

Copenhagen Stock Exchange
Nikolaj Plads 6
1067 Copenhagen K

Struer, 3 October 2005

Adoption of the International Financial Reporting Standards (IFRS)

As of 1 June 2005 the Group and parent company financial statement of Bang & Olufsen a/s will be presented in accordance with IFRS.

In this announcement to the Stock Exchange the primary effects of the adoption of IFRS on the financial statements of Bang & Olufsen are reviewed. Furthermore the announcement includes comparative figures for the Group restated in accordance with IFRS and information on the effect of IFRS; cf. the following not audited overviews.

All figures are stated in accordance with the International Financial Reporting Standards effective at 31 August 2005. The Annual Report for the financial year 2005/06 will be presented in accordance with the International Financial Reporting Standards effective on 31 May 2006. Consequently the presented comparative information may change.

For the financial year 2004/05 the effect of the changed accounting principles are as follows:

	Previous ac- counting prin- ciples	Effect of IFRS	IFRS
Result from ordinary operations			
before tax	379.5	-7.3	372.2
Group result	268.7	-3.8	264.9
Total assets, 31 May 2005	2,761.5	22.3	2,783.8
Equity, 31 May 2005	1,750.5	-34.0	1,716.5

The primary changes to the accounting principles applied from the adoption of IFRS are:

- That costs related to share based payments, including share option programmes and employee shares, are recognised in the profit and loss account
- That goodwill recognised in business combinations is not amortised
- That jubilee benefit and fairness liabilities are recognised as provisions
- That investments in subsidiaries and associated companies are recognised at cost price in the parent company financial statement

- That presentation and classification has changed

Share based payment

The Groups' obligations in relation to the share option programmes are covered through the reserves of own shares, which is why the obligation has not been recognised in the profit and loss account. With the adoption of IFRS all programmes related to share based payment established after 7 November 2002 with vesting date after 1 January 2005 shall be recognised in the profit and loss account in the period from the grant date to the vesting date. The value of the share options is calculated in agreement with approved valuation models.

Consequently share option programmes granted in August 2004 will be expensed linearly over the vesting period, which is 2 years.

According to IFRS, also expenses related to employee shares shall be recognised in the profit and loss account, which is why the employee shares granted in October/November 2004 are expensed at the grant date, which is the same as the vesting date.

Business combinations

According to IFRS, goodwill is not amortised. Instead an impairment test has to be performed to secure that the asset is written down to the extent that the book value exceeds the recoverable value. The amortisation that has been expensed in the financial year 2004/05 is reversed and from 1 June 2004 quarterly impairment tests are performed.

Provision for jubilee benefits

In accordance with IAS 19 obligations in relation to jubilee benefits are recognised in the balance sheet. These were previously expensed at the payment time.

Provision for fairness

In accordance with IAS 37 obligations for fairness are recognised in the balance sheet. These were previously expensed at the payment time.

Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies have so far been recognised in the parent company's financial statement at intrinsic value. Investments in subsidiaries and associated companies will in the future be recognised at cost price in the parent company financial statement. Received dividends will be taken to income in the profit and loss account.

Quarterly impairment tests are performed to ensure that the investments are not recognised at a value exceeding the recoverable value.

The described change does not affect the Group financial statement.

Presentation and classification

The presentation requirements according to IFRS are more detailed than those included in the accounting regulation for Danish listed companies, according to which the annual report for the financial year 2004/05 is

presented. The annual report for the financial year 2005/06 will fulfil the presentation and classification requirements stated in IFRS.

The adjusted comparative figures have been prepared in accordance with the requirements in IFRS, including the transitional provisions contained in IFRS 1 – "First-time adoption of IFRS". The use of IFRS 1 means that:

- Effective from the opening balance as of 1 June 2004, accumulated exchange rate differences from translating the accounts of the foreign units are recognised in a special reserve under equity.
- Equity-settled share based payment programmes established before 7 November 2002 or fully vested before 1 January 2005 have not been recognised.
- For business combinations, which took place before 1 June 2004, no adjustments of comparative figures have taken place. This means that the book values of assets and liabilities as of 31 May 2004, including goodwill, will be used.

