Interim report for the period 1 June 2009 - 28 February 2010 for Bang & Olufsen a/s

- For the first three quarters of the 2009/10 financial year, the Group's turnover totalled DKK 1,982 million against DKK 2,173 million for the same period last year. Turnover for the third quarter totalled DKK 749 million against DKK 640 million for the same period last year, corresponding to an increase of 17 per cent.
- Result before tax was negative at DKK 72 million against a negative result of DKK 415 million (incl. restructuring costs of DKK 105 million) for the same period last year. Result before tax for the third quarter was positive at DKK 28 million against a negative result of DKK 205 million (incl. restructuring costs of DKK 105 million) in the third quarter of 2008/09.
- The Group has reduced its capacity costs by DKK 421 million from DKK 1,267 million (incl. restructuring costs of DKK 105 million) for the same period last year to DKK 846 million.
- During the third quarter, the Group saw the effects of a number of important product launches, including BeoVision 10 and BeoVision 7-55, which have been well received in the markets. As a consequence of the positive reception of BeoVision 10-40, the Group has launched a 46 inch version of BeoVision 10 after the end of the guarter.
- The majority of the Group's markets showed progress in the third quarter, and the Group's three largest geographical markets, the UK, Germany and Denmark reported growth in turnover of DKK 43 million equating to 23 per cent.
- The Automotive business area showed continuing progress in the third quarter in that turnover totalled DKK 50 million against DKK 29 million for the same period the year before.
- The Group maintained its rigorous cost controls through a number of structural changes. This process is now opening up opportunities for further cost reductions through the removal of around 70 positions. The adjustment will help ensure the correct cost base in 2010/11 and thus a sound operations base going forward.
- The Group has decided to expand the Board of Management to include Senior Vice President Sales & Marketing Christian Winther and Senior Vice President Operations John Bennett-Therkildsen. They will be joined by Henning Bejer Beck, who has been appointed Chief Financial Officer with effect from 1 October 2010.
- Bang & Olufsen maintains the expectation that the 2009/10 financial year will result in a turnover between DKK 2,700 and DKK 2,900 million (compared to the 2008/09 financial year of DKK 2,789.5 million). A result before tax in the lower end of the previously announced range between DKK -50 and DKK 0 million is expected (compared to the 2008/09 financial year of DKK -523 million). This is, among others, owing to non-recurring expenditures in connection with the restructuring costs.

Jørgen Worning Chairman Karl Kristian Hvidt Nielsen President & CEO

Announcement No. 09.17 *Translation*

Management's report Main figures – Bang & Olufsen a/s - Group

Main figures – Bang & Olufsen a/s - Group (The interim report is unaudited and has not been reviewed by the company's auditor)

(DKK million)

Main figures for the period 1/6 – 28/2	2009/10		2008/09
Net turnover	1,982.2		2,172.5
Gross profit Gross margin	770.4 38.9 %	6	878.1 40.4 %
Operating loss Result of investments in associates after tax Financial items, net	(62.0) (2.0) (8.0)		(388.7) 3.0 (29.5)
Result before tax Tax on result for the period	(72.0) 13.8		(415.2) 96.6
Result for the period	(58.2)	-	(318.6)
Attributable to: Shareholders of the parent company Minority interests Result for the period	(59.4) 1.2 (58.2)	-	(320.6) 2.0 (318.6)
Earnings per share			
Earnings per share, DKK Diluted earnings per share, DKK	(1.6)	-	(13.5)
Result for the period Other comprehensive income, net of tax Comprehensive income for the period	(58.2) 6.7 (51.5)	-	(318.6) (21.3) (339.9)
Balance sheet information	28/2 2010	31/5 2009	28/2 2009
Intangible assets Tangible assets Investment property Financial assets Deferred tax assets	543.8 573.3 46.3 50.2 125.8	481.2 613.2 49.1 69.9 104.9	466.0 634.1 50.0 65.1 55.9
Total non-current assets	1,339.4	1,318.3	1,271.1
Inventories Receivables Cash	596.8 505.9 154.9	593.3 491.0 258.1	675.8 571.2 37.3
Total current assets	1,257.6	1,342.4	1,284.3
Total assets	2,597.0	2,660.7	2,555.4
Equity Non-current liabilities Current liabilities	1,466.0 407.5 723.5	1,516.7 422.6 721.4	1,134.7 418.1 1,002.6
Total equity and liabilities	2,597.0	2,660.7	2,555.4
Net interest-bearing debt	180.3	120.0	521.1

Parentheses denote negative figures or amounts to be deducted.

Announcement No. 09.17 *Translation*

Development in equity 1/6 – 28/2	2009/10	2008/09
Equity as at 1 June	1,520.1	1,483.8
Accumulated effect at the beginning of the period from changes to accounting principles applied	(3.4)	(3.1)
Adjusted equity as at 1 June	1,516.7	1,480.7
Comprehensive income for the period	(51.5)	(339.9)
Costs related to capital increase Purchase of 10 % equity interest in Bang & Olufsen ICEpower a/s Employee shares Grant of share options Sale of own shares Dividend paid, minority interests Dividend paid Dividend, own shares	(2.7) - 1.2 4.6 - (2.3) -	(23.0) 4.7 5.7 46.0 (5.2) (36.2)
Equity as at 28 February	1,466.0	1,134.7
Cash flows, main figures 1/6 – 28/2	2009/10	2008/09
Cash flows from operating activities Cash flows from investment activities Cash flows from financing activities	113.3 (168.6) (35.8)	86.2 (276.2) (23.8)
Cash flows for the period	(91.1)	(213.8)

Parentheses denote negative figures or amounts to be deducted.

