

**Interim report for the period 1 June - 30 November 2010 for
Bang & Olufsen a/s**

- The Group's total turnover for the first half of the 2010/11 financial year was DKK 1,336 million against DKK 1,234 million last year, which equates to a growth of 8 per cent. Turnover for the second quarter was DKK 775 million against DKK 669 million for the same period last year, equating to a growth of 16 per cent.
- During the second quarter, Bang & Olufsen launched BeoVision 10-32, a new member of the highly acclaimed BeoVision 10 family. In addition, during the second quarter, the Group launched BeoSound 8, which can function as a speaker dock for iPad, iPhone and iPod as well as a speaker for PCs and MACs. Both products have been well received by the markets.
- Result before tax was positive at DKK 2 million against a negative result of DKK 100 million for the same period last year. Result before tax in the second quarter was positive at DKK 36 million against a negative result of DKK 48 million in the second quarter of 2009/10.
- The Group's gross margin for the first half of the 2010/11 financial year was 41.2 per cent against a gross margin of 38.9 per cent for the same period last year. The Group's gross margin for the second quarter was 42.1 per cent against 38.0 per cent for the same quarter of the 2009/10 financial year.
- The Group's turnover for the audio-video business for the first half of the 2010/11 financial year was DKK 1,088 million against DKK 1,089 million for the same period last year. In the second quarter the turnover in the audio-video business was DKK 630 million against DKK 588 million for the same period last year, which equals a growth of 7 per cent.
- Automotive continued to show progress and increased the turnover by DKK 102 million from DKK 117 million in the first half year of 2009/10 to DKK 219 million in the first half year of 2010/11. In the second quarter the turnover was DKK 128 million against DKK 68 million for the same period last year.
- The net number of B1 shops was reduced by three during the second quarter, whereas there was a reduction of 13 shops in the first quarter of the 2010/11 financial year. The Group continues its intensified focus on recruiting new shops.
- Bang & Olufsen maintains the expectations that the 2010/11 financial year as a whole will result in a positive development in turnover and a positive result before tax. The Group expects the gross margin to increase marginally compared to the 2009/10 financial year.

Ole Andersen
Chairman

Karl Kristian Hvidt Nielsen
President, CEO

iPod, iPhone and iPad are trademarks of Apple Inc., registered in the U.S. and other countries.

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 - 30/11	2010/11	2009/10
Net turnover	1,336.2	1,233.5
Gross profit	550.8	479.5
Gross margin	41.2 %	38.9 %
Operating profit / loss	7.7	(93.6)
Result of investments in associates after tax	1.2	(1.5)
Financial items, net	(7.2)	(5.3)
Result before tax	1.7	(100.4)
Tax on result for the period	(0.3)	24.2
Result for the period	1.4	(76.2)
Attributable to:		
Shareholders of the parent company	0.9	(76.9)
Minority interests	0.5	0.7
Result for the period	1.4	(76.2)
Earnings per share		
Earnings per share, DKK	0.0	(2.1)
Diluted earnings per share, DKK	0.0	(2.1)
Result for the period	1.4	(76.2)
Other comprehensive income, net of tax	1.1	5.6
Comprehensive income for the period	2.5	(70.6)

Balance sheet information	30/11 - 10	31/5 - 10	30/11 - 09
Intangible assets	569.9	546.5	516.4
Tangible assets	542.6	560.5	578.3
Investment property	43.5	45.4	47.3
Financial assets	44.9	46.7	64.9
Deferred tax assets	146.4	140.4	131.5
Total non-current assets	1,347.3	1,339.5	1,338.4
Inventories	637.3	563.6	654.0
Receivables	574.9	490.6	528.7
Cash	161.8	253.6	103.2
Total current assets	1,374.0	1,307.8	1,285.9
Total assets	2,721.3	2,647.3	2,624.3
Equity	1,501.3	1,496.2	1,445.3
Non-current liabilities	367.6	377.7	406.8
Current liabilities	852.4	773.4	772.2
Total equity and liabilities	2,721.3	2,647.3	2,624.3

Parentheses denote negative figures or amounts to be deducted.

