Interim report for the period 1 June 2010 - 28 February 2011 for Bang & Olufsen a/s

- The Group's total turnover for the first three quarters of the 2010/11 financial year was DKK 2,156 million against DKK 1,982 million last year, which equates to an increase of 9 per cent. Turnover for the third quarter was DKK 820 million against DKK 749 million for the same period last year, equating to an increase of 10 per cent.
- Result before tax for the first three quarters was positive at DKK 32 million against a negative result of DKK 72 million for the same period last year. Result before tax for the third quarter was positive at DKK 30 million against a positive result of DKK 28 million for the third quarter of 2009/10.
- The result is negatively affected by DKK 21 million, of which DKK 14 million can be attributed to the costs associated with the departure of the former President & CEO. Furthermore, due to a change in expectations to the future utilisation an impairment of buildings has been recognised.
- The Group's gross margin for the first three quarters of the 2010/11 financial year was 40.7 per cent against a gross margin of 38.9 per cent for the same period last year. The Group's gross margin for the third quarter was 39.8 per cent against 38.9 per cent for the same quarter in the 2009/10 financial year.
- The Group's turnover for the audio-video division for the first three quarters of the 2010/11 financial year was DKK 1,769 million against DKK 1,770 million for the corresponding period last year. For the third quarter, turnover for the audio-video division was DKK 681 million, which is the same as last year.
- The Automotive division continued to grow and increased turnover to DKK 332 million in the first three quarters of 2010/11 from DKK 167 million in the same period last year, equating to an increase of 98 per cent. In the third quarter, turnover amounted to DKK 113 million against DKK 50 million for the same period last year, which equates to an increase of 123 per cent.
- The number of B1-shops was reduced by one during the third quarter while in the second quarter of the 2010/11 financial year, the number was reduced by three.
- The Group expects turnover in the fourth quarter of the 2010/11 financial year to be on a par with or slightly below the previous year's quarter, which was positively affected by the Football World Cup, which resulted in increased sales of video products. Moreover, it has been necessary to postpone the launch of the Group's new product, BeoSound 5 Encore, until the first quarter of the 2011/12 financial year.
- The outlook for the financial year 2010/11 has been refined compared to the outlook given in the announcement of 19 January 2011. In accordance with previous guidance, Bang & Olufsen expects that the 2010/11 financial year as a whole will result in a turnover level of DKK 2,850 million and a result before tax in the region of DKK 40-50 million.
- In conjunction with the recent CEO change, Management has initiated a strategic review with the aim of determining the Group's full potential. The result of this strategic review will be communicated in connection with the announcement of the annual financial results.

Ole Andersen Chairman Tue Mantoni President, CEO

ANNOUNCEMENT NO. 10.18 TRANSLATION

Management's report 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	2010/11		2009/10
Net turnover	2,156.3		1,982.2
Gross profit	877.2		770.4
Gross margin	40.7 %		38.9 %
Operating profit / loss	43.4		(62.0)
Result of investments in associates after tax	(1.2)		(2.0)
Financial items, net	(10.2)	-	(8.0)
Result before tax Tax on result for the period	32.0		(72.0)
1	(2.7)	-	13.8
Result for the period	29.3	-	(58.2)
Attributable to:			
Shareholders of the parent company	28.4		(59.4)
Minority interests	0.9	-	1.2
Result for the period	29.3	-	(58.2)
Earnings per share			
Earnings per share, DKK	0.8	_	(1.6)
Diluted earnings per share, DKK	0.8	-	(1.6)
Result for the period	29.3		(58.2)
Other comprehensive income, net of tax	7.5	-	6.7
Comprehensive income for the period	36.8	-	(51.5)
Balance sheet information	28/2 - 11	31/5 - 10	28/2 - 10
Intangible assets	602.7	546.5	543.8
Tangible assets	535.2	560.5	573.3
Investment property	43.0	45.4	46.3
Financial assets	43.3	46.7	50.2
Deferred tax assets	146.9	140.4	125.8
Total non-current assets	1,371.1	1,339.5	1,339.4
Inventories	595.8	563.6	596.8
Receivables	450.8	490.6	505.9
Cash	248.8	253.6	154.9
Total current assets	1,295.4	1,307.8	1,257.6
Total assets	2,666.5	2,647.3	2,597.0
Equity	1,535.3	1,496.2	1,466.0
Non-current liabilities	364.1	377.7	407.5
Current liabilities	767.1	773.4	723.5
Total equity and liabilities	2,666.5	2,647.3	2,597.0

Parentheses denote negative figures or amounts to be deducted.