Announcement No. 09.17 TRANSLATION

Comments on developments in the first three quarters of the 2009/10 financial year

During the third quarter of the 2009/10 financial year, the Group saw the effects of a number of important product launches, including BeoVision 10 and BeoVision 7-55, which have been well received in the markets. As a consequence of the positive reception of BeoVision 10-40, the Group has launched a 46 inch version of BeoVision 10 after the end of the guarter.

For the first three quarters of the 2009/10 financial year, turnover for the Bang & Olufsen a/s Group totalled DKK 1,982 million against DKK 2,173 million last year, corresponding to a decline in turnover of DKK 191 million or 9 per cent.

Net turnover according to business area

(DKK million)	1/6 – 28/2 2009/10	1/6 - 28/2 2008/09
Audio and video business	1,770	1.982
Automotive	167	133
Branded business, total	1,937	2,115
Bang & Olufsen ICEpower a/s	55	64
Non-branded business, total	55	64
Intra-group turnover	(9)	(6)
Net turnover in total	1,982	2,173

For the branded business, turnover totalled DKK 1,937 million against DKK 2,115 million for the first three quarters of the 2008/09 financial year. The decline can be attributed to a general decline in the markets with the exception of Denmark and Switzerland, which showed an increase in turnover of 7.1 per cent and 3.4 per cent respectively (local currency). The Automotive business area also showed continuing progress and increased its turnover by DKK 34 million from DKK 133 million in the first three quarters of 2008/09 to DKK 167 million in the first three quarters of 2009/10.

The Group's gross margin for the period was 38.9 per cent against 40.4 per cent for the same period last year, which is owing to a change in the product mix towards increased sales of video products, which traditionally have a lower gross margin.

In the first three quarters of 2009/10, the Group maintained its rigorous cost control and reduced its capacity costs by DKK 421 million or 33 per cent from DKK 1,267 million (incl. restructuring costs of DKK 105 million) to DKK 846 million.

Result before tax was negative at DKK 72 million against a negative result of DKK 415 million (incl. restructuring costs of DKK 105 million) for the same period last year. After tax, the result for the first

Announcement No. 09.17 *Translation*

three quarters was negative at DKK 58 million against a negative result of DKK 319 million (incl. restructuring costs of DKK 105 million) last year.

For the first three quarters of 2009/10, cash flows from operating activities were positive at DKK 113 million against DKK 86 million for the same period last year.

The Group's cash flows for the period were negative at DKK 91 million whereas for the same period last year, it was negative at DKK 214 million.

Comments on developments in the third quarter

For the third quarter, turnover for the Bang & Olufsen a/s Group as a whole totalled DKK 749 million against DKK 640 million for the same period last year equating to an advance of 17 per cent. Turnover for the branded business increased by 18 per cent from DKK 622 million last year to DKK 731 million this year.

Net turnover according to business area

(DKK million)	1/12 – 28/2 2009/10	1/12 - 28/2 2008/09
Audio and video business Automotive Branded business, total	681 50 731	593 29 622
Bang & Olufsen ICEpower a/s Non-branded business, total	21 21	20 20
Intra-group turnover	(3)	(2)
Net turnover in total	749	640

During the third quarter of the 2009/10 financial year, the Group saw the effects of a number of important product launches, including BeoVision 10 and BeoVision 7-55, which have been well received in the markets and have made a significant contribution to the increase in turnover.

At the same time, the Group maintained its rigorous cost control and reduced its capacity costs by DKK 178 million from DKK 437 million (incl. restructuring costs of DKK 105 million) to DKK 259 million, which corresponds to 41 per cent or 22 per cent, if the restructuring costs are excluded.

Seen in isolation, operating profit for the third quarter was positive at DKK 32 million against a negative result of DKK 181 million (incl. restructuring costs of DKK 105 million) for the same period last year. Result before tax for the third quarter was positive at DKK 28 million against a negative result of DKK 205 million (incl. restructuring costs of DKK 105 million) for the third quarter of

Announcement No. 09.17 TRANSLATION

2008/09. After tax, the result for the third quarter was positive at DKK 18 million against a negative result of DKK 154 million (incl. restructuring costs of DKK 105 million) last year.

The Group's gross margin for the third quarter was 38.9 per cent against 40.0 per cent for the same period last year.

Developments in the markets

As expected the market situation in the first three quarters of the 2009/10 financial year continued to be affected by the general economic downturn and, in general, turnover in the markets for the first three quarters has been at a lower level than for the same period last year. However, the Danish and Swiss markets showed an increase in turnover of 7.1 per cent and 3.4 per cent respectively (local currency), and Sweden showed an advance of 0.8 per cent measured in local currency.

In the third quarter, the effect of the product launches resulted in growth in the majority of the Group's markets. The Group's three largest geographical markets, the UK, Germany and Denmark, showed turnover growth of DKK 43 million corresponding to 23 per cent. In addition, there was growth in Switzerland, Holland, North America, France, Italy, Belgium, Sweden, Austria, Norway and in the Asian markets. In the Asian markets, turnover growth totalled 44.7 per cent compared to the third guarter of 2008/09.

