

Bang & Olufsen divests ICEpower in a management buyout supported by Industri Udvikling

As announced in Company announcement 14.26, Bang & Olufsen a/s ("Bang & Olufsen") initiated a review to identify future ownership alternatives for ICEpower a/s ("ICEpower"), in accordance with the strategy to reduce complexity and focus on the consumer activities.

Today, Bang & Olufsen has signed an agreement to divest 100 per cent of the shares in ICEpower in a management buyout supported by Industri Udvikling. ICEpower will continue to provide class D audio solutions to manufacturers of professional and consumer audio products, including Bang & Olufsen. The ICEpower management team and Industri Udvikling aim to develop ICEpower further and consolidate its position as a leader in the audio engineering market.

The brand licensing business area including the right to use the Bang & Olufsen brand name on selected products e.g. for embedded audio in laptops and mobile phones, has historically accounted for a significant part of ICEpower's earnings. Over the last 12 months, as the licensing business has become a focus area for Bang & Olufsen, all licensing activities related to the Bang & Olufsen brand have been transitioned to Bang & Olufsen.

The enterprise value received by Bang & Olufsen is DKK 32 million and the free cash flow impact is expected to be DKK 23 million. As part of the transaction, Bang & Olufsen is entitled to a potential earn-out payment dependent on the future performance of ICEpower. As a result of the transaction, Bang & Olufsen expects to book a non-recurring, non-cash accounting loss of DKK 31 million in the fourth quarter of the 2015/16 financial year, which will be recognised in discontinued operations.

BANG & OLUFSEN A/S
06 APRIL 2016

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The divestment does not impact the financial outlook for 2015/16.

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