BANG & OLUFSEN A/S
19 January 2011

ANNOUNCEMENT NO. 10.11
TRANSLATION

Development in equity 1/6 - 30/11	2010/11	2009/10
Equity as at 1 June	1,496.2	1,516.7
Comprehensive income for the period	2.5	(70.6)
Costs related to capital increase	-	(2.7)
Employee shares	1.1	1.2
Grant of share options	3.5	3.0
Dividend paid, minority interests	<u>(2.0)</u>	<u>(2.3)</u>
Equity as at 30 November	<u>1,501.3</u>	<u>1,445.3</u>

Cash flows, main figures 1/6 - 30/11	2010/11	2009/10
Cash flows from operating activities	42.6	(12.9)
Cash flows from investment activities	(109.7)	(103.2)
Cash flows from financing activities	<u>(13.1)</u>	<u>(33.0)</u>
Cash flows for the period	<u>(80.2)</u>	<u>(149.1)</u>

Parentheses denote negative figures or amounts to be deducted.

Comments on developments in the first half year of the 2010/11 financial year

The Group's total turnover for the first half of the 2010/11 financial year was DKK 1,336 million against DKK 1,234 million last year, which equates to a growth of 8 per cent.

Net turnover according to business area

(DKK million)	1/6 – 30/11 2010/11	1/6 - 30/11 2009/10
Branded business	1,307	1,206
Non-branded business	35	34
Intra-Group turnover	-6	-6
Total net turnover	1,336	1,234

With regard to the branded business, turnover totalled DKK 1,307 million against DKK 1,206 million for the first half year last year. The growth in turnover can be related to the Automotive business area, which continued to show growth and increased its turnover by DKK 102 million, from DKK 117 million in the first half of 2009/10 to DKK 219 million in the first half of 2010/11.

The Group's gross margin for the half year was 41.2 per cent against 38.9 per cent for the same period last year.

Result before tax was positive at DKK 2 million against a negative result of DKK 100 million for the same period last year.

During the first half of the 2010/11 financial year, the Group reduced its capacity costs by DKK 43 million from DKK 586 million for the same period last year to DKK 543 million this year. Distribution and marketing costs decreased during the first half year by DKK 14 million from DKK 363 million to DKK 349 million, among other things as a result of lower provisions for losses on trade receivables. Administration costs etc. totalled DKK 47 million, which is on a par with the same period last year.

The Group's development costs incurred were DKK 210 million for the first half of the financial year against DKK 217 million for the same period last year. The lower cost level is the result of efficiency improvements implemented in recent years. The Group continues to expect to maintain a high activity level within the product development area with focus on the Group's launches in 2010/11, the development of new sound systems for the partners within the Automotive business area, and the continued development of the Group's joint digital platform which, going forward, will form the technological basis for the Group's products across the product portfolio.

The net effect of capitalisation was positive at DKK 62 million. Expensed development costs were DKK 148 million, whereas the expensed development costs for the same period last year were DKK 178 million and the net effect of capitalisation was positive at DKK 38 million.

Reimbursements for development projects from Automotive partners of DKK 35 million were received during the first half year of the financial year. The received reimbursements have been offset directly in intangible assets.

The Group's cash flows from operating activities were positive at DKK 43 million against a negative DKK 13 million for the same period last year. This is primarily owing to the improved result.

Comments on developments in the second quarter

Turnover for the Bang & Olufsen a/s Group as a whole for the second quarter of 2010/11 was DKK 775 million against DKK 669 million for the same period last year, which equates to an increase of DKK 106 million or 16 per cent. The increase in turnover is owing to a general increase in both the audio-video business and Automotive.

The Group's turnover for the audio-video business for the second quarter was DKK 630 million against DKK 588 million for the same period last year, which equates to an increase of 7 per cent. The Automotive business area increased its turnover by DKK 60 million or 90 per cent.

The Group's gross margin for the second quarter was 42.1 per cent against 38.0 per cent for the same quarter of the 2009/10 financial year. The higher gross margin is in part owing to improved product margins in the audio-video business and in part to the higher turnover and thus a better utilisation of the production capacity.

Seen in isolation, operating profit for the second quarter was positive at DKK 37 million against a negative result of DKK 41 million for the same period last year. Result before tax was positive at DKK 36 million against a negative result of DKK 48 million for the corresponding period last year. Furthermore, result after tax for the second quarter was positive at DKK 28 million against a negative result of DKK 34 million for the second quarter of the 2009/10 financial year.