Product launches

During the first three quarters of the 2009/10 financial year, Bang & Olufsen launched a number of exciting and differentiated products, which have all been well received and have contributed to maintaining a good balance in the product mix. The business effects from the product launches largely materialised in the third quarter.

BeoVision 10-40

In October 2009, Bang & Olufsen launched the first member of a new TV family, which is characterised by a new, unique design expression. BeoVision 10-40 is a Full HD LCD TV with LED backlight, based on a slim 200 Hz panel. Despite the slim design, the new TV offers a superb sound quality via integrated stereo loudspeakers and a digital surround sound module. As the wall bracket for the BeoVision 10-40 is an integral part of the product, it only adds 4 mm extra depth to the TV when wall mounted. The TV also offers a unique turning option enabling the screen to be viewed in the preferred viewing position.

BeoVision 7-55

Bang & Olufsen has also launched a new model for the BeoVision 7 family in the form of a 55 inch Full HD LCD TV with direct type LED backlight with local dimming, which breaks new ground in terms of increased contrast level for LCD TV technology. The new TV offers sublime sound quality via BeoLab 7-4, which is a dedicated mono loudspeaker for a surround sound set-up or via BeoLab 7-6, which is a dedicated stereo loudspeaker. In addition, the TV offers an integrated digital surround sound module and an integrated Blu-ray player as an option.

Announcement No. 09.17 TRANSLATION

BeoCom 5

In November, Bang & Olufsen launched a cordless telephone with an integrated loudspeaker for hands-free telephony and conference calls. The combination of hands-free telephony and the integrated loudspeaker offers new conversation options in the home. BeoCom 5 also provides for two separate telephone lines so users can combine a conventional fixed network line and IP telephony or use one line for private calls and the second line for work-related calls if the user works from home. BeoCom 5 is characterised by superlative sound quality, and the integrated loudspeaker is based on the same acoustic competencies that Bang & Olufsen applies in traditional loudspeakers, which gives a natural and clear sound performance.

BeoTime

Finally, Bang & Olufsen has launched the unique BeoTime, which combines an alarm clock with a remote control. BeoTime allows the user to choose to wake up to the sound of a gentle alarm clock, the sound of a TV programme, a radio station or music from the Bang & Olufsen system. In addition, BeoTime has a built-in sleep timer, which enables the user to fall asleep to the user's preferred music or TV programme, in that BeoTime shuts down the system at a pre-set time. Since November, BeoTime has offered increased system functionality in that home automation sources such as light, curtains etc. can now be activated in combination with MasterLink Gateway.

Product launches after the close of the quarter

The Group has launched a number of products after the close of the quarter:

BeoVision 10-46

BeoVision 10-46 is based on the same chassis as the 40 inch version but distinguishes itself visually by having a 32 per cent larger screen and a white rear cover, which gives the television an even lighter expression and supports the concept of having a TV that blends in with the wall. BeoVision 10-46 has an LED-based LCD-screen with Full HD and a frame rate of 200/240 Hz. The concept has integrated surround sound and DVB-HD modules, electronic curtains and an extended connection panel, which allows the user to add an entire surround sound set-up with a further five loudspeakers and a multitude of external units.

Adaptive Sound Technology (AST)

Adaptive Sound Technology (AST) is a new patented technology, which enables the listener to optimise the sound at various locations in the home irrespective of the position of the loudspeakers. In a normal stereo or surround sound set-up, for example, the loudspeakers need to be placed symmetrically. In many homes, this presents inconvenient restrictions in relation to the design of the room. The AST technology provides the user with the freedom to position the loudspeakers in harmony with the rest of the design, and the technology will make the necessary compensations so that the optimum sound experience is achieved. The AST technology, therefore, supports Bang & Olufsen's intention to create user-friendly experiences.

BeoLab 11

BeoLab 11 is a new subwoofer, which combines excellent bass sound, fascinating design and exceptional placement options. BeoLab 11 comprises two identical loudspeaker cabinets, whose baffles face each other. The acoustic design offers minimal vibration, which means that the subwoofer can be mounted on the wall as an alternative to the traditional floor placement.

Announcement No. 09.17 TRANSLATION

BeoLink for iPhone and iPod Touch

BeoLink for iPhone and iPod Touch is a new software application that provides complete control of the home's audio-video equipment and home automation system. The application, which can be downloaded at Apple's App Store, allows the user to operate the home's Bang & Olufsen equipment and home automation system through the use of either the iPhone or iPod Touch.

Distribution development

During the first three quarters of the 2009/10 financial year, 30 B1 shops were opened or upgraded, while 80 shops were closed or converted to shop-in-shops.

At the end of February 2010, there were 708 B1 shops across the world compared to 758 at the end of the 2008/09 financial year. The net change for the nine months, therefore, is a decline of 50 shops, hereof 11 in the third quarter.

B1 shops account for 82 per cent of the turnover. The number of shop-in-shops is 318 against 385 at the end of the last financial year.

The organic growth in currently active Bang & Olufsen shops with more than 24 months of operations was for the first three quarters -1 per cent for B1 shops and -1 per cent for shop-in-shops. For the third quarter seen in isolation, growth for the same shops was +26 per cent for B1 shops and +40 per cent for shop-in-shops.