The interim report for the first quarter of 2005/06 as of 31 August 2005 will be prepared in accordance with IFRS. Bang & Olufsen has chosen not to apply IAS 31 "Interim financial reporting".

The Groups accounting principles applied after the adoption of IFRS are available at the Groups website www.bang-olufsen.dk.

Management report

Struer, 3 October 2005

The Board of Directors of Bang & Olufsen a/s

Jørgen Worning

Torsten Erik Rasmussen

Peter Skak Olufsen

Preben Damgaard Nielsen

Lars Brorsen

Thorleif Krarup

Ole Christian Olesen

John Christoffersen

Knud Olesen

The Management Board of Bang & Olufsen a/s

Torben Ballegaard Sørensen

Peter Thostrup

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Table 1 Overview of the effect of adopting IFRS on the profit and loss account for the financial year 2004/05

(DKK million)

	Previous accounting principles	2004/05 Effect of adoption of IFRS	IFRS
Net turnover	3,742.2	-	3,742.2
Production costs	(2,002.4)	(3.3)	(2,005.7)
Gross profit	1,739.8	(3.3)	1,736.5
Products development costs	(390.3)	(3.0)	(393.3)
Distribution and marketing costs	(836.8)	3.2	(833.6)
Administration costs, etc.	(133.2)	(4.2)	(137.4)
Operating profit	379.5	(7.3)	372.2
Result from investment i associated companies before tax	0.4		0.4
Financial income	30.7		30.7
Financial costs	(23.5)		(23.5)
Financial items, net	7.2		7.2
Result from ordinary operations before tax	387.1	(7.3)	379.8
Tax on ordinary result	(118.4)	3.5	(114.9)
Group result	268.7	(3.8)	264.9
Of which minority share	0.2		0.2
Bang & Olufsen a/s' share of the year's result	268.9	(3.8)	265.1

Parentheses denote negative figures

Table 2 Overview of the effect of adopting IFRS on the balance sheet as of 31 May 2004
- assets

(DKK million)

	Previous accounting principles	As of 1 June 2004 Reclassifications and effect of adoption of IFRS	IFRS
Assets			
Intangible assets			
Finished development projects	154.0		154.0
Acquired rights	22.2		22.2
Goodwill	11.1		11.1
Development projects in progress	82.1		82.1
Total intangible assets	269.4	-	269.4
Tangible assets			
Land and building	288.0	(0.9)	287.1
Plant and machinery	216.3		216.3
Other equipment	52.7		52.7
Leasehold improvements	36.6		36.6
Tangible assets in progress and prepaymentst for tangible assets	64.6		64.6
Total tangible assets	658.2	(0.9)	657.3
Invetment property		0.9	0.9
Financial assets			
Investment in associated company	8.6		8.6
Deferred tax assets		40.6	40.6
Other financial receivables	16.7		16.7
Total financial assets	25.3	40.6	65.9
Total non-current assets	952.9	40.6	993.5
Inventory	490.4	-	490.4
Receivables			
Receivables from sales	515.7		515.7
Receivable corporation tax		121.2	121.2
Other receivables	244.1	(121.2)	122.9
Deferred tax assets	23.0	(23.0)	
Accruals	22.3		22.3
Total receivables	805.1	(23.0)	782.1
Liquid funds	473.0		473.0
Total current assets	1,768.5	(23.0)	1,745.5
Total assets	2,721.4	17.6	2,739.0

Table 2 Overview of the effect of adopting IFRS on the balance sheet as of 31 May 2004 – equity and liabilities

(DKK million)

	Previous accounting principles	As of 1 June 2004 Reclassifications and effect of adoption of IFRS	IFRS
Equity and liabilities			
Equity			
Share capital	123.8		123.8
Paid-in premium	5.7	-	5.7
Retained earnings	1,435.7	46.4	1,482.1
Reserve for exchange rate adjustments on foreign subsidiaries			
Proposed dividend for the year	86.7	(86.7)	
Minority interests		2.3	2.3
Total equity	1,651.9	(38.0)	1,613.9
Non-current liabilities			
Pensions		1.2	1.2
Deferred tax		65.8	65.8
Provisions		56.4	56.4
Mortgage loans	134.9		134.9
Loans from banks, etc.	139.1		139.1
Total non-current liabilities	274.0	123.4	397.4
Current liabilities			
Repayments of loans in the coming year	42.9		42.9
Provisions		69.0	69.0
Trade payables	183.8		183.8
Prepayments from customers	19.4		19.4
Corporation tax	9.6		9.6
Other payables	403.0	-	403.0
Accruals		-	-
Total current liabilities	658.7	69.0	727.7
Total liabilities	932.7	192.4	1,125.1
Total equity and liabilities	2,721.4	17.6	2,739.0