ANNOUNCEMENT NO. 10.18 TRANSLATION

Development in equity 1/6 - 28/2	2010/11	2009/10
Equity as at 1 June	1,496.2	1,516.7
Comprehensive income for the period	36.8	(51.5)
Costs related to capital increase	-	(2.7)
Employee shares Grant of share options	1.1 3.2	1.2 4.6
Dividend paid, minority interests	(2.0)	(2.3)
Equity as at 28 February	1,535.3	1,466.0
Cash flows, main figures 1/6 - 28/2	2010/11	2009/10
Cash flows from operating activities	223.8	113.3
Cash flows from investment activities	(200.0)	(168.6)
Cash flows from financing activities	(17.4)	(35.8)
Cash flows for the period	6.4	(91.1)

Parentheses denote negative figures or amounts to be deducted.

Comments to developments in the first three quarters of the 2010/11 financial year

The Group's total turnover for the first three quarters of the 2010/11 financial year was DKK 2,156 million against DKK 1,982 million last year, which equates to an increase of 9 per cent.

Net turnover according to business area

(DKK million)	1/6 – 28/2 2010/11	1/6 - 28/2 2009/10
Branded business	2,101	1,937
Non-branded business	64	55
Intra-group turnover	(9)	(9)
Total net turnover	2,156	1,982

The turnover in the branded business totalled DKK 2,101 million against DKK 1,937 million for the first three quarters last year. The increase in turnover can be related to the Automotive business area, which continued to grow and increased its turnover from DKK 167 million in the first three quarters of 2009/10 to DKK 332 million in the first three quarters of 2010/11.

The Group's gross margin for the first three quarters of the 2010/11 financial year was 40.7 per cent against a gross margin of 38.9 per cent for the same period last year.

Result before tax was positive at DKK 32 million against a negative result of DKK 72 million for the same period last year.

The result is negatively affected by DKK 21 million, of which DKK 14 million can be related to the costs arising from the departure of the former President and CEO. Furthermore, due to a change in expectations to the future utilisation an impairment of buildings has been recognised.

The Group has reduced its capacity costs by DKK 12 million from DKK 846 million to DKK 834 million. Distribution and marketing costs decreased during the first three quarters by DKK 5 million from DKK 525 million to DKK 520 million among other things as a result of lower provisions for losses on trade receivables.

The Group's incurred development costs were DKK 326 million against DKK 320 million for the same period last year. The Group continues to expect to maintain a high activity level within the product development area, with focus on the Group's launches in the audio-video business, the development of new sound systems for partners within the Automotive business area and the continued development of the Group's joint digital platform.

The net effect of capitalisation was positive at DKK 97 million compared to DKK 67 million last year. Expensed development costs were DKK 229 million whereas expensed development costs for the same period last year were DKK 253 million.

Reimbursements for development projects from Automotive partners of DKK 35 million were received in the first three quarters of the 2010/11 financial year. The received reimbursements have not been recognised in the profit and loss account as in accordance with the Group's accounting policies, they have been directly offset against intangible assets.

The Group's cash flows from operating activities were positive at DKK 224 million against a positive of DKK 113 million for the same period last year. The total cash flows for the period improved by DKK 97 million from being negative at DKK 91 million for the first three quarters of the 2009/10 financial year to being positive at DKK 6 million for the corresponding period of 2010/11.

Comments to developments in the third quarter

Turnover for the Bang & Olufsen a/s group as a whole for the third quarter of 2010/11 was DKK 820 million against DKK 749 million for the same period last year, which equates to an increase of DKK 71 million or 10 per cent. The increase in turnover is primarily due to an increase in Automotive, which increased its turnover by DKK 63 million, or 123 per cent, during the quarter.

The Group's turnover for the audio-video business was DKK 681 million, which equates to the level in the same period last year.

The Group's gross margin was 39.8 per cent against 38.9 for the same quarter for the 2009/10 financial year. The higher gross margin is, in part, due to improved product margins in the audio-video business and, in part, to the higher turnover and thus a better use of production capacity.

Operating profit was positive at DKK 36 million against a positive result of DKK 32 million for the same period last year. Result before tax was positive at DKK 30 million against a positive result of DKK 28 million for the corresponding period last year.

The result is negatively affected by DKK 21 million, of which DKK 14 million can be related to the costs arising from the departure of the former President and CEO. Furthermore, due to a change in expectations to the future utilisation an impairment of buildings has been recognised.

Result after tax was positive at DKK 28 million against a positive result of DKK 18 million for the third quarter of the 2009/10 financial year.

