BANG & OLUFSEN A/S 18 May 2011

Bang & Olufsen plans new product category and expands the distribution

To increase the worldwide brand awareness and attract new customers to the Group, Bang & Olufsen will develop a new category of products and expand the distribution through complementary sales channels.

The products under the new category will be marketed through existing Bang & Olufsen retailers as well as complementary channels, which will showcase the products to a wide and relevant audience. The new product category is expected to be an important business driver as it is intended to increase Bang & Olufsen's worldwide brand awareness and generate new customer leads to the existing Bang & Olufsen distribution that offers the complete product portfolio and service concept.

The new category is expected to consist of stand-alone, single-room, easy-to-install products and take advantage of Bang & Olufsen's core competences within design, sound, connectivity and user friendliness – applying Bang & Olufsen's approach to quality.

Further details about the implementation of the new product category will be provided in connection with the strategy presentation following the full-year presentation in August 2011.

The development of the new product category and the expansion of the distribution do not affect Bang & Olufsen's expectations to the current financial year.

Tue Mantoni President & CEO

Applications to this announcement to be made to: Director, Corporate Communications Tommy Jakobsen, tel: +45 9684 5100.