Parentheses denote negative figures

Table 3 Overview of the effect of adopting IFRS on the balance sheet as of 31 May 2005
- assets

(DKK million)

	Previous accounting principles	As of 31 May 2005 Reclassifications and effect of adoption of IFRS	IFRS
Assets			
Intangible assets			
Finished development projects	176.3		176.3
Acquired rights	14.3		14.3
Goodwill	15.6	3.7	19.3
Development projects in progress	81.9		81.9
Total intangible assets	288.1	3.7	291.8
Tangible assets			
Land and building	283.3	(0.8)	282.5
Plant and machinery	201.5		201.5
Other equipment	49.7		49.7
Leasehold improvements	29.9		29.9
Tangible assets in progress and prepaymentst for tangible assets	53.4		- 53.4
Total tangible assets	617.8	(0.8)	617.0
Invetment property		0.8	0.8
Financial assets			
Investment in associated company	7.0		7.0
Deferred tax assets		44.4	44.4
Other financial receivables	28.7		28.7
Total financial assets	35.7	44.4	80.1
Total non-current assets	941.6	48.1	989.7
Inventory	429.8	(0.1)	429.7
Receivables			
Receivables from sales	548.8		548.8
Receivable corporation tax		22.6	22.6
Other receivables	68.5	(22.6)	45.9
Deferred tax assets	25.7	(25.7)	-
Accruals	15.2		15.2
Total receivables	658.2	(25.7)	632.5
Liquid funds	731.9		731.9
Total current assets	1,819.9	(25.8)	1,794.1
Total assets	2,761.5	22.3	2,783.8

**Table 3 Overview of the effect of adopting IFRS on the balance sheet as of 31 May 2005
– equity and liabilities**

(DKK million)

	Previous accounting principles	As of 31 May 2005 Reclassifications and effect of adoption of IFRS	IFRS
Equity and liabilities			
Equity			
Share capital	124.1		124.1
Paid-in premium	9.4	-	9.4
Retained earnings	1,468.1	111.7	1,579.8
Reserve for exchange rate adjustments on foreign subsidiaries		1.1	1.1
Proposed dividend for the year	148.9	(148.9)	-
Minority interests		2.1	2.1
Total equity	1,750.5	(34.0)	1,716.5
Minority interests	2.1	(2.1)	-
Provisions			
Pensions	0.8	(0.8)	-
Deferred tax	64.4	(64.4)	-
Other provisions	60.0	(60.0)	-
Total provisions	125.2	(125.2)	-
Non-current liabilities			
Pensions		0.8	0.8
Deferred tax		64.4	64.4
Provisions		66.1	66.1
Mortgage loans	120.7		120.7
Loans from banks, etc.	87.5		87.5
Total non-current liabilities	208.2	131.3	339.5
Current liabilities			
Repayments of loans in the coming year	39.2		39.2
Provisions		52.3	52.3
Trade payables	208.0		208.0
Prepayments from customers	41.5		41.5
Corporation tax	72.0		72.0
Other payables	314.8		314.8
Accruals		-	-
Total current liabilities	675.5	52.3	727.8
Total liabilities	883.7	183.6	1,067.3
Total equity and liabilities	2,761.5	22.3	2,783.8

Parentheses denote negative figures

Table 4 Profit and loss account for the quarters of 2004/05

(DKK million)