Business-to-business areas

Enterprise

Bang & Olufsen Enterprise produces and sells dedicated AV solutions to hotels and property developers.

In the first three quarters of the 2009/10 financial year, Bang & Olufsen Enterprise had a turnover of DKK 45 million against DKK 65 million for the same period last year. Seen in isolation, turnover for the third quarter was DKK 23 million against DKK 25 million for the corresponding period last year. The lower turnover is owing to the fact that the market is characterised by delays to projects in progress and postponed decisions relating to new audio/video equipment for the segments in which Enterprise is active.

Automotive

Bang & Olufsen Automotive, which produces and sells exclusive sound systems for the automotive industry, saw continued growth and in the first three quarters of 2009/10 had a turnover of DKK 167 million against DKK 133 million for the same period last year. Seen in isolation, turnover for the third quarter totalled DKK 50 million against DKK 29 million for the corresponding period last year. The reason for the growth is the general improvement in global car sales combined with Bang & Olufsen's

Announcement No. 09.17 TRANSLATION

ongoing launches of new sound systems in co-operation with its partners, Audi, Aston Martin and Mercedes-AMG.

Bang & Olufsen has just received more orders to develop sound systems for three Mercedes-AMG models. Combined with previously announced projects, both in partnership with Mercedes-AMG and with Audi, Automotive expects to launch several new products over the coming years, which will provide a basis for further growth within the business area.

In March 2010, Bang & Olufsen's position as the leading provider of sound systems was once again confirmed in the annual reader survey carried out by the magazine 'auto motor und sport'.

Bang & Olufsen ICEpower a/s

Bang & Olufsen ICEpower a/s supplies high quality sound solutions for a large number of audio and electronic manufacturers as well as for largescale concert installations. The company supplies standard modules of a very high quality and customised sound solutions for consumers as well as professional audio products for the home cinema, the automotive industry and mobile products.

For the first three quarters of 2009/10, turnover for Bang & Olufsen ICEpower a/s totalled DKK 55 million against DKK 64 million for the same period last year.

Bang & Olufsen ICEpower a/s, therefore, continues to be affected by the general global economic downturn, which has resulted in a lower activity level.

Enlargement of the Board of Management for Bang & Olufsen a/s

The Group has decided to expand the Board of Management to include the members of the current Corporate Management Team. Senior Vice President Sales & Marketing Christian Winther and Senior Vice President Operations John Bennett-Therkildsen, who have both played an important role in the improved results, will, therefore, join the Board of Management together with President & CEO Karl Kristian Hvidt Nielsen.

On 1 October, 2010, the Board of Management will be joined by Henning Bejer Beck, who will take up the position as Chief Financial Officer. Henning Bejer Beck comes from a position as Geschäftsführer at Genan Gruppen GmbH and CEO of Genan Business & Development a/s.

Announcement No. 09.17 *Translation*

Expectations for the 2009/10 financial year

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

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

Based on the improved order situation, the planned product launches, and continued rigorous cost control, an increasing turnover is expected in the second half year of 2009/10, and a postive result before tax.

Bang & Olufsen maintains the expectation that the 2009/10 financial year will result in a turnover between DKK 2,700 and DKK 2,900 million (compared to the 2008/09 financial year of DKK 2,789.5 million). A result before tax in the lower end of the previously announced range between DKK -50 and DKK 0 million is expected (compared to the 2008/09 financial year of DKK -523 million). This is, among others, owing to non-recurring expenditures in connection with the restructuring costs.

Risk factors

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

Announcement No. 09.17 TRANSLATION

Statement by the Management

The Board of Directors and the Board of Management have today considered and adopted the interim report for the period 1 June 2009 to 28 February 2010 for Bang & Olufsen a/s.

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

We consider the accounting principles applied to be appropriate so that the interim report provides a true and fair view of the Group's assets, liabilities and financial position as at 28 February 2010 as well as the Group's result of the activities and cash flows for the period 1 June 2009 to 28 February 2010.

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, 14 April 2010		
The Board of Directors for E	Bang & Olufsen a/s	
 Jørgen Worning Chairman	Rolf Eriksen Deputy Chairman	 Peter Skak Olufsen
Niels B. Christiansen	Ole Andersen	Tue Mantoni
Knud Olesen	Jesper Olesen	Anette Revsgaard Sejbjerg
The Board of Management	for Bang & Olufsen a/s	
Karl Kristian Hvidt Nielsen President & CFO		