Development in the markets

The Asian markets recorded an increase of 30.7 per cent in the first three quarters of the 2010/11 financial year compared to the corresponding period last year. North America and France saw increases of 11.5 and 9.0 per cent respectively compared to the same period last year, while Russia recorded an increase in sales of 6.3 per cent. The Group's largest market, Germany, increased by 6.0 per cent while the other main markets, Denmark and the UK, saw a decline in sales of 9.0 per cent and 12.5 per cent respectively.

Distribution development

During the year's first nine months, 40 B1-shops were opened or upgraded, while 57 shops were closed or converted to shop-in-shops.

By the end of February 2011, there were 686 B1-shops compared to 687 at the end of the second quarter 2010/11. Thus the net movement for the third quarter was -1 shop divided into 13 openings and 14 closures.

The share of turnover for B1-shops is 83 per cent. The number of shop-in-shops is 271 against 300 at the end of the last financial year.

Product launches

During the financial year, the Group launched two exciting and differentiated products. Both products have well received by the markets and have contributed to maintaining a good balance in the product mix.

BeoVision 10-32

In October, the highly acclaimed BeoVision 10 family was expanded by a 32 inch version. The BeoVision 10 family, which already comprises a 40 inch and a 46 inch version, is characterised by a unique design expression.

BeoVision 10-32 offers superior sound and picture quality. Thus, the product is based on a Full HD screen with an edge-type LED backlight and the TV has an active two-way speaker system, which offers a sound quality that exceeds the market standard for sound in TVs of this size.

BeoVision 10-32 is a good supplement to the BeoVision 10 family. With its size and attractive price point, BeoVision 10-32 is the ideal choice for secondary rooms such as the kitchen, the bedroom or the office.

BeoSound 8

In November, Bang & Olufsen launched BeoSound 8, which can function as a speaker dock for iPad, iPhone and iPod as well as a speaker for PCs and MACs. BeoSound 8 is a strategically important product for Bang & Olufsen because it appeals to both new and existing Bang & Olufsen customers. The product is, therefore, expected to attract new customers to the brand, including those from the younger segment. BeoSound 8 is characterised by unique sound quality, which is completed by a room adaptation function, which makes it possible to place BeoSound 8 anywhere in a room without compromising on the sound.

iPod, iPhone and iPad are trademarks of Apple Inc., registered in USA and other countries.

Business-to-business areas

Enterprise

Bang & Olufsen Enterprise, which comprises the Group's sales to luxury hotels throughout the world as well as to construction projects in, amongst others, the Middle East and Asia, recorded a turnover of DKK 59 million for the first three quarters of the 2010/11 financial year against a turnover of DKK

45 million for the corresponding period last year. Bang & Olufsen Enterprise recorded a turnover of DKK 27 million for the third quarter compared to a turnover of DKK 23 million for the same period last year.

The majority of the turnover from Bang & Olufsen Enterprise continues to derive from Europe.

Automotive

Bang & Olufsen Automotive, which develops, produces and sells exclusive sound systems for premium car makers, continued to grow in the first three quarters of 2010/11 and recorded a turnover of DKK 332 million against DKK 167 million for the same period last year. Turnover for the third quarter totalled DKK 113 million against DKK 50 million for the corresponding period last year. The reason for the strong increase is the general improvement in global sales of cars combined with Bang & Olufsen's successful launches of sound systems for Mercedes-Benz S-Class, Audi A6 and Audi A7 during the period.

After the end of the quarter, Bang & Olufsen has launched three more sound systems for Aston Martin Virage, Aston Martin One-77 and for the new BMW 6 Series. Bang & Olufsen Automotive expects to launch several new products over the coming years for Audi, Mercedes-Benz, BMW and Aston Martin, which provides a platform for continued growth within the business area.

In March 2011, Bang & Olufsen's position as the leading supplier of in-car sound systems was once again confirmed in the annual reader survey conducted by the magazine 'auto motor und sport'.

Bang & Olufsen ICEpower a/s

Bang & Olufsen ICEpower a/s supplies patented amplifier technology combining high efficiency with low energy consumption and fantastic sound quality. As the ICEpower amplifier has an extremely high energy efficiency, it allows for more compact constructions, which offers greater design freedom. In addition, the reduced heat generation increases the life of the electronic components.

For the first three quarters of 2010/11, turnover for Bang & Olufsen ICEpower a/s was DKK 64 million against DKK 55 million for the same period last year.

A significant part of the turnover continues to derive from sales of standard amplifier modules and customised solutions for quality manufacturers in the global audio market. In addition, Bang & Olufsen ICEpower a/s receives royalties from the sale of amplifier technology and acoustic solutions for major OEM partners.