	Result stated per quarter, IFRS			
	1st quarter	2nd quarter	3rd quarter	4th quarter
Net turnover	725.6	996.2	1,048.1	972.3
Production costs	(396.9)	(523.8)	(556.1)	(528.9)
Gross profit	328.7	472.4	492.0	443.4
Products development costs	(84.3)	(92.8)	(104.6)	(111.6)
Distribution and marketing costs	(194.6)	(212.8)	(218.9)	(207.3)
Administration costs, etc.	(43.1)	(36.6)	(34.8)	(22.9)
Operating profit	6.7	130.2	133.7	101.6
Result from investment i associated companies before tax	-	-	-	0.4
Financial income	9.9	1.1	5.8	13.9
Financial costs	(6.5)	(5.5)	(4.9)	(6.6)
Financial items, net	3.4	(4.4)	0.9	7.3
Result from ordinary operations before tax	10.1	125.8	134.6	109.3
Tax on ordinary result	(3.4)	(41.5)	(44.9)	(25.1)
Group result	6.7	84.3	89.7	84.2
Of which minority share	0.2	0.1	(0.1)	-
Bang & Olufsen a/s' share of the year's result	6.9	84.4	89.6	84.2

Parentheses denote negative figures

Table 5 Profit and loss account for the quarters of 2004/05 - accumulated figures

(DKK million)

	Accumulated resultat per quarter, IFRS			
	1st quarter	2nd quarter	3rd quarter	4th quarter
Net turnover	725.6	1,721.8	2,769.9	3,742.2
Production costs	(396.9)	(920.7)	(1,476.8)	(2,005.7)
Gross profit	328.7	801.1	1,293.1	1,736.5
Products development costs	(84.3)	(177.1)	(281.7)	(393.3)
Distribution and marketing costs	(194.6)	(407.4)	(626.3)	(833.6)
Administration costs, etc.	(43.1)	(79.7)	(114.5)	(137.4)
Operating profit	6.7	136.9	270.6	372.2
Result from investment i associated companies before tax				0.4
Financial income	9.9	11.0	16.8	30.7
Financial costs	(6.5)	(12.0)	(16.9)	(23.5)
Financial items, net	3.4	(1.0)	(0.1)	7.2
Result from ordinary operations before tax	10.1	135.9	270.5	379.8
Tax on ordinary result	(3.4)	(44.9)	(89.8)	(114.9)
Group result	6.7	91.0	180.7	264.9
Of which minority share	0.2	0.3	0.2	0.2
Bang & Olufsen a/s' share of the year's result	6.9	91.3	180.9	265.1

Parentheses denote negative figures

Table 6 Balance sheet for the quarters of 2004/05 - assets

(DKK million)

	Balance sheet at the end of each quarter stated according to IFRS			
	31-08-2004	30-11-2004	28-02-2005	31-05-2005
Assets				
Intangible assets				
Finished development projects	142.4	145.8	200.6	176.3
Acquired rights	22.1	18.5	19.1	14.3
Goodwill	15.3	15.3	15.4	19.3
Development projects in progress	90.1	98.4	38.1	81.9
Total intangible assets	269.9	278.0	273.2	291.8
Tangible assets				
Land and building	286.1	283.5	280.1	282.5
Plant and machinery	195.7	202.5	230.7	201.5
Other equipment	48.6	47.8	48.9	49.7
Leasehold improvements	33.2	31.2	30.8	29.9
Tangible assets in progress and prepaymentst for tangible assets	69.4	62.3	31.8	53.4
Total tangible assets	633.0	627.3	622.3	617.0
Invetment property	0.8	0.8	0.8	0.8
Financial assets				
Investment in associated company	8.6	6.6	6.6	7.0
Deferred tax assets	42.9	42.0	39.8	44.4
Other financial receivables	36.5	42.5	42.4	28.7
Total financial assets	88.0	91.1	88.8	80.1
Total non-current assets	991.7	997.2	985.1	989.7
Inventory	541.7	553.9	477.8	429.7
Receivables				
Receivables from sales	466.0	656.0	603.2	548.8
Receivable corporation tax	128.3	36.9	31.4	22.6
Other receivables	43.7	47.2	36.9	45.9
Deferred tax assets				
Accruals	22.5	24.8	19.4	15.2
Total receivables	660.5	764.9	690.9	632.5
Liquid funds	482.8	369.6	622.8	731.9
Total current assets	1,685.0	1,688.4	1,791.5	1,794.1
Total assets	2,676.7	2,685.6	2,776.6	2,783.8