Announcement No. 09.17 *Translation*

Profit and loss account

Bang & Olufsen a/s

	(DAX HIIIIOH)	Group				
		1/12 - 28/2 2009/10	1/12 - 28/2 2008/09	1/6 - 28/2 2009/10	1/6 - 28/2 2008/09	
Notes	Net turnover Production costs	748.7 (457.8)	640.0 (383.8)	1,982.2 (1,211.8)	2,172.5 (1,294.4)	
	Gross profit	290.9	256.2	770.4	878.1	
2 3 4	Development costs Distribution and marketing costs Administration costs etc. Restructuring costs Other operating income	(75.0) (161.3) (23.0) -	(104.6) (205.5) (22.0) (104.6)	(253.4) (524.6) (67.7) - 13.3	(352.7) (721.2) (88.3) (104.6)	
	Operating profit / loss	31.6	(180.5)	(62.0)	(388.7)	
	Result of investments in associates after tax	(0.5)	2.9	(2.0)	3.0	
5 6	Financial income Financial costs	4.2 (6.9)	(5.3) (22.0)	10.1 (18.1)	9.2 (38.7)	
	Financial items, net	(2.7)	(27.3)	(8.0)	(29.5)	
	Result before tax	28.4	(204.9)	(72.0)	(415.2)	
	Tax on result for the period	(10.4)	51.0	13.8	96.6	
	Result for the period	18.0	(153.9)	(58.2)	(318.6)	
	Result for the period attributable to:					
	Shareholders of the parent company Minority interests	17.5 0.5	(154.7)	(59.4)	(320.6)	
		18.0	(153.9)	(58.2)	(318.6)	
	Earnings per share					
	Earnings per share, DKK *	0.5	(6.4)	(1.6)	(13.5)	
	Diluted earnings per share, DKK *	0.5	(6.4)	(1.6)	(13.5)	

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

Announcement No. 09.17 *Translation*

Comprehensive income

Bang & Olufsen a/s

`		Group			
Nistra		1/12 - 28/2 2009/10	1/12 - 28/2 2008/09	1/6 - 28/2 2009/10	1/6 - 28/2 2008/09
Notes	Result for the period	18.0	(153.9)	(58.2)	(318.6)
	Exchange rate adjustment of investments in foreign subsidiaries Change in fair value of derivative financial instruments Tax on other comprehensive income	5.9 (6.5) 1.7	(10.3)	8.4 (2.3) 0.6	(21.3)
	Other comprehensive income, net of tax	1.1	(10.3)	6.7	(21.3)
	Comprehensive income for the period	19.1	(164.2)	(51.5)	(339.9)
	Comprehensive income for the period attributable to:				
	Shareholders of the parent company Minority interests	18.6 0.5	(165.0) 0.8	(52.7) 1.2	(341.9) 2.0
	,	19.1	(164.2)	(51.5)	(339.9)

Balance sheet

Assets

Bang & Olufsen a/s

	Group	
28/2 - 10	31/5 - 09	28/2 - 09
44.7	44.8	44.8
	50.8	49.2
		212.4
244.9	185.0	159.6
543.8	481.2	466.0
242.8	269.9	260.1
		224.7
		49.8
24.2	32.2	28.3
54.9	33.2	71.2
573.3	613.2	634.1
46.3	49.1	50.0
7.5	9.5	10.2
42.7	60.4	54.9
50.2	69.9	65.1
125.8	104.9	55.9
1,339.4	1,318.3	1,271.1
596.8	593.3	675.8
436.4	407.9	455.5
2.3	1.4	2.1
	21.7	38.3
		41.4
		33.9
505.9	491.0	571.2
154.9	258.1	37.3
1,257.6	1,342.4	1,284.3
2,597.0	2,660.7	2,555.4
	44.7 46.6 207.6 244.9 543.8 242.8 214.8 36.6 24.2 54.9 573.3 46.3 7.5 42.7 50.2 125.8 1,339.4 596.8 436.4 2.3 21.7 23.3 22.2 505.9 154.9	28/2 - 10 31/5 - 09 44.7 44.8 46.6 50.8 207.6 200.6 244.9 185.0 543.8 481.2 242.8 269.9 214.8 229.5 36.6 48.4 24.2 32.2 54.9 33.2 573.3 613.2 46.3 49.1 7.5 9.5 42.7 60.4 50.2 69.9 125.8 104.9 1,339.4 1,318.3 596.8 593.3 436.4 407.9 2.3 1.4 21.7 21.7 23.3 31.6 22.2 28.4 505.9 491.0 154.9 258.1 1,257.6 1,342.4

Balance sheet

Equity and liabilities

Bang & Olufsen a/s

(DKK MIIIION)		Group			
	28/2 - 10	31/5 - 09	28/2 - 09		
Notes					
Equity	262.4	262.4	120.0		
Share capital Share premium	362.4 232.1	362.4 232.1	120.8 14.6		
Translation reserve	(21.7)	(39.6)	(25.5)		
Reserve for cash flow hedges	(3.3)	(1.0)	(23.3)		
Retained earnings	895.3	960.5	1,022.8		
Equity attributable to shareholders of the parent company	1,464.8	1,514.4	1,132.7		
Minority interests	1.2	2.3	2.0		
Total equity	1,466.0	1,516.7	1,134.7		
Non-current liabilities					
Pensions	6.4	7.0	8.7		
Deferred tax	3.8	4.8	5.9		
Provisions	78.5	78.1	87.4		
Mortgage loans	227.0	230.3	231.4		
Loans from banks etc.	84.9	95.7	77.8		
Other non-current liabilities	6.9	6.7	6.9		
Total non-current liabilities	407.5	422.6	418.1		
Current liabilities					
Mortgage loans, short-term part	4.6	6.5	8.6		
Loans from banks etc., short-term part	17.8	32.6	42.9		
Other loans from banks	0.9	13.0	197.7		
Provisions	54.0	65.7	52.5		
Trade payables	235.6	188.3	177.6		
Income tax	17.1	21.2	28.9		
Other payables	327.1	324.6	397.0		
Deferred income	66.4	69.5	97.4		
Total current liabilities	723.5	721.4	1,002.6		
Total liabilities	1,131.0	1,144.0	1,420.7		
Total equity and liabilities	2,597.0	2,660.7	2,555.4		

