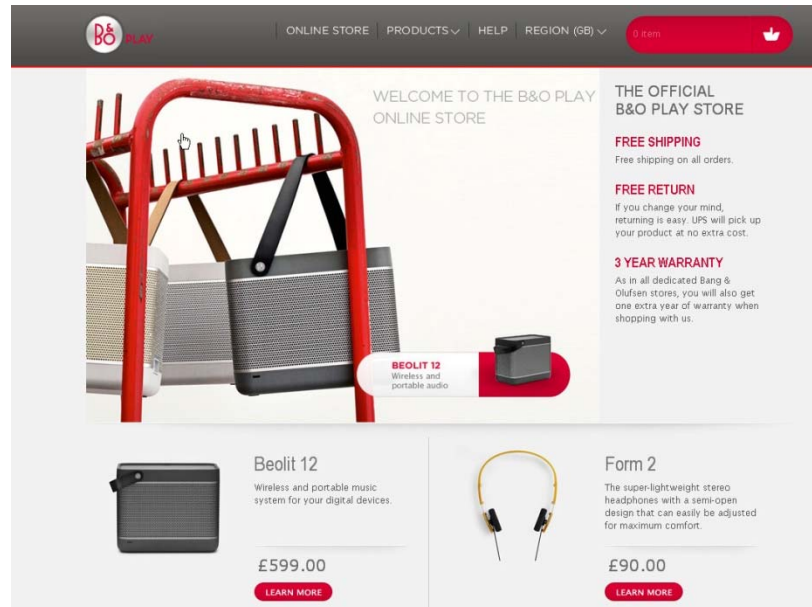
NEW MASTER DEALER IN INDIA

- Bang & Olufsen has appointed Shreyans Group as its master dealer for India, effective as from June 1st 2012. The group retails and distributes some of the world's most prestigious brands throughout India.



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NEW B&O PLAY DISTRIBUTION AGREEMENTS



- Distribution agreements have been made with approximately 100 independent premium stores in Europe (not including Apple stores).
- B&O PLAY has launched an online store which is available in the largest Western European markets at www.beoplay.com.



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RED DOT AWARD FOR BEOLIT 12

- The portable music system Beolit 12 has been awarded the highly regarded red dot design award 2012 for best product design. Red dot award is awarded by Design Zentrum Nordrhein Westfalen in Essen, Germany, and is an internationally recognised symbol for excellent design and innovation.



reddot design award
winner 2012



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BEST BRAND IN CAR-HIFI



- Bang & Olufsen has for the third year running been awarded Best Brand in Car-HiFi by readers of the well-known German car magazine 'auto motor und sport'. Since its introduction in 2006, Bang & Olufsen has won the Best Brand award four times.



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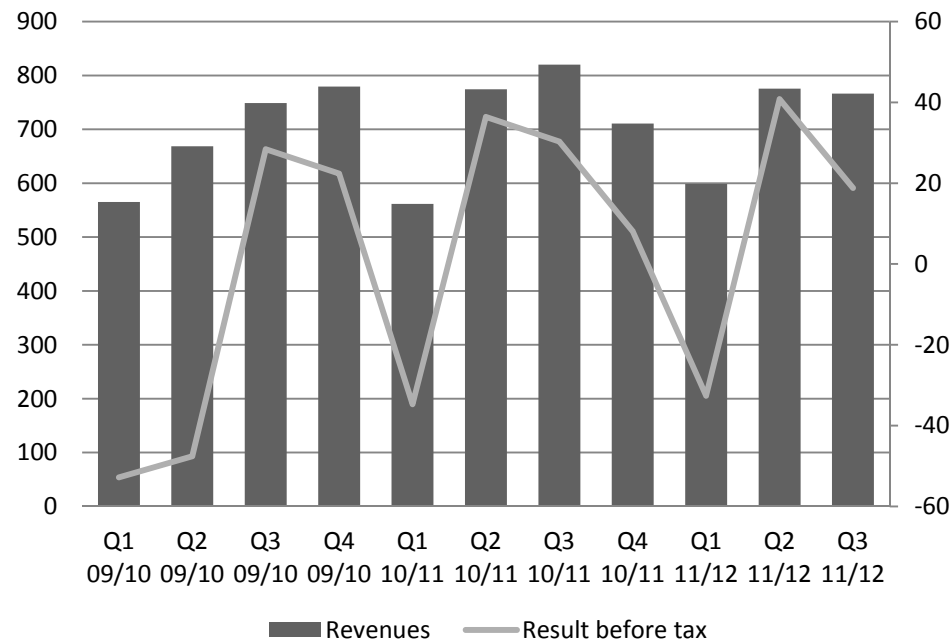
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DEVELOPMENT IN REVENUE AND RESULT BEFORE TAX (DKK MILLION)

