

**Bang & Olufsen a/s Interim report**

**Q3 2009/10**

**Kalle Hvidt Nielsen