Development in the markets

The Asian markets recorded an increase of 15.3 per cent compared to the first half of the 2009/10 financial year. The Group's largest market, Germany, experienced an increase of 7.2 per cent, while the other main markets, Denmark and the UK, recorded a decline in sales of 2.0 per cent and 13.6 per cent respectively.

Product launches

During the second quarter of the 2010/11 financial year, the Group launched two exciting and differentiated products. Both products have been 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, therefore, is expected to attract new customers to the brand, including those from the younger segment. BeoSound 8 is characterised by a 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 the sound.

iPod, iPhone and iPad are trademarks of Apple Inc., registered in the U.S. and other countries.

Distribution development

During the half year, 27 B1-shops were opened or upgraded, while 43 shops were closed or converted to shop-in-shops.

By the end of November 2010, there were 687 B1-shops across the world against 690 at the end of the first quarter 2010/11. Thus, the net movement for the second quarter amounts to -3 shops, with 21 openings and 24 closures. The Group continues its intensified focus on recruiting new shops.

The share of turnover for B1-shops is 82 per cent. The number of shop-in-shops is 277 against 300 at the end of the most recent financial year.

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 32 million for the first half of the 2010/11 financial year against a turnover of DKK 22 million for the same period last year. Seen in isolation, Bang & Olufsen Enterprise recorded a turnover of DKK 19 million for the second quarter compared to a turnover of DKK 9 million for the same period last year.

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

Automotive

For the first half year, Bang & Olufsen Automotive, which develops, produces and sells exclusive sound systems for premium car makers, recorded a turnover of DKK 219 million. This equates to an increase

of 87 per cent compared to a turnover of DKK 117 million for the same period in the 2009/10 financial year.

The strong growth is owing to a combination of the increase in global car sales and Bang & Olufsen's launch of a number of new sound systems for Audi, Mercedes-Benz and Aston Martin in the previous year.

During the half year, Bang & Olufsen Automotive launched its Advanced Sound System, known from, amongst others, the Audi A8 models, in the new Audi A7 and in the new Audi A6 and is represented in this segment for the first time. As previously announced, a contract has been signed with BMW for the development of first-class sound systems for a range of BMW vehicles over the coming years. Alongside this, the established partnership with Audi, Mercedes-Benz and Aston Martin continues to expand with a range of new models.

Bang & Olufsen ICEpower a/s

For the first half year 2010/11, turnover for Bang & Olufsen ICEpower a/s totalled DKK 35 million against DKK 34 million in 2009/10.

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 extremely high energy efficiency, it allows for more compact constructions, which offer greater design freedom. In addition, the reduced heat generation increases the life of the electronic components.

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 continued high activity level within product development. The Group, therefore, expects that approximately 25 per cent of the Group's turnover within the audio and video business will be derived from new products, with "new" defined as sales in the first 12 months after the launch.

Distribution development

Based on the recent positive turnover development in the mature shops, the Group plans to intensify the efforts to recruit new shops. 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

Based on a continuing high activity level within product development and the increased marketing effort, Bang & Olufsen expects that the 2010/11 financial year as a whole will result in a positive development in turnover and a positive result before tax. The Group expects the gross margin to increase marginally compared to the 2009/10 financial year.

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 market and competitive issues, supplier relations and financial conditions in the form of currency, interest rates, credit and liquidity risks.

Statement by the management

We have today considered and approved the interim report for the period 1 June - 30 November 2010 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 30 November 2010 and the results of the Group's operations and cash flows for the period 1 June - 30 November 2010.

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, 19 January 2011

The Board of Directors for Bang & Olufsen a/s

Ole Andersen
Chairman

Niels B. Christiansen
Deputy Chairman

Peter Skak Olufsen

Rolf Eriksen

Tue Manton

Knud Olesen

Jesper Olesen

Anette Revsgaard Sejbjerg

The Board of Management for Bang & Olufsen a/s

Karl Kristian Hvidt Nielsen
President & CEO

Henning Bejer Beck
Executive Vice President, CFO

Christian Winther
Executive Vice President

John Bennett-Therkildsen
Executive Vice President

Profit and loss account

Bang & Olufsen a/s

(DKK million)