Cash flow statement for the period 1/6 2009 – 28/2 2010

Bang & Olufsen a/s

		Grou	ıp
Notes		2009/10	2008/09
	Result for the period	(58.2)	(318.6)
_	Depreciation, amortisation and impairment losses	183.9	212.6
7	Adjustments	(20.5)	(51.4)
8	Change in working capital	28.3	303.0
	Interest received etc.	10.1	9.2
	Interest paid etc. Income tax paid	(18.1) (12.2)	(38.7) (29.9)
	·		
	Cash flows from operating activities	113.3	86.2
		(452.2)	(4.50.0)
	Purchase of intangible non-current assets	(153.2)	(168.0)
	Purchase of tangible non-current assets	(67.5)	(104.3)
	Sale of intangible non-current assets	-	12.8
	Sale of tangible non-current assets	34.4	7.9
	Capital increase, Bang & Olufsen Medicom a/s	-	(3.6)
	Purchase of 10 % equity interest in Bang & Olufsen ICEpower a/s Change in financial receivables	- 17.7	(23.0) 2.0
	Cash flows from investment activities	(168.6)	(276.2)
	Costs related to capital increase	(2.7)	-
	Repayment of long-term loans	(30.8)	(27.5)
	Dividend paid, minority interests	(2.3)	(5.2)
	Dividend paid	-	(36.2)
	Dividend, own shares	-	1.9
	Dividend from associates	-	1.0
	Sale of own shares		42.2
	Cash flows from financing activities	(35.8)	(23.8)
	Changes in cash and cash equivalents	(91.1)	(213.8)
	Cash and cash equivalents 1 June	245.1	53.4
	Cash and cash equivalents 28 February	154.0	(160.4)

Announcement No. 09.17 *Translation*

Equity statement

Bang & Olufsen a/s, Group

(DKK million)	Equity attributable to shareholders of the parent company					Minority interests	Total
	Share capital	Share premium	Translation reserve	Reserve for cash flow hedges	Retained earnings		Equity Group
Equity 1 June 2008	120.8	14.6	(42.9)	-	1,379.2	12.1	1,483.8
Accumulated effect at the beginning of the period from changes to accounting principles applied	_	_	_	_	(3.1)	_	(3.1)
Adjusted equity 1 June 2008	120.8	14.6	(42.9)		1,376.1	12.1	1,480.7
Comprehensive income for the period	-	-	17.4	-	(359.3)	2.0	(339.9)
Purchase of 10 % equity interest in Bang & Olufsen ICEpower a/s Employee shares Grant of share options Sale of own shares Dividend paid regarding 2007/08 Dividend, own shares	- - - - -	- - - -	- - - - -	- - - - -	(16.1) 4.7 5.7 46.0 (36.2) 1.9	(6.9) - - - (5.2)	(23.0) 4.7 5.7 46.0 (41.4) 1.9
Equity 28 February 2009	120.8	14.6	(25.5)	-	1,022.8	2.0	1,134.7
Equity 1 June 2009	362.4	232.1	(39.6)	(1.0)	963.9	2.3	1,520.1
Accumulated effect at the beginning of the period from changes to accounting principles applied		<u>-</u>			(3.4)		(3.4)
Adjusted equity as at 1 June 2009	362.4	232.1	(39.6)	(1.0)	960.5	2.3	1,516.7
Comprehensive income for the period	-	-	17.9	(2.3)	(68.3)	1.2	(51.5)
Costs related to capital increase Employee shares Grant of share options Dividend paid regarding 2008/09	- - -	- - -	- - -	- - -	(2.7) 1.2 4.6	- - - (2.3)	(2.7) 1.2 4.6 (2.3)
Equity 28 February 2010	362.4	232.1	(21.7)	(3.3)	895.3	1.2	1,466.0
				 ".			

Announcement No. 09.17 TRANSLATION

Notes to the interim report for the period 1/6 2009 - 28/2 2010

1. Accounting principles applied

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

The interim report has been prepared in accordance with the same accounting principles as the 2008/09 annual report except that an amendment to IAS 38, Intangible Assets, has meant that marketing materials are now being expensed in connection with the acquisition compared to previously in connection with the external use thereof. As at 31 May 2008, the effect from this on equity is DKK -3.1 million while the effect on the result after tax for the 2008/09 financial year is DKK -0.3 million. The effect on the result after tax for the first three guarters of 2008/09 is DKK -0.7 million.

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

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

Interim report for the parent company has not been prepared.