Expectations for the 2010/11 financial year

Product portfolio

The Group's objective for the 2010/11 financial year is to support the growth ambitions for the branded business through a continuing high activity level within product development. The Group, therefore, expects approximately 25 per cent of the Group's turnover within the audio and video business to be derived from new products, with "new" defined as sales in the first 12 months after the launch.

Distribution development

The Group expects that the total number of B1-shops will not be significantly different at the end of the 2010/11 financial year compared to the end of the 2009/10 financial year.

Expectations for the Group result for 2010/11

The outlook for the financial year 2010/11 has been refined compared to the outlook given in the announcement of 19 January 2011. In accordance with previous guidance, Bang & Olufsen expects that the 2010/11 financial year as a whole will result in a turnover level of DKK 2,850 million and a result before tax in the region of DKK 40-50 million.

Risk factors

The interim report contains statements regarding expectations for future development, especially future turnover and operating results as well as expected business-related events. Such statements are uncertain and involve risks since many factors, some of which will be out of Bang & Olufsen's control, could mean that actual developments differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economic and business conditions, including markets and competitive issues, supplier relations and financial conditions in the form of currency, interest rates, credit and liquidity risks.

ANNOUNCEMENT NO. 10.18 TRANSLATION

Statement by the management

We have today considered and approved the interim report for the period 1 June 2010 - 28 February 2011 for Bang & Olufsen a/s.

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, as endorsed by the EU and further Danish disclosure requirements for interim reports for listed companies.

It is our opinion that the interim report provides a true and fair view of the Group's assets, liabilities and financial position as at 28 February 2011 and the results of the Group's operations and cash flows for the period 1 June 2010 - 28 February 2011.

It is also our opinion that the management report gives a true and fair view of developments in the Group's activities and financial situation, the result for the period and the Group's financial position in general as well as a description of the most significant risks and uncertainties to which the Group is exposed.

Struer, 12 April 2011

The Board of Directors for Bang & Olufsen a/s

Henning Bejer Beck Executive Vice President, CFO Christian Winther Executive Vice President John Bennett-Therkildsen Executive Vice President

ANNOUNCEMENT NO. 10.18 TRANSLATION

Profit and loss account

	(DKK million)	Group			
Nataa		1/12 - 28/2 2010/11	1/12 - 28/2 2009/10	1/6 - 28/2 2010/11	1/6 - 28/2 2009/10
Notes	Net turnover Production costs	820.1 (493.7)	748.7 (457.8)	2,156.3	1,982.2
	Gross profit	<u>(495.7)</u> 326.4	290.9	(1,279.1) 877.2	(1,211.8) 770.4
2	Development costs	(81.0)	(75.0)	(228.8)	(253.4)
	Distribution and marketing costs	(171.8)	(161.3)	(520.3)	(524.6)
	Administration costs etc.	(37.9)	(23.0)	(84.7)	(67.7)
3	Other operating income				13.3
	Operating profit / loss	35.7	31.6	43.4	(62.0)
	Result of investments in associates after tax	(2.4)	(0.5)	(1.2)	(2.0)
4	Financial income	2.5	4.2	6.3	10.1
5	Financial costs	(5.5)	(6.9)	(16.5)	(18.1)
	Financial items, net	(3.0)	(2.7)	(10.2)	(8.0)
	Result before tax	30.3	28.4	32.0	(72.0)
	Tax on result for the period	(2.4)	(10.4)	(2.7)	13.8
	Result for the period	27.9	18.0	29.3	(58.2)
	Attributable to:				
	Shareholders of the parent company	27.5	17.5	28.4	(59.4)
	Minority interests	0.4	0.5	0.9	1.2
		27.9_	18.0	29.3	(58.2)
	Earnings per share				
	Earnings per share, DKK	0.8	0.5	0.8	(1.6)
	Diluted earnings per share, DKK	0.8	0.5	0.8	(1.6)
					· · · · ·

