

## **Dialogue regarding a potential launch of a takeover offer terminated**

As outlined in Company Announcement 15.07 of 26 November 2015, Bang & Olufsen A/S ("Bang & Olufsen" or the "Company") at this point in time had received certain initial approaches in respect of a potential launch of a takeover offer for the Company.

As stated in Company Announcement 15.09 of 18 March 2016, a dialogue has been ongoing with one potential offeror and uncertainty has remained as to the outcome of this dialogue.

In its announcement of 22 March 2016, Sparkle Roll Group Limited ("Sparkle Roll") announced that they were in dialogue with Bang & Olufsen regarding a potential takeover offer. In its subsequent announcement of 7 April 2016, Sparkle Roll announced that they had acquired 5,665,192 shares held by Delta Lloyd in Bang & Olufsen. In the same communication, Sparkle Roll announced that they may in the future seek to achieve a majority ownership of Bang & Olufsen through a public offer for all shares in the Company.

In its lengthy dialogue with Sparkle Roll, Bang & Olufsen's Board of Directors has on several occasions been provided with indicative deadlines for Sparkle Roll to come to a resolution in respect of its launch of a tender offer. The latest of these deadlines has been 15 April 2016.

In order to reduce uncertainty among Bang & Olufsen's employees, retailers and other stakeholders, Bang & Olufsen's Board of Directors therefore requested that Sparkle Roll, no later than 15 April 2016, commit to either launch a tender offer, or substantiate its ability to do so.

As Sparkle Roll has not committed to launch a tender offer for all shares in Bang & Olufsen and has not been able to substantiate its ability to launch such a tender offer, Bang & Olufsen's Board of Directors has today decided to inform Sparkle Roll that it considers the dialogue regarding a potential tender offer terminated.

Sparkle Roll remains a large and valued shareholder in Bang & Olufsen, and the existing partnership between Bang & Olufsen and Sparkle Roll in the Chinese market is not affected by the discontinued takeover dialogue.

The termination of the takeover dialogue provides clarity for Bang & Olufsen and its stakeholders. Bang & Olufsen will continue its efforts to deliver profitable growth based on its new portfolio of innovative products.

During the last year, several strategic and structural steps have been taken to increase scale and reduce complexity of the Bang & Olufsen business, e.g.:

- The divestiture of the Automotive business to HARMAN and the signing of an Automotive brand license agreement (ref. Company Announcement 14.26)
- A strategic technology partnership with LG Electronics regarding development and production of Bang & Olufsen's future TV (ref. Company Announcement 15.09)
- The divestiture of the non-core businesses Medicom and ICEpower (ref. Company Announcements 14.26 and 15.12)

Based on the successful completion of the above strategic and structural steps and the recent improvement in performance, Bang & Olufsen's Board of Directors considers the Company better positioned to enter a new phase of development with focus on profitable growth.

On behalf of the Board of Directors of Bang & Olufsen A/S,

Ole Andersen  
Chairman of the Board

For further information, please contact:  
Claus Højmark Jensen, tel. +45 96841251