Bang & Olufsen a/s

(DKK Million)	Group				
2. Development costs	1/12 - 28/2 2009/10	1/12 - 28/2 2008/09	1/6 - 28/2 2009/10	1/6 - 28/2 2008/09	
Development costs incurred before capitalisation Amount thereof capitalised Total amortisation and impairment losses on development projects Development costs recognised in the profit and loss account	103.9 (56.9) 28.0 75.0	109.3 (45.1) 40.4 104.6	320.4 (150.0) 83.0 253.4	397.6 (152.2) 107.3 352.7	
3. Restructuring costs					
Restructuring costs by functions:					
Production costs Development costs Distribution and marketing costs Administration costs etc.	- - -	13.1 14.8 72.7 4.0	- - -	13.1 14.8 72.7 4.0	
Restructuring costs		104.6		104.6	
Functions including restructuring costs:					
Production costs Development costs Distribution and marketing costs Administration costs etc.	457.8 75.0 161.3 23.0	396.9 119.4 278.2 26.0	1,211.8 253.4 524.6 67.7	1,307.5 367.5 793.9 92.3	
Total	717.1	820.5	2,057.5	2,561.2	

Announcement No. 09.17 *Translation*

Bang & Olufsen a/s

(DKK million)	Group				
4. Other operating income	1/12 - 28/2 2009/10	1/12 - 28/2 2008/09	1/6 - 28/2 2009/10	1/6 - 28/2 2008/09	
Profit on sale of building, Switzerland			13.3		
Other operating income			13.3		
5. Financial income					
Interest income from banks etc.	0.1	0.5	0.6	2.1	
Exchange rate gains, net Other financial income	2.7 1.4	(8.3) 2.5	5.1 4.4	- 7.1	
Financial income	4.2	(5.3)	10.1	9.2	
6. Financial costs					
Interest costs on bank loans etc.	1.9	5.2	4.5	13.1	
Interest costs on mortgage loans	3.4	3.5	10.7	10.8	
Exchange rate losses, net Other financial costs	- 1.6	12.4 0.9	2.9	12.4 2.4	
Financial costs	6.9	22.0	18.1	38.7	
7. Adjustments					
Change in other liabilities			(11.7)	16.1	
Financial income etc.			(10.1)	(9.2)	
Financial costs etc. Result of investments in associates after tax			18.1 2.0	38.7 (3.0)	
Gain/loss on sale of non-current assets			(11.7)	(0.9)	
Tax on result for the period			(13.8)	(96.6)	
Various adjustments			6.7	3.5	
Adjustments			(20.5)	(51.4)	
8. Change in working capital					
Change in receivables			(14.0)	135.0	
Change in inventories Change in accounts payables etc.			(3.5) 45.8	121.5 46.5	
Change in working capital			28.3	303.0	

Announcement No. 09.17 *Translation*

Key figures

Bang & Olufsen a/s, Group

(DKK million)	2009/10	2008/09
9. Key figures		
EBITDA	120	(173)
EBITDA-margin, %	6	(8)
Profit ratio, %	(3)	(18)
Return on assets, %	(3)	(15)
Return on invested capital, excl. goodwill, %	9	(11)
Return on equity, %	(4)	(25)
Current ratio	1.7	1.3
Equity ratio, %	56	44
Financial gearing	0.1	0.5
Net turnover/Invested capital excl. goodwill	1.4	1.4
Intrinsic value per share (nom. DKK 10), DKK *	40	45
Quotation as at 28 February *	61	38
Price/earnings *	(37)	(3)
Price/earnings, diluted *	(37)	(3)
Quotation/Intrinsic value per share *	1.5	0.8
Number of shares, end of period	36,244,014	12,081,338
Number of own shares, end of period	90,372	110,076
Average number of shares in circulation *	36,144,764	23,664,311
Average number of shares in circulation - diluted *	36,144,764	23,664,311
Net interest-bearing debt	180.3	521.1

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

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

Parentheses denote negative figures.

Announcement No. 09.17 **TRANSLATION**

Definitions of key figures:

EBITDA: Result before interests, tax, depreciation, amortisation and impairment losses

EBITDA-margin: Result before interests, tax, depreciation, amortisation and impairment losses x 100

Net turnover

Profit ratio (EBIT): Operating profit/loss x 100

Net turnover

Return on assets: Operating profit/loss x 100

Average operational assets

Return on invested capital, excl. goodwill: Operating profit/loss before depreciation and goodwill write offs

Average invested capital, excl. goodwill

Bang & Olufsen a/s' share of result for the period x 100 Return on equity:

Average equity, excl. minority interests

Current ratio: Current assets

Current liabilities

Equity ratio: Equity, end of year x 100

Total equity and liabilities, end of year

Financial gearing: Net interest-bearing debt, end of year

Equity, end of year

Result after tax

Net turnover/Invested capital, excl. goodwill: Net turnover * 100

Average invested capital, excl. goodwill

Earnings per share (nom. DKK 10), DKK:

Average number of shares in circulation

Diluted earnings per share

Average number of shares in circulation - diluted (nom. DKK 10), DKK:

Intrinsic value per share (nom. DKK 10), DKK: Equity, end of year

Number of shares, end of year

Price/earnings: Quotation

Earnings per share (nom. DKK 10)

Price/earnings, diluted:

Diluted earnings per share (nom. DKK 10)

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

Adjusted number of shares: Original number of shares before the rights issue

Adjustment factor for the dilution related to the rights issue

Adjusted quotation: Quotation before the rights issue x adjustment factor for the dilution related to the rights issue

Adjustment factor for the dilution related to

the rights issue:

Theoretical quotation after the rights issue Quotation immediately before the rights issue