		Group			
		1/9 - 30/11 2010/11	1/9 - 30/11 2009/10	1/6 - 30/11 2010/11	1/6 - 30/11 2009/10
Notes					
	Net turnover	774.5	668.5	1,336.2	1,233.5
	Production costs	(448.5)	(414.3)	(785.4)	(754.0)
	Gross profit	326.0	254.2	550.8	479.5
2	Development costs	(72.4)	(88.8)	(147.8)	(178.4)
	Distribution and marketing costs	(188.4)	(193.7)	(348.5)	(363.3)
	Administration costs etc.	(28.2)	(26.1)	(46.8)	(44.7)
3	Other operating income	-	13.3	-	13.3
	Operating profit / loss	37.0	(41.1)	7.7	(93.6)
	Result of investments in associates after tax	4.1	(0.4)	1.2	(1.5)
4	Financial income	1.4	(0.4)	3.8	5.9
5	Financial costs	(6.1)	(5.7)	(11.0)	(11.2)
	Financial items, net	(4.7)	(6.1)	(7.2)	(5.3)
	Result before tax	36.4	(47.6)	1.7	(100.4)
	Tax on result for the period	(8.3)	14.0	(0.3)	24.2
	Result for the period	28.1	(33.6)	1.4	(76.2)
Attributable to:					
	Shareholders of the parent company	27.6	(34.2)	0.9	(76.9)
	Minority interests	0.5	0.6	0.5	0.7
		28.1	(33.6)	1.4	(76.2)
Earnings per share					
	Earnings per share, DKK	0.8	(0.9)	0.0	(2.1)
	Diluted earnings per share, DKK	0.8	(0.9)	0.0	(2.1)

Statement of comprehensive income

Bang & Olufsen a/s

(DKK million)

	Group			
	1/9 - 30/11 2010/11	1/9 - 30/11 2009/10	1/6 - 30/11 2010/11	1/6 - 30/11 2009/10
Notes				
Result for the period	28.1	(33.6)	1.4	(76.2)
Exchange rate adjustment of investments in foreign subsidiaries	0.1	(3.0)	8.6	2.5
Change in fair value of derivative financial instruments used as cash flow hedges	(0.2)	4.1	(22.5)	4.6
Transfer to the profit and loss account of fair value adjustments of derivative financial instruments used as cash flow hedges:				
Transfer to net turnover	6.5	(0.8)	14.0	(0.4)
Transfer to production costs	0.7	-	(1.5)	-
Tax on other comprehensive income	(1.7)	(0.9)	2.5	(1.1)
Other comprehensive income, net of tax	5.4	(0.6)	1.1	5.6
Comprehensive income for the period	33.5	(34.2)	2.5	(70.6)
Attributable to:				
Shareholders of the parent company	33.0	(34.8)	2.0	(71.3)
Minority interests	0.5	0.6	0.5	0.7
	33.5	(34.2)	2.5	(70.6)

Balance sheet

Assets

Bang & Olufsen a/s

(DKK million)

Notes	Group		
	30/11 - 10	31/5 - 10	30/11 - 09
Intangible assets			
Goodwill	44.8	44.7	44.7
Acquired rights	42.6	46.0	48.0
Completed development projects	224.7	249.1	231.7
Development projects in progress	257.8	206.7	192.0
Total intangible assets	569.9	546.5	516.4
Tangible assets			
Land and buildings	234.7	240.9	246.3
Plant and machinery	190.8	209.4	230.5
Other equipment	31.9	34.9	39.9
Leasehold improvements	19.5	23.2	26.2
Tangible assets in progress and prepayment for tangible assets	65.7	52.1	35.4
Total tangible assets	542.6	560.5	578.3
Investment property	43.5	45.4	47.3
Financial assets			
Investments in associates	5.7	5.3	8.0
Other financial receivables	39.2	41.4	56.9
Total financial assets	44.9	46.7	64.9
Deferred tax assets	146.4	140.4	131.5
Total non-current assets	1,347.3	1,339.5	1,338.4
Inventories	637.3	563.6	654.0
Receivables			
Trade receivables	496.5	417.9	451.7
Receivables from associates	4.0	1.5	2.3
Income tax receivables	19.7	21.2	22.5
Other receivables	32.5	27.6	25.0
Prepayments	22.2	22.4	27.2
Total receivables	574.9	490.6	528.7
Cash	161.8	253.6	103.2
Total current assets	1,374.0	1,307.8	1,285.9
Total assets	2,721.3	2,647.3	2,624.3