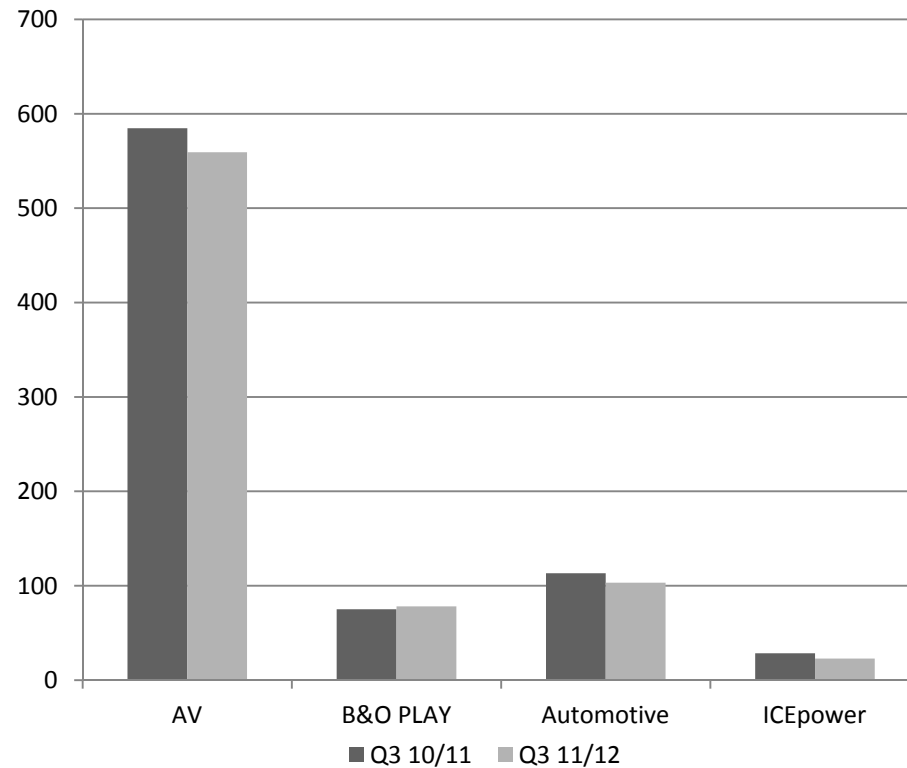


- Revenues for the third quarter were DKK 766 million compared to DKK 820 million last year.
- Result before tax was positive at DKK 19 million against a positive result last year of DKK 30 million.



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DEVELOPMENT IN REVENUE BY PRODUCT AREA (DKK MILLION)