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

Announcement No. 09.17 *Translation*

10. Segment information

The period 1/6 2009 to 28/2 2010

	Branded business	Non-branded business					
(DKK million)	Bang & Olufsen	Bang & Olufsen Medicom a/s	Bang & Olufsen ICEpower a/s	Total segments			
Net turnover Internal turnover	1,931.0		54.7 (9.4)	1,985.7 (9.4)			
External turnover	1,931.0		45.3	1,976.3			
Result before tax	(79.1)	(1.9)	9.0	(72.0)			

The period 1/6 2008 to 28/2 2009

	Branded business	Non-branded bu		
(DKK million)	Bang & Olufsen	Bang & Olufsen Medicom a/s	Bang & Olufsen ICEpower a/s	Total segments
Net turnover Internal turnover	2,119.9	<u>-</u>	63.8 (5.7)	2,183.7 (5.7)
External turnover	2,119.9		58.1	2,178.0
Result before tax	(424.5)	2.0	7.3	(415.2)
Reconciliation of segmen	nt information		1/6 - 28/2 2009/10	1/6 - 28/2 2008/09
Net turnover, total segment Differences in exchange rat Elimination of internal turno	1,985.7 5.9 (9.4)	2,183.7 (5.5) (5.7)		
Net turnover, Group			1,982.2	2,172.5
Result before tax, total segr	ments		(72.0)	(415.2)
Result before tax, Group			(72.0)	(415.2)

Parentheses denote negative figures or amounts to be deducted.

Announcement No. 09.17 TRANSLATION

11. Turnover branded business

	Turnover 1/6 - 28/2 2009/10	Turnover 1/6 - 28/2 2008/09	Growth in local currency	Turnover 1/12 - 28/2 2009/10	Turnover 1/12 - 28/2 2008/09	Growth in local currency
Denmark	217	203	7.1 %	93	64	47.8 %
Germany	196	219	(10.2) %	75	63	18.6 %
United Kingdom	182	215	(9.1) %	65	63	4.1 %
Automotive	167	133	25.6 %	50	29	72.4 %
Switzerland	156	145	3.4 %	68	41	60.2 %
Asian markets, excl. Japan	153	156	(1.9) %	55	38	44.7 %
Holland	134	152	(11.6) %	56	50	13.1 %
North America	101	129	(19.2) %	33	34	5.1 %
France	99	120	(17.2) %	42	41	1.1 %
Spain/Portugal	87	107	(19.0) %	30	37	(19.3) %
Italy	86	87	(1.2) %	30	28	5.8 %
Expansion markets, excl. Russia	65	83	(21.8) %	24	22	(24.9) %
Belgium	53	57	(5.8) %	23	17	34.7 %
Russia	50	74	(32.3) %	12	23	(48.0) %
Enterprise *	45	65	(30.8) %	23	25	(8.0) %
Sweden	40	41	0.8 %	16	11	34.5 %
Middle East	28	37	(23.7) %	8	11	(24.2) %
Austria	28	31	(8.0) %	11	8	53.3 %
Norway	24	25	(5.7) %	9	7	21.6 %
Japan	18	28	(37.7) %	5	9	(44.4) %
Other	8	8	· · · · -	3	1	200.0 %
Total branded business	1,937	2,115		731	622	

^{*} Enterprise comprises turnover to the hotel sector etc.

Parentheses denote negative figures.

12. Distribution development

	Number of shops	Change in the period	Share of turnover	Share of turnover
Shop segment	per 28/2-10	<u>1/6-09 – 28/2-10</u>	9 months 2009/10	2008/09 financial year
B1	708	(50)	82 %	81 %
Shop-in-shop	318	(67)	18 %	19 %
Other	2	(1)	0 %	0 %
I	4.000	(4.4.0)	400.0/	400.07
Total	1,028	(118)	<u> </u>	100 %

Definitions of shop segments:

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

Parentheses denote negative figures.

The organic growth in currently active Bang & Olufsen shops with more than 24 months of operations was for the first 3 quarters -1 % for B1 shops and -1 % for shop-in-shops. For the third quarter seen in isolation, growth for the same shops was +26 % for B1 shops and +40 % for shop-in-shops.

Announcement No. 09.17 *Translation*

Appendix 1

(DKK million)

	2009/10				2009/10				
		Quarterl	y results		Ace	Accumulated quarterly results			
	1 quarter	2 quarter	3 quarter	4 quarter	1 quarter	2 quarter	3 quarter	4 quarter	
Net turnover	565.0	668.5	748.7		565.0	1,233.5	1,982.2		
Gross profit	225.3	254.2	290.9		225.3	479.5	770.4		
Operating profit / loss Result of investments in	(52.5)	(41.1)	31.6		(52.5)	(93.6)	(62.0)		
associates after tax	(1.1)	(0.4)	(0.5)		(1.1)	(1.5)	(2.0)		

Financial items, net	0.8	(6.1)	(2.7)	0.8	(5.3)	(8.0)	
Result before tax Tax on result for the period	(52.8) 10.2	(47.6) 14.0	28.4 (10.4)	(52.8) 10.2	(100.4) 24.2	(72.0) 13.8	
Result for the period Of which minority interests' share	(42.6) (0.1)	(33.6) (0.6)	18.0 (0.5)	(42.6) (0.1)	(76.2) (0.7)	(58.2) (1.2)	

Shareholders of the parent company's share of result							
for the period	(42.7)	(34.2)	17.5	(42.7)	(76.9)	(59.4)	

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

Parentheses denote negative figures.