Table 6 Balance sheet for the quarters of 2004/05 – equity and liabilities

(DKK million)

Balance sheet at the end of each quarter stated according to IFRS				
	31-08-2004	30-11-2004	28-02-2005	31-05-2005
Equity and liabilities				
Equity				
Share capital	123.8	124.1	124.1	124.1
Paid-in premium	5.7	9.4	9.4	9.4
Retained earnings	1,443.3	1,406.0	1,489.5	1,579.8
Reserve for exchange rate adjustments on foreign subsidiaries	0.1	0.1	0.4	1.1
Proposed dividend for the year				
Minority interests	2.1	2.0	2.1	2.1
Total equity	1,575.0	1,541.6	1,625.5	1,716.5
Non-current liabilities				
Pensions	0.4	0.4	0.4	0.8
Deferred tax	65.7	66.0	70.0	64.4
Provisions	63.7	71.4	69.8	66.1
Mortgage loans	134.4	127.8	127.3	120.7
Loans from banks, etc.	135.5	117.5	100.0	87.5
Total non-current liabilities	399.7	383.1	367.5	339.5
Current liabilities				
Repayments of loans in the coming year	47.5	49.6	67.2	39.2
Provisions	60.4	57.8	57.7	52.3
Trade payables	185.4	225.2	190.3	208.0
Prepayments from customers	12.3	10.0	47.8	41.5
Corporation tax	16.0	21.6	54.9	72.0
Other payables	373.5	388.6	365.7	314.8
Accruals	6.9	8.1	-	-
Total current liabilities	702.0	760.9	783.6	727.8
Total liabilities	1,101.7	1,144.0	1,151.1	1,067.3
Total equity and liabilities	2,676.7	2,685.6	2,776.6	2,783.8

Parentheses denote negative figures

Table 7 Information about the effect of adopting IFRS on selected items for the quarters of 2004/05

(DKK million)

	2004/05 - single quarters			
	1st quarter	2nd quarter	3rd quarter	4th quarter
Net turnover, previous accounting principles	725.6	996.2	1,048.1	972.3
Net turnover, IFRS	725.6	996.2	1,048.1	972.3
Gross profit, previous accounting principles	328.7	475.7	492.0	443.4
<i>Share based payment, employee shares</i>	-	(3.3)	-	-
Gross profit, IFRS	328.7	472.4	492.0	443.4
Gross margin, previous accounting principles	45.3%	47.8%	46.9%	45.6%
Gross margin, IFRS	45.3%	47.4%	46.9%	45.6%
Operating profit, previous accounting principles	6.5	138.3	133.7	101.0
<i>Provision for jubilee benefits</i>	(2.5)	0.2	0.3	1.1
<i>Provision for fairness</i>	1.9	(0.7)	(0.3)	(0.4)
<i>Sharebased payment, share options</i>	(0.1)	(1.0)	(0.9)	(1.0)
<i>Share based payment, employee shares</i>	-	(7.5)	-	-
<i>Reversed amortisation on goodwill</i>	0.9	0.9	0.9	0.9
Operating profit, IFRS	6.7	130.2	133.7	101.6
Group result, previous accounting principles	6.4	89.8	89.3	83.4
<i>Provision for jubilee benefits</i>	(2.5)	0.2	0.3	1.1
<i>Provision for fairness</i>	1.9	(0.7)	(0.3)	(0.4)
<i>Sharebased payment, share options</i>	(0.2)	(0.9)	(0.9)	(1.0)
<i>Share based payment, employee shares</i>	-	(7.5)	-	-
<i>Reversed amortisation on goodwill</i>	0.9	0.9	0.9	0.9
<i>Tax effect of corrections</i>	0.4	2.6	0.3	0.2
Group result, IFRS	6.9	84.4	89.6	84.2
Equity movement in the quarter, previous accounting principles	(39.3)	(34.0)	82.6	89.3
<i>Corrections to the beginning equity</i>				
<i>Provision for jubilee benefits</i>	-	-	-	-
<i>Provision for fairness</i>	-	-	-	-
<i>Deferred tax of provision for fairness</i>				
<i>Deferred tax of provision for jubilee benefits</i>				
<i>Corrections for the year</i>				
<i>Sharebased payment, share options</i>	0.2	0.9	0.9	1.0
<i>Share based payment, employee shares</i>	-	7.5	-	-
<i>Tax effect of employee shares</i>				
<i>Corrections to the group result</i>	0.4	(5.3)	0.3	0.7
<i>Reclassification</i>				
<i>Minority interests</i>	(0.2)	(0.1)	0.1	-
Equity movement in the quarter, IFRS	(38.9)	(33.4)	83.9	91.0