ANNOUNCEMENT NO. 10.18 TRANSLATION

Statement of comprehensive income

		Group			
		1/12 - 28/2 2010/11	1/12 - 28/2 2009/10	1/6 - 28/2 2010/11	1/6 - 28/2 2009/10
Notes	Result for the period	27.9	18.0	29.3	(58.2)
	Exchange rate adjustment of investments in foreign subsidiaries Change in fair value of derivative financial instruments	3.0	5.9	11.6	8.4
	used as cash flow hedges Transfer to the profit and loss account of fair value adjustments of derivative financial instruments	(3.3)	(6.2)	(25.8)	(1.6)
	used as cash flow hedges: Transfer to net turnover	8.6	1.0	22.6	0.6
	Transfer to production costs	(0.7)	(1.3)	(2.2)	(1.3)
	Tax on other comprehensive income	(1.2)	1.7	1.3	0.6
	Other comprehensive income, net of tax	6.4	1.1	7.5	6.7
	Comprehensive income for the period	34.3	19.1	36.8	(51.5)
	Attributable to:				
	Shareholders of the parent company	33.9	18.6	35.9	(52.7)
	Minority interests	0.4	0.5	0.9	1.2
		34.3	19.1	36.8	(51.5)

ANNOUNCEMENT NO. 10.18 TRANSLATION

Balance sheet

Assets

		Group	
Notos	28/2 - 11	31/5 - 10	28/2 - 10
Notes Intangible assets			
Goodwill	44.8	44.7	44.7
Acquired rights	40.3	46.0	46.6
Completed development projects	197.7	249.1	207.6
Development projects in progress	319.9	206.7	244.9
Total intangible assets	602.7	546.5	543.8
Tangible assets			
Land and buildings	225.9	240.9	242.8
Plant and machinery	178.1	209.4	214.8
Other equipment	31.5	34.9	36.6
Leasehold improvements	17.3	23.2	24.2
Tangible assets in progress and			
prepayment for tangible assets	82.4	52.1	54.9
Total tangible assets	535.2	560.5	573.3
Investment property	43.0	45.4	46.3
Financial assets			
Investments in associates	5.7	5.3	7.5
Other financial receivables	37.6	41.4	42.7
Total financial assets	43.3	46.7	50.2
Deferred tax assets	146.9	140.4	125.8
Total non-current assets	1,371.1	1,339.5	1,339.4
Inventories	595.8	563.6	596.8
Receivables			
Trade receivables	385.4	417.9	436.4
Receivables from associates	0.4	1.5	2.3
Income tax receivables	17.8	21.2	21.7
Other receivables	26.0	27.6	23.3
Prepayments	21.2	22.4	22.2
Total receivables	450.8	490.6	505.9
Cash	248.8	253.6	154.9
	1 005 1	1 907 0	1 957 6
Total current assets	1,295.4	1,307.8	1,257.6

ANNOUNCEMENT NO. 10.18 TRANSLATION

Balance sheet

Equity and liabilities

		Group	
N .	28/2 - 11	31/5 - 10	28/2 - 10
Notes			
Equity Share capital	362.4	362.4	362.4
Share premium	232.1	232.1	232.1
Translation reserve	232.1	13.1	(21.7)
Reserve for cash flow hedges	(10.4)	(5.0)	(21.7)
Retained earnings	926.1	892.1	895.3
Equity attributable to shareholders			
of the parent company	1,534.9	1,494.7	1,464.8
Minority interests	0.4	1.5	1.2
Total equity	1,535.3	1,496.2	1,466.0
Non-current liabilities			
Pensions	7.9	7.8	6.4
Deferred tax	6.4	6.2	3.8
Provisions	87.9	78.2	78.5
Mortgage loans	221.1	225.8	227.0
Loans from banks etc.	40.2	52.8	84.9
Other non-current liabilities	0.6	6.9	6.9
Total non-current liabilities	364.1	377.7	407.5
Current liabilities			
Mortgage loans	6.4	4.6	4.6
Loans from banks etc.	42.9	42.8	17.8
Overdraft facilities	0.9	11.9	0.9
Provisions	53.8	52.7	54.0
Trade payables	275.4	259.4	235.6
Income tax	18.3	20.0	17.1
Other payables	307.9	323.3	327.1
Deferred income	61.5	58.7	66.4
Total current liabilities	767.1	773.4	723.5
Total liabilities	1,131.2	1,151.1	1,131.0
Total equity and liabilities	2,666.5	2,647.3	2,597.0