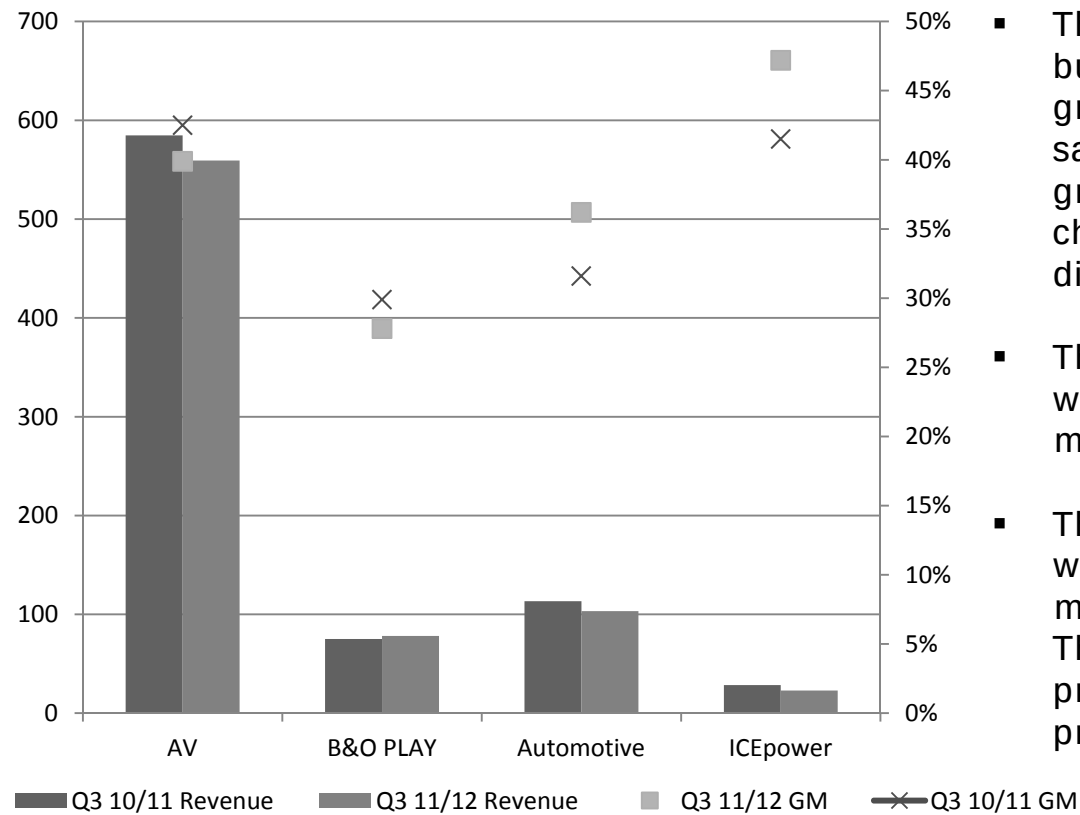


- The AV business recorded revenues of DKK 559 million compared to DKK 585 million in the same period last year.
- B&O PLAY recorded revenues of DKK 78 million compared to DKK 75 million in the same period last year.
- The Automotive business recorded revenues of DKK 103 million compared to DKK 113 million in the same period last year.
- The ICEpower business recorded revenues of DKK 23 million compared to DKK 29 million in the same period last year.



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DEVELOPMENT IN REVENUE AND GROSS MARGIN BY PRODUCT AREA (DKK MILLION)