Balance sheet

Equity and liabilities

Bang & Olufsen a/s

(DKK million)

Notes	Group		
	30/11 - 10	31/5 - 10	30/11 - 09
Equity			
Share capital	362.4	362.4	362.4
Share premium	232.1	232.1	232.1
Translation reserve	21.7	13.1	(50.1)
Reserve for cash flow hedges	(15.0)	(5.0)	3.2
Retained earnings	900.1	892.1	897.0
Equity attributable to shareholders of the parent company	1,501.3	1,494.7	1,444.6
Minority interests	-	1.5	0.7
Total equity	1,501.3	1,496.2	1,445.3
Non-current liabilities			
Pensions	7.9	7.8	6.4
Deferred tax	6.4	6.2	3.8
Provisions	85.6	78.2	75.1
Mortgage loans	223.4	225.8	228.1
Loans from banks etc.	43.9	52.8	86.7
Other non-current liabilities	0.4	6.9	6.7
Total non-current liabilities	367.6	377.7	406.8
Current liabilities			
Mortgage loans	4.7	4.6	4.5
Loans from banks etc.	42.9	42.8	17.8
Overdraft facilities	-	11.9	7.2
Provisions	52.3	52.7	54.8
Trade payables	324.8	259.4	276.2
Income tax	20.1	20.0	16.5
Other payables	317.1	323.3	323.2
Deferred income	90.5	58.7	72.0
Total current liabilities	852.4	773.4	772.2
Total liabilities	1,220.0	1,151.1	1,179.0
Total equity and liabilities	2,721.3	2,647.3	2,624.3

Cash flow statement for the period 1/6 – 30/11

Bang & Olufsen a/s

(DKK million)

Notes	Group	
	2010/11	2009/10
Result for the period	1.4	(76.2)
Depreciation, amortisation and impairment losses	110.8	122.0
6 Adjustments	8.1	(35.9)
7 Change in working capital	<u>(68.5)</u>	<u>(8.6)</u>
Cash flows from ordinary activities	51.8	1.3
Interest received etc.	3.8	5.9
Interest paid etc.	(11.0)	(11.2)
Income tax paid	<u>(2.0)</u>	<u>(8.9)</u>
Cash flows from operating activities	<u>42.6</u>	<u>(12.9)</u>
Purchase of intangible non-current assets	(113.0)	(95.3)
Purchase of tangible non-current assets	(39.6)	(43.6)
Sale of tangible non-current assets	5.6	32.2
Received reimbursements, intangible non-current assets	35.1	-
Change in financial receivables	<u>2.2</u>	<u>3.5</u>
Cash flows from investment activities	<u>(109.7)</u>	<u>(103.2)</u>
Costs related to capital increase	-	(2.7)
Repayment of long-term loans	(11.1)	(28.0)
Dividend paid, minority interests	<u>(2.0)</u>	<u>(2.3)</u>
Cash flows from financing activities	<u>(13.1)</u>	<u>(33.0)</u>
Changes in cash and cash equivalents	(80.2)	(149.1)
Cash and cash equivalents 1 June	241.7	245.1
Exchange rate adjustment, cash and cash equivalents	<u>0.3</u>	<u>-</u>
Cash and cash equivalents 30 November	<u>161.8</u>	<u>96.0</u>

Statement of changes in equity

Bang & Olufsen a/s, Group

(DKK million)

	Equity attributable to shareholders of the parent company					Minority interests	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	-	-	(10.5)	4.2	(65.0)	0.7	(70.6)
Costs related to capital increase	-	-	-	-	(2.7)	-	(2.7)
Employee shares	-	-	-	-	1.2	-	1.2
Grant of share options	-	-	-	-	3.0	-	3.0
Dividend paid regarding 2008/09	-	-	-	-	-	(2.3)	(2.3)
Equity 30 November 2009	<u>362.4</u>	<u>232.1</u>	<u>(50.1)</u>	<u>3.2</u>	<u>897.0</u>	<u>0.7</u>	<u>1,445.3</u>
 Equity 1 June 2010	 362.4	 232.1	 13.1	 (5.0)	 892.1	 1.5	 1,496.2
Comprehensive income for the period	-	-	8.6	(10.0)	3.4	0.5	2.5
Employee shares	-	-	-	-	1.1	-	1.1
Grant of share options	-	-	-	-	3.5	-	3.5
Dividend paid regarding 2009/10	-	-	-	-	-	(2.0)	(2.0)
Equity 30 November 2010	<u>362.4</u>	<u>232.1</u>	<u>21.7</u>	<u>(15.0)</u>	<u>900.1</u>	<u>-</u>	<u>1,501.3</u>