ANNOUNCEMENT NO. 10.18 TRANSLATION

Cash flow statement for the period 1/6 - 28/2

		Group	
Notes		2010/11	2009/10
	Result for the period	29.3	(58.2)
	Depreciation, amortisation and impairment losses	179.0	183.9
6	Adjustments	24.1	(20.5)
7	Change in working capital	7.6	28.3
	Cash flows from ordinary activities	240.0	133.5
	Interest received etc.	6.3	10.1
	Interest paid etc.	(16.5)	(18.1)
	Income tax paid	(6.0)	(12.2)
	Cash flows from operating activities	223.8	113.3
	Purchase of intangible non-current assets	(180.3)	(153.2)
	Purchase of tangible non-current assets	(64.1)	(67.5)
	Sale of tangible non-current assets	6.3	34.4
	Received reimbursements, intangible non-current assets	35.1	-
	Capital increase, Bang & Olufsen Medicom a/s	(0.8)	-
	Change in financial receivables	3.8	17.7
	Cash flows from investment activities	(200.0)	(168.6)
	Costs related to capital increase	-	(2.7)
	Repayment of long-term loans	(15.4)	(30.8)
	Dividend paid, minority interests	(2.0)	(2.3)
	Cash flows from financing activities	(17.4)	(35.8)
	Changes in cash and cash equivalents	6.4	(91.1)
	Cash and cash equivalents 1 June	241.7	245.1
	Exchange rate adjustment, cash and cash equivalents	(0.2)	-
	Cash and cash equivalents 28 February	247.9	154.0

ANNOUNCEMENT NO. 10.18 TRANSLATION

Statement of changes in equity

(DKK million)	Equity attributable to shareholders of the parent company						Total
	Share capital	Share premium	Translation reserve	Reserve for cash flow hedges	Retained earnings		Equity Group
Equity 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 Equity 28 February 2010			(21.7)		(2.7) 1.2 4.6 - 895.3	(2.3)	$(2.7) \\ 1.2 \\ 4.6 \\ (2.3) \\ 1,466.0$
Equity 20 rebruary 2010		202.1	(21.7)	(0.0)	000.0	1.6	1,400.0
Equity 1 June 2010	362.4	232.1	13.1	(5.0)	892.1	1.5	1,496.2
Comprehensive income for the period	-	-	11.6	(5.4)	29.7	0.9	36.8
Employee shares Grant of share options Dividend paid regarding 2009/10	-	- -	-	- -	1.1 3.2	(2.0)	1.1 3.2 (2.0)
Equity 28 February 2011	362.4	232.1	24.7	(10.4)	926.1	0.4	1,535.3

Notes to the interim report for the period 1/6 10 - 28/2 11

1. Accounting policies applied

The interim report for Bang & Olufsen a/s is prepared as a condensed set of financial statements in accordance with IAS 34, as endorsed by the European Union and further Danish disclosure requirements for interim reports for listed companies. Accounting principles applied and methods of computation in the interim report are unchanged compared to the accounting principles applied in the 2009/10 annual report, which is according to International Financial Reporting Standards as endorsed by the European Union.

Some new or amended Standards and Interpretations are effective for the 2010/11 financial year. The management assesses that these Standards and Interpretations will not have any material impact on the annual report.

Interim report for the parent company has not been prepared.

(DKK million)

	Group			
2. Development costs	1/12 - 28/2 2010/11	1/12 - 28/2 2009/10	1/6 - 28/2 2010/11	1/6 - 28/2 2009/10
Development costs incurred before capitalisation Amount hereof capitalised Total amortisation and impairment losses on development projects Development costs recognised in the profit and loss account	116.1 (67.0) <u>31.9</u> 81.0	103.9 (56.9) 28.0 75.0	325.7 (178.1) 81.2 228.8	320.4 (150.0) <u>83.0</u> 253.4
3. Other operating income Profit on sale of property, Switzerland	-	-	-	13.3
Other operating income				13.3

(DKK million)

ANNOUNCEMENT NO. 10.18 TRANSLATION

(DKK minion)	Group			
4. Financial income	1/12 - 28/2 2010/11	1/12 - 28/2 2009/10	1/6 - 28/2 2010/11	1/6 - 28/2 2009/10
Interest income from banks etc.	0.2	0.1	0.3	0.6
Exchange rate gains, net Other financial income	0.7 1.6	2.7 1.4	0.7 5.3	5.1 4.4
Financial income	2.5	4.2	6.3	10.1
5. Financial costs				
Interest costs on bank loans etc.	1.8	1.9	4.2	4.5
Interest costs on mortgage loans	2.4	3.4	9.6	10.7
Exchange rate losses, net	(0.2)	-	-	-
Other financial costs	1.5	1.6	2.7	2.9
Financial costs	5.5	6.9	16.5	18.1
6. Adjustments				
Change in other liabilities			4.6	(11.7)
Financial income etc.			(6.3)	(10.1)
Financial costs etc.			16.5	18.1
Result of investments in associates after tax Gain/loss on sale of non-current assets			1.2 0.3	2.0 (11.7)
Tax on result for the period			0.3 2.7	(11.7) (13.8)
Various adjustments			5.1	6.7
Adjustments			24.1	(20.5)
7. Change in working capital				
Change in receivables			36.4	(14.0)
Change in inventories			(32.2)	(3.5)
Change in accounts payables etc.			3.4	45.8
Change in working capital			7.6	28.3
0 0 1				