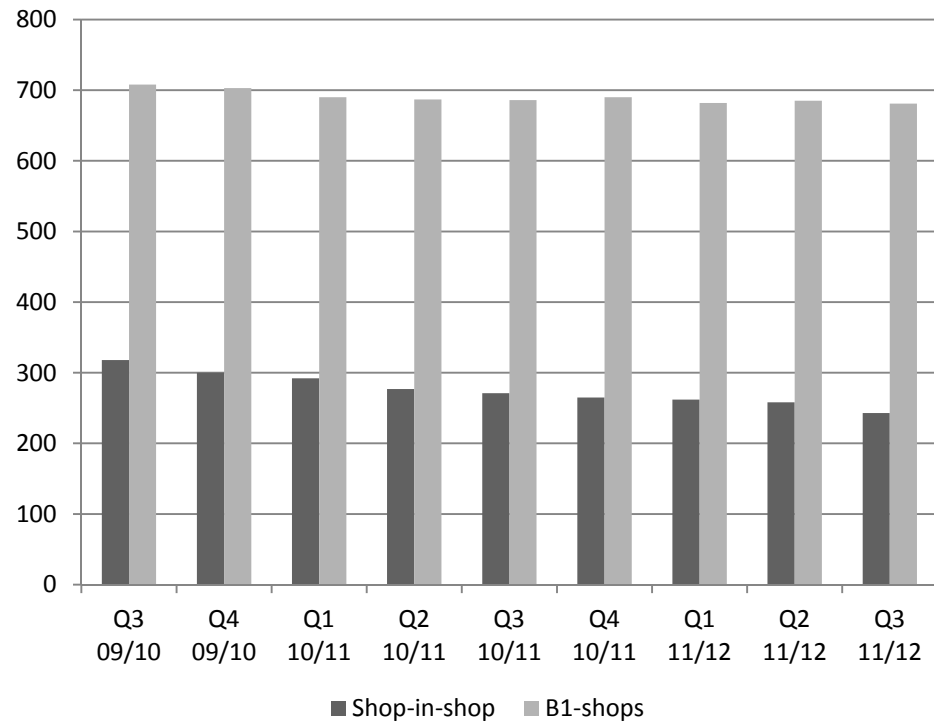


- The gross margin within the AV business was 39.9 per cent against a gross margin of 42.5 per cent for the same period last year. The change in gross margin is primarily due to changes in product mix and the distribution development.
- The gross margin within B&O PLAY was 27.8 per cent against a gross margin of 29.9 per cent last year.
- The gross margin within Automotive was 36.2 per cent against a gross margin of 31.6 per cent last year. The increased gross margin is primarily due to a change in the product mix.



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DISTRIBUTION DEVELOPMENT – NUMBER OF SHOPS

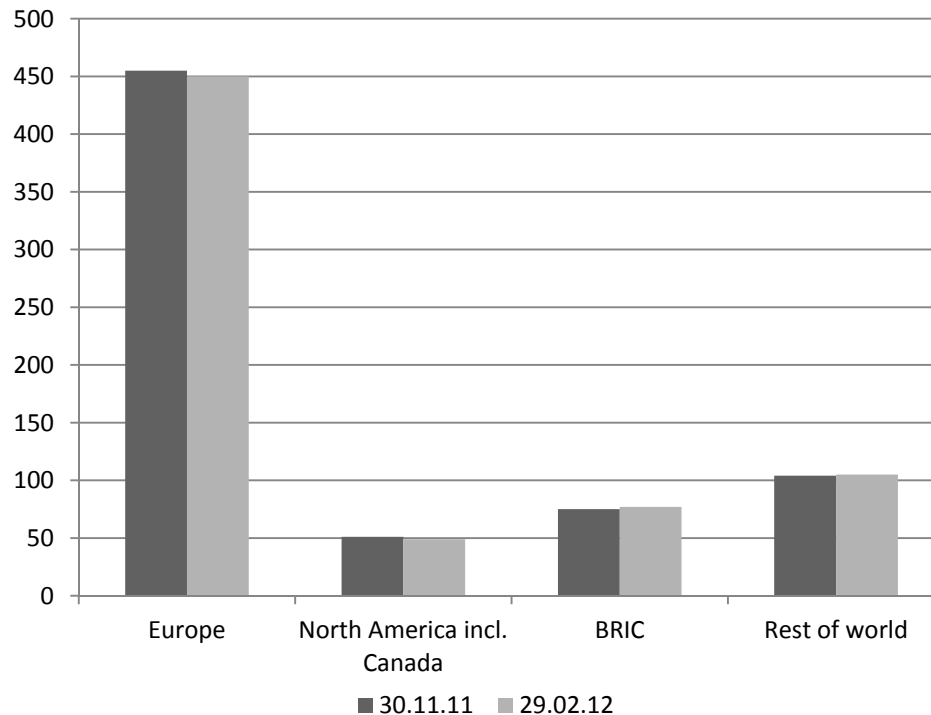


- During the third quarter 9 B1-shops were opened or upgraded, while 13 shops were closed. Thus, the net movement for the third quarter was a reduction of 4 shops.
- By the end of February 2012 there were 681 B1-shops across the world against 685 at the end of the second quarter of 2011/12.