Notes to the interim report for the period 1/6 – 30/11

1. Accounting principles 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.

Bang & Olufsen a/s

(DKK million)

	Group			
	1/9 - 30/11 2010/11	1/9 - 30/11 2009/10	1/6 - 30/11 2010/11	1/6 - 30/11 2009/10
2. Development costs				
Development costs incurred before capitalisation	109.7	117.1	209.6	216.5
Amount hereof capitalised	(62.3)	(54.8)	(111.1)	(93.1)
Total amortisation and impairment losses on development projects	25.0	26.5	49.3	55.0
Development costs recognised in the profit and loss account	72.4	88.8	147.8	178.4
3. Other operating income				
Profit on sale of property, Switzerland	-	13.3	-	13.3
Other operating income	-	13.3	-	13.3

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Bang & Olufsen a/s

(DKK million)

	Group			
	1/9 - 30/11 2010/11	1/9 - 30/11 2009/10	1/6 - 30/11 2010/11	1/6 - 30/11 2009/10
4. Financial income				
Interest income from banks etc.	0.1	-	0.1	0.5
Exchange rate gains, net	(0.2)	(2.5)	-	2.4
Other financial income	1.5	2.1	3.7	3.0
Financial income	<u>1.4</u>	<u>(0.4)</u>	<u>3.8</u>	<u>5.9</u>

5. Financial costs

Interest costs on bank loans etc.	1.4	1.5	2.4	2.6
Interest costs on mortgage loans	3.7	3.6	7.2	7.3
Exchange rate losses, net	0.2	-	0.2	-
Other financial costs	0.8	0.6	1.2	1.3
Financial costs	<u>6.1</u>	<u>5.7</u>	<u>11.0</u>	<u>11.2</u>

6. Adjustments

Change in other liabilities	0.6	(14.5)
Financial income etc.	(3.8)	(5.9)
Financial costs etc.	11.0	11.2
Result of investments in associates after tax	(1.2)	1.5
Gain/loss on sale of non-current assets	0.3	(11.6)
Tax on result for the period	0.3	(24.2)
Various adjustments	<u>0.9</u>	<u>7.6</u>
Adjustments	<u>8.1</u>	<u>(35.9)</u>

7. Change in working capital

Change in receivables	(85.8)	(36.0)
Change in inventories	(73.7)	(60.7)
Change in accounts payables etc.	<u>91.0</u>	<u>88.1</u>
Change in working capital	<u>(68.5)</u>	<u>(8.6)</u>

Key figures

Bang & Olufsen a/s, Group

(DKK million)

2010/11 2009/10

8. Key figures

EBITDA	119	28
EBITDA-margin, %	9	2
Profit ratio, %	1	(8)
Return on assets, %	0	(4)
Return on invested capital, excl. goodwill, %	4	(2)
Return on equity, %	0	(5)
Current ratio	1.6	1.7
Equity ratio, %	55	55
Financial gearing	0.1	0.2
Net interest-bearing debt	153	241
Net turnover/Invested capital excl. goodwill	1.0	0.9
Intrinsic value per share (nom. DKK 10), DKK	41	40
Quotation as at 30 November	61	74
Price/earnings	2,451	(35)
Price/earnings, diluted	2,451	(35)
Quotation/Intrinsic value per share	1.5	1.9
Number of shares, end of the year	36,244,014	36,244,014
Number of own shares, end of the year	71,833	90,372
Average number of shares in circulation	36,160,227	36,140,398
Average number of shares in circulation - diluted	36,160,227	36,140,398

Parentheses denote negative figures.

Definitions of key figures:

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

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.