ANNOUNCEMENT NO. 10.18 TRANSLATION

Key figures

(DKK million)	2010/11	2009/10
8. Key figures		
EBITDA	222	122
EBITDA-margin, %	10	6
Profit ratio, %	2	(3)
Return on assets, %	2	(3)
Return on invested capital, excl. goodwill, %	10	2
Return on equity, %	2	(4)
Current ratio	1.7	1.7
Equity ratio, %	58	56
Financial gearing	0.0	0.1
Net interest-bearing debt	63	180
Net turnover/Invested capital excl. goodwill	1.6	1.4
Intrinsic value per share (nom. DKK 10), DKK	42	40
Quotation as at 28 February	78	61
Price/earnings	99	(37)
Price/earnings, diluted	99	(37)
Quotation/Intrinsic value per share	1.8	1.5
Number of shares, end of the period	36,244,014	36,244,014
Number of own shares, end of the period	71,817	90,372
Average number of shares in circulation	36, 164, 177	36,144,764
Average number of shares in circulation - diluted	36, 164, 177	36,144,764

Parentheses denote negative figures.

ANNOUNCEMENT NO. 10.18 TRANSLATION

Definitions of key figures:

EBITDA:	Result before interests, tax, depreciation, amortisation, impairment losses and result of investments in associates after tax
EBITDA-margin:	EBITDA x 100 Net turnover
Profit ratio (EBIT):	<u>Operating profit/loss x 100</u> Net turnover
Return on assets:	<u>Operating profit/loss x 100</u> Average operational assets
EBITA:	Result before interests, tax, amortisation, impaiment losses on intangible assets and result of investments in associates after tax
Return on invested capital, excl. goodwill:	EBITA x 100 Average invested capital, excl. goodwill
Return on equity:	<u>Result for the period, excl. minority interests x 100</u> Average equity, excl. minority interests
Current ratio:	<u>Current assets</u> Current liabilities
Equity ratio:	<u>Equity, end of period, excl. minority interests x 100</u> Total equity and liabilities, end of period
Financial gearing:	Interest bearing debt (net) end of period Equity, end of period
Net turnover/invested capital, excl. goodwill:	<u>Net turnover</u> Average invested capital, excl. goodwill
Earnings per share (nom. DKK 10), DKK:	<u>Result for the period, excl. minority interests</u> Average number of shares in circulation
Diluted earnings per share (nom. DKK 10), DKK:	Result for the period, excl. minority interests Average number of shares in circulation - diluted
Intrinsic value per share (nom. DKK 10), DKK:	<u>Equity, end of period, excl. minority interests</u> Number of shares, end of period
Price / earnings:	Quotation Earnings per share (nom. DKK 10)
Price/earnings, diluted:	Quotation Diluted earnings per share (nom. DKK 10)

Main and key figures are prepared in accordance with IFRS and "Recommendations and Key Figures 2010" from The Danish Association of Financial Analysts, except from those that are not defined in there. Comparison figures are adjusted.

ANNOUNCEMENT NO. 10.18 TRANSLATION

9. Segment information

The period 1/6 2010 to 28/2 2011

	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	2,055.6	-	64.3 (8.6)	2,119.9 (8.6)			
External turnover	2,055.6		55.7	2,111.3			
Result before tax	24.7	(1.6)	8.9	32.0			

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)			

Reconciliation of segment information	1/6 - 28/2 2010/11	1/6 - 28/2 2009/10
Net turnover, total segments Effect of differences in exchange rates used	2,119.9	1,985.7
in the internal management accounting Elimination of internal turnover	45.0 (8.6)	5.9 (9.4)
Net turnover, Group	2,156.3	1,982.2
Result before tax, total segments	32.0	(72.0)
Result before tax, Group	32.0	(72.0)

Parentheses denote negative figures or amounts to be deducted.