Parentheses denote negative figures

Table 8 Information about the effect of adopting IFRS on selected items for the quarters of 2004/05 - accumulated figures

(DKK million)

	2004/05 - accumulated figures				
	31-05-2004	1st quarter	2nd quarter	3rd quarter	4th quarter
Net turnover, previous accounting principles		725.6	1,721.8	2,769.9	3,742.2
Net turnover, IFRS		725.6	1,721.8	2,769.9	3,742.2
Gross profit, previous accounting principles		328.7	804.4	1,296.4	1,739.8
Share based payment, employee shares		-	(3.3)	(3.3)	(3.3)
Gross profit, IFRS		328.7	801.1	1,293.1	1,736.5
Gross margin, previous accounting principles		45.3%	46.7%	46.8%	46.5%
Gross margin, IFRS		45.3%	46.5%	46.7%	46.4%
Operating profit, previous accounting principles		6.5	144.8	278.5	379.5
Provision for jubilee benefits		(2.5)	(2.3)	(2.0)	(0.9)
Provision for fairness		1.9	1.2	0.9	0.5
Sharebased payment, share options		(0.1)	(1.1)	(2.0)	(3.0)
Share based payment, employee shares		-	(7.5)	(7.5)	(7.5)
Reversed amortisation on goodwill		0.9	1.8	2.7	3.6
Operating profit, IFRS		6.7	136.9	270.6	372.2
Group result, previous accounting principles		6.4	96.2	185.5	268.9
Provision for jubilee benefits		(2.5)	(2.3)	(2.0)	(0.9)
Provision for fairness		1.9	1.2	0.9	0.5
Sharebased payment, share options		(0.2)	(1.1)	(2.0)	(3.0)
Share based payment, employee shares		-	(7.5)	(7.5)	(7.5)
Reversed amortisation on goodwill		0.9	1.8	2.7	3.6
Tax effect of corrections		0.4	3.0	3.3	3.5
Group result, IFRS		6.9	91.3	180.9	265.1
Equity at the end of the quarter, previous accounting principles	1,651.9	1,612.6	1,578.6	1,661.2	1,750.5
Corrections to the beginning equity					
Provision for jubilee benefits	(12.1)	(12.1)	(12.1)	(12.1)	(12.1)
Provision for fairness	(45.9)	(45.9)	(45.9)	(45.9)	(45.9)
Deferred tax of provision for fairness	14.1	14.1	14.1	14.1	14.1
Deferred tax of provision for jubilee benefits	3.6	3.6	3.6	3.6	3.6
Corrections for the year					
Sharebased payment, share options		0.2	1.1	2.0	3.0
Share based payment, employee shares		-	7.5	7.5	7.5
Tax effect of employee shares			(2.4)	(2.4)	(2.4)
Corrections to the group result		0.4	(4.9)	(4.6)	(3.9)
Reclassification					
Minority interests	2.3	2.1	2.0	2.1	2.1
Equity at the end of the quarter, IFRS	1,613.9	1,575.0	1,541.6	1,625.5	1,716.5

Parentheses denote negative figures

Table 9 Overview of the effect of adopting IFRS on the Group's cash flow statements

(DKK million)