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DISTRIBUTION DEVELOPMENT – NUMBER OF B1-SHOPS PER REGION

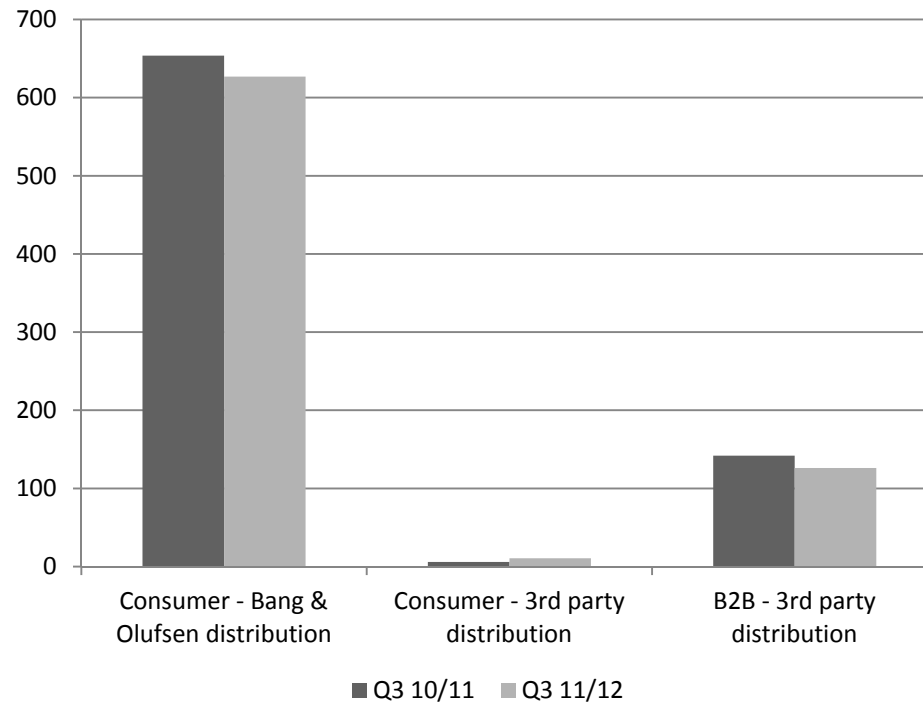


- By the end of February 2012 there were 450 B1-shops in Region Europe against 455 at the end of the second quarter of 2011/12.
- In Region North America, there were 49 B1-shops, compared to 51 at the end of the second quarter of 2011/12.
- In the BRIC markets there were 77 B1-shops against 75 at the end of the second quarter of 2011/12.
- In Rest of World there were 105 B1-shops against 104 at the end of the second quarter of 2011/12.



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DEVELOPMENT IN REVENUE BY BUSINESS AREA (DKK MILLION)

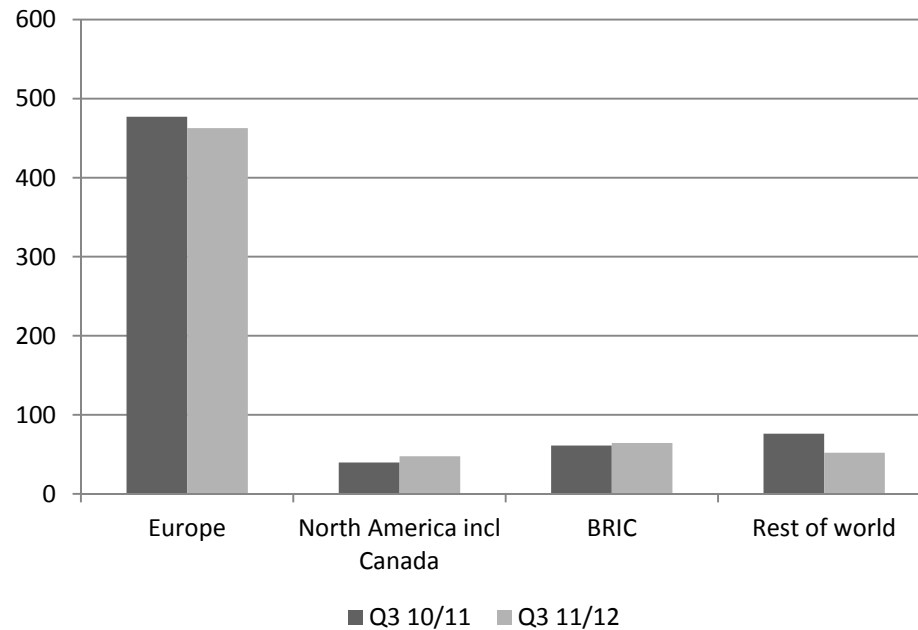


- The B2C business line, which consists of the AV and the B&O PLAY segments, recorded revenues of DKK 638 million compared to revenues of DKK 660 million in the same period last year.
- The B2B business line, which consists of the Automotive and ICEpower segments, recorded revenues of DKK 126 million compared to revenues of DKK 142 million in the same period last year.