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9. Segment information

The period 1/6 2010 to 30/11 2010

	Branded business	Non-branded business		
(DKK million)	Bang & Olufsen	Bang & Olufsen Medicom a/s	Bang & Olufsen ICEpower a/s	Total segments
Net turnover	1,283.0	-	35.4	1,318.4
Internal turnover	-	-	(6.4)	(6.4)
External turnover	1,283.0	-	29.0	1,312.0
Result before tax	(2.8)	0.8	3.7	1.7

The period 1/6 2009 to 30/11 2009

	Branded business	Non-branded business		
(DKK million)	Bang & Olufsen	Bang & Olufsen Medicom a/s	Bang & Olufsen ICEpower a/s	Total segments
Net turnover	1,205.6	-	33.9	1,239.5
Internal turnover	-	-	(6.3)	(6.3)
External turnover	1,205.6	-	27.6	1,233.2
Result before tax	(101.8)	(1.4)	2.8	(100.4)

	1/6 - 30/11 2010/11	1/6 - 30/11 2009/10
Reconciliation of segment information		
Net turnover, total segments	1,318.4	1,239.5
Effect of differences in exchange rates used in the internal management accounting	24.2	0.3
Elimination of internal turnover	(6.4)	(6.3)
Net turnover, Group	1,336.2	1,233.5
Result before tax, total segments	1.7	(100.4)
Result before tax, Group	1.7	(100.4)

Parentheses denote negative figures or amounts to be deducted.

10. Turnover branded business

	Turnover 1/6 - 30/11 2010/11	Turnover 1/6 - 30/11 2009/10	Growth in local currency	Turnover 1/9 - 30/11 2010/11	Turnover 1/9 - 30/11 2009/10	Growth in local currency
Automotive	219	117	87.2 %	128	68	89.8 %
Germany	130	121	7.2 %	74	69	6.9 %
Denmark	121	124	(2.0) %	72	71	1.6 %
Asian markets, excl. Japan	113	98	15.3 %	56	50	12.0 %
United Kingdom	101	117	(13.6) %	56	57	(6.3) %
Switzerland	93	88	1.0 %	58	46	23.8 %
Holland	76	78	(1.9) %	46	46	2.3 %
North America	74	68	(2.4) %	33	34	(12.3) %
France	63	57	9.2 %	36	33	8.0 %
Italy	51	56	(8.3) %	33	33	1.1 %
Spain/Portugal	44	57	(23.2) %	24	29	(18.5) %
Expansion markets, excl. Russia	38	41	(6.5) %	25	24	5.4 %
Russia	35	38	(8.4) %	30	22	35.5 %
Belgium	32	30	5.7 %	19	15	29.0 %
Enterprise *	32	22	45.5 %	19	9	112.6 %
Sweden	23	24	(10.5) %	13	12	6.4 %
Middle East	17	20	(12.9) %	9	10	(9.0) %
Norway	15	15	(1.3) %	9	9	11.8 %
Austria	14	17	(18.7) %	8	9	(7.0) %
Japan	12	13	(24.0) %	6	7	(35.0) %
Other	4	5		4	3	
Total branded business	1,307	1,206		758	656	

* Enterprise comprises turnover to the hotel sector etc.

Parentheses denote negative figures.

11. Distribution development

Shop segment	Number of shops per 30/11-10	Change in the period 1/6 - 30/11-10	Share of turnover per segment 2010/11	Share of turnover per segment 2009/10
B1	687	(16)	82 %	82 %
Shop-in-shop	277	(23)	18 %	18 %
Other	1	(1)	- %	- %
Total	965	(40)	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 1 per cent for B1-shops and 6 per cent for shop-in-shops. For the second quarter seen in isolation, the growth was 7 per cent for B1-shops and 19 per cent for shop-in-shops.

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			561.7	1,336.2		
Gross profit	224.8	326.0			224.8	550.8		
Operating profit / loss	(29.3)	37.0			(29.3)	7.7		
Result of investments in associates after tax	(2.9)	4.1			(2.9)	1.2		
Financial items, net	(2.5)	(4.7)			(2.5)	(7.2)		
Result before tax	(34.7)	36.4			(34.7)	1.7		
Tax on result for the period	8.0	(8.3)			8.0	(0.3)		
Result for the period	(26.7)	28.1			(26.7)	1.4		
Of which minority interests' share	-	(0.5)			-	(0.5)		
Shareholders of the parent company's share of result for the period	(26.7)	27.6			(26.7)	0.9		

	2009/10				2009/10			
	Quarterly 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	(52.5)	(41.1)	31.6	28.2	(52.5)	(93.6)	(62.0)	(33.8)
Result of investments in 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)
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.