ANNOUNCEMENT NO. 10.18 TRANSLATION

10. Turnover branded business

	Turnover 1/6 - 28/2 2010/11	Turnover 1/6 - 28/2 2009/10	Growth in local currency	Turnover 1/12 - 28/2 2010/11	Turnover 1/12 - 28/2 2009/10	Growth in local currency
Automotive	332	167	98.4 %	113	50	123.2 %
Germany	208	196	6.0 %	78	75	4.2 %
Asian markets, excl. Japan	200	153	30.7 %	87	55	58.2 %
Denmark	197	217	(9.0) %	76	93	(18.3) %
United Kingdom	160	182	(12.5) %	59	65	(10.4) %
Switzerland	143	156	(11.8) %	50	68	(28.8) %
North America	124	101	11.5 %	50	33	40.6 %
Holland	119	134	(11.5) %	43	56	(24.7) %
France	108	99	9.0 %	45	42	8.7 %
Italy	79	86	(8.1) %	28	30	(7.8) %
Spain/Portugal	73	87	(16.1) %	29	30	(2.7) %
Enterprise *	59	45	31.5 %	27	23	20.0 %
Expansion markets, excl. Russia	57	65	(12.1) %	19	24	(21.7) %
Belgium	57	53	7.5 %	25	23	9.9 %
Russia	53	50	6.3 %	18	12	52.2 %
Sweden	36	40	(15.8) %	13	16	(24.4) %
Middle East	25	28	(10.3) %	8	8	(3.7) %
Norway	24	24	(4.7) %	9	9	(10.2) %
Austria	22	28	(20.5) %	8	11	(23.2) %
Japan	19	18	(14.8) %	7	5	7.9 %
Other	6	8		2	3	
Total branded business	2,101	1,937		794	731	

* Enterprise comprises turnover to the hotel sector etc.

Parentheses denote negative figures.

11. Distribution development

Shop segment	Number of shops per 28/2-11	Change in the period 1/6-10 - 28/2-11	Share of turnover per segment 2010/11	Share of turnover per segment 2009/10
B1	686	(17)	83 %	82 %
Shop-in shop	271	(29)	17 %	18 %
Other	1	(1)		
Total	958	(47)	100 %	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 Bang & Olufsen shops with more than 24 months of operations was for the period 2 per cent for B1-shops and -4 per cent for shop-in-shops. For the third quarter seen in isolation, the growth was 1.5 per cent for B1-shops and -20 per cent for shop-in-shops.

ANNOUNCEMENT NO. 10.18 TRANSLATION

Appendix 1

(DKK million)

	2010/11				2010/11			
	Quarterly results			Accumulated quarterly results				
	1 quarter	2 quarter	3 quarter	4 quarter	1 quarter	2 quarter	3 quarter	4 quarter
Net turnover	561.7	774.5	820.1		561.7	1,336.2	2,156.3	
Gross profit	224.8	326.0	326.4		224.8	550.8	877.2	
Operating profit / loss Result of investments in	(29.3)	37.0	35.7		(29.3)	7.7	43.4	
associates after tax	(2.9)	4.1	(2.4)		(2.9)	1.2	(1.2)	
Financial items, net	(2.5)	(4.7)	(3.0)		(2.5)	(7.2)	(10.2)	
Result before tax	(34.7)	36.4	30.3		(34.7)	1.7	32.0	
Tax on result for the period	8.0	(8.3)	(2.4)		8.0	(0.3)	(2.7)	
Result for the period	(26.7)	28.1	27.9		(26.7)	1.4	29.3	
Of which minority interests' share		(0.5)	(0.4)			(0.5)	(0.9)	
Shareholders of the parent company's share of result								
for the period	(26.7)	27.6	27.5		(26.7)	0.9	28.4	

	2009/10				2009/10			
		Quarter	y results		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	779.3	565.0	1,233.5	1,982.2	2,761.5
Gross profit	225.3	254.2	290.9	319.1	225.3	479.5	770.4	1,089.5
Operating profit / loss Result of investments in	(52.5)	(41.1)	31.6	28.2	(52.5)	(93.6)	(62.0)	(33.8)
associates after tax	(1.1)	(0.4)	(0.5)	(4.7)	(1.1)	(1.5)	(2.0)	(6.7)
Financial items, net	0.8	(6.1)	(2.7)	(1.1)	0.8	(5.3)	(8.0)	(9.1)
								<u>`</u>
Result before tax	(52.8)	(47.6)	28.4	22.4	(52.8)	(100.4)	(72.0)	(49.6)
Tax on result for the period	10.2	14.0	(10.4)	2.9	10.2	24.2	13.8	16.7
Result for the period	(42.6)	(33.6)	18.0	25.3	(42.6)	(76.2)	(58.2)	(32.9)
Of which minority interests' share	(0.1)	(0.6)	(0.5)	(0.3)	(0.1)	(0.7)	(1.2)	(1.5)
Shareholders of the parent company's share of result								
for the period	(42.7)	(34.2)	17.5	25.0	(42.7)	(76.9)	(59.4)	(34.4)

Parentheses denote negative figures.