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REVENUE DEVELOPMENT PER REGION, CONSUMER BUSINESS (DKK MILLION)

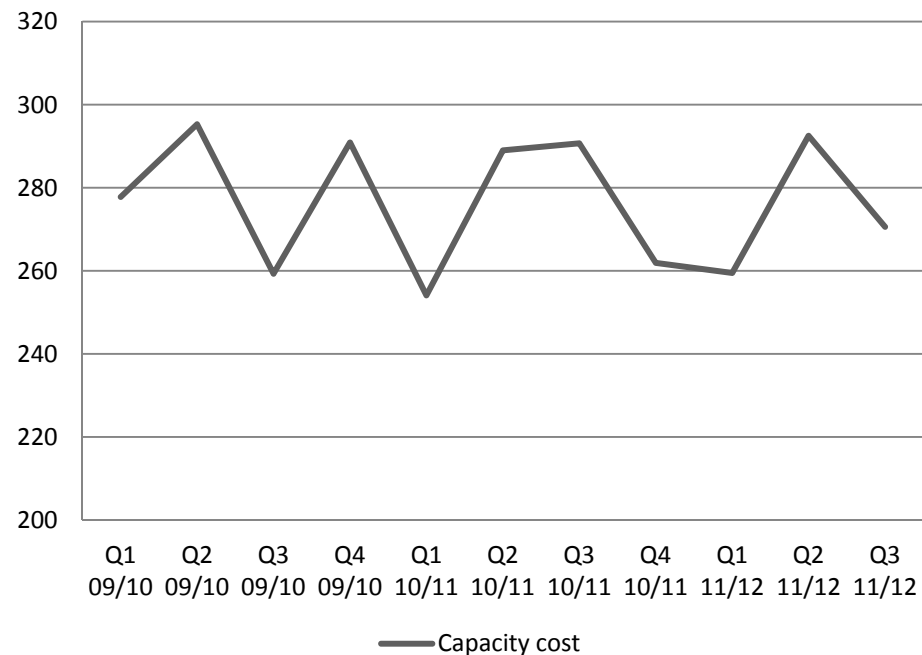


- Region Europe saw a decline in revenues of DKK 14 million or 3 per cent from DKK 477 million last year to DKK 463 million.
- North America recorded revenues of DKK 48 million compared to DKK 40 million last year, an increase of 20 per cent.
- The BRIC countries increased from DKK 61 million to DKK 64 million, i.e. 5 per cent.
- Revenues in Rest of World decreased from DKK 76 million to DKK 52 million, i.e. a decrease of 32 per cent.



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CAPACITY COSTS (DKK MILLION)