	2004/05 - accumulated figures				2004/05		
	1st quarter	2nd quarter	3rd quarter	4th quarter	Before	Effect	After
Group result	6.9	91.3	180.9	265.1	268.9	3.8	265.1
Depreciation and impairment losses	57.6	108.2	168.3	245.6	249.3	3.7	245.6
Adjustments	3.7	60.5	102.7	110.7	103.3	(7.4)	110.7
Change in working capital	31.0	(118.2)	(2.8)	69.8	69.7	(0.1)	69.8
Interests received etc.	9.9	11.0	16.8	30.7	30.7	-	30.7
Interests paid etc.	(6.5)	(12.0)	(16.9)	(23.5)	(23.5)	-	(23.5)
Corporation tax paid	(6.4)	50.4	51.8	42.9	42.9	-	42.9
Cash flow from operating activities	96.2	191.2	500.8	741.3	741.3	(0.0)	741.3
Purchase of intangible non-current assets	(25.0)	(56.2)	(80.4)	(124.7)	(124.7)	-	(124.7)
Purchase of tangible non-current assets	(18.6)	(44.3)	(72.1)	(122.9)	(122.9)	-	(122.9)
Sale of intangible non-current assets	-	-	-	2.1	2.1	-	2.1
Sale of tangible non-current assets	9.1	10.1	12.3	22.1	22.1	-	22.1
Dividend received from associated company	-	2.0	2.0	2.0	2.0	-	2.0
Change in financial receivables	(4.3)	(10.3)	(10.2)	(12.0)	(12.0)	-	(12.0)
Cash flow from investment activities	(38.8)	(98.7)	(148.4)	(233.4)	(233.4)	-	(233.4)
Proceeds from new long-term loans	2.2	-	-	-	-	-	-
Repayment of long-term loans	(0.4)	(22.0)	(22.4)	(69.5)	(69.5)	-	(69.5)
Paid dividend	-	(86.7)	(86.7)	(86.7)	(86.7)	-	(86.7)
Dividend from own shares	-	3.2	3.2	3.2	3.2	-	3.2
Repurchase of own shares	(49.4)	(100.2)	(105.5)	(105.5)	(105.5)	-	(105.5)
Increase of share capital used for employee shares	-	4.0	4.0	4.0	4.0	-	4.0
Sales of own shares	-	5.8	5.8	6.5	6.5	-	6.5
Tax related to share options	-	-	(1.0)	(1.0)	(1.0)	-	(1.0)
Cash flow from financing activities	(47.6)	(195.9)	(202.6)	(249.0)	(249.0)	-	(249.0)
Change in liquid funds - cash flow for the year	9.8	(103.4)	149.8	258.9	258.9	(0.0)	258.9
Liquid funds 1 June	473.0	473.0	473.0	473.0	473.0	-	473.0
Liquid funds 31 May	482.8	369.6	622.8	731.9	731.9	(0.0)	731.9

Parentheses denote negative figures

Table 10 Overview of the effect of adopting IFRS on main and key figures for 2004/05

(DKK million)

	Before	2004/05 Effect	After
Result			
Net turnover	3,742	-	3,742
Of which in foreign markets as a percentage of above	82	-	82
Gross margin	46.5%	(0,1)%	46.4%
Operating profit	380	(7)	372
Financial items, net	7	-	7
Result of ordinary operations before tax	387	(7)	380
Group result	269	(4)	265
Bang & Olufsen a/s' share of the year's result	269	(4)	265
Balance sheet			
Total assets, end of year	2,762	22	2,784
Share capital	124	-	124
Total equity, end of year	1,751	(34)	1,717
Minority interests	2	(2)	-
Cash flow for the year	259	-	259
Cash flow from:			
Operating activities	741	-	741
Investment activities	(233)	-	(233)
- of which investments in tangible assets	(123)	-	(123)
- of which investments in intangible assets	(125)	-	(125)
Financing activities	(249)	-	(249)
Employment			
Number of employees at the end of the year	2,331	-	2,331
Key figures			
Profit ration, %	10	-	10
Rate of return, %	18	-	18
Return on equity, %	16	-	16
Current ratio	2.7	(0.2)	2.5
Equity ratio, %	63	(1)	62
Earnings per share (nominal DKK 10), DKK	22	-	22
Intrinsic value (nominal DKK 10), DKK	141	(3)	138
Quoted share price, 31 May	389	-	389
Price/earnings	18	-	18
Quoted share price/intrinsic value	2.8	-	2.8
Paid/proposed dividend per share (nominal DKK 10), DKK	12.00	-	12.00

Parentheses denote negative figures