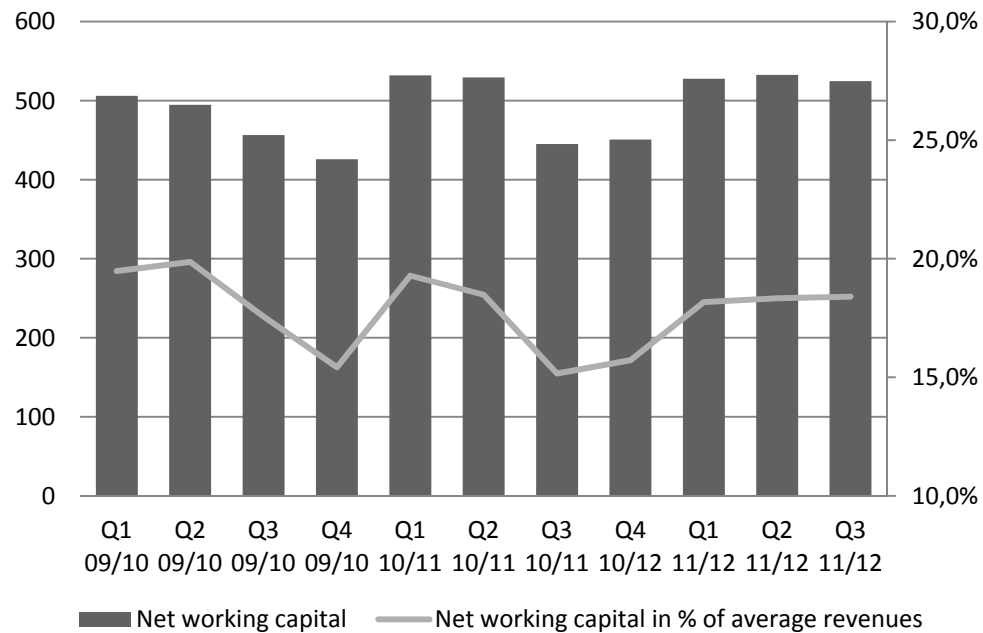


- During the third quarter of the 2011/12 financial year, the Group decreased its capacity costs by DKK 20 million to DKK 271 million from DKK 291 million in the same period last year.
- Distribution and marketing costs decreased during the third quarter of the 2011/12 financial year by DKK 9 million from DKK 172 million to DKK 163 million, among other things as a result of organisational changes in the global sales organisation, following the implementation of the new corporate strategy.



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NET WORKING CAPITAL (DKK MILLION)

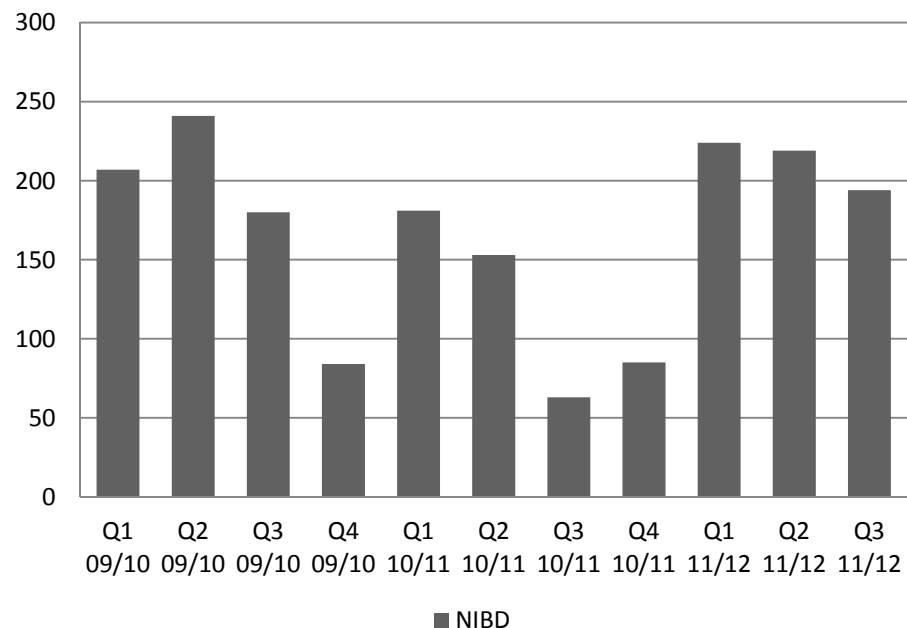


- Net working capital increased by DKK 80 million from DKK 445 million last year to DKK 525 million.
- Net working capital in percentage of revenue is 18.4 per cent compared to 15.2 per cent last year.



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NET INTEREST BEARING DEBT (DKK MILLION)



- Net interest bearing debt has increased to DKK 194 million compared to DKK 63 million by the end of the third quarter of the 2010/11 financial year.
- The increase in the net interest bearing debt is primarily caused by a lower cash flow from operating activities and high investments in fixed assets.
- The NIBD/EBITDA ratio is 0.7 on a 12 months rolling basis compared to 0.2 in the previous 12 months.



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EXPECTATIONS FOR THE 2011/12 FINANCIAL YEAR

Bang & Olufsen maintains its guidance of a 2011/12 result before tax in the level of DKK 100 million based on a revenue level exceeding DKK 3,000 million.

The EBIT-margin for the 2011/12 financial year is expected to be 3.5-4.0 per cent. This compares to an EBIT-margin of 2.1 per cent for the 2010/11 financial year.



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FOURTH QUARTER

- Impact from recently launched products
 - BeoVision 12
 - BeoLab 12
 - Beolit 12
 - Automotive models
- New products launched in Q4
 - B&O PLAY TV concept
 - Other
- 'Summer of Sports'
 - EURO 2012
 - Olympics
- B&O PLAY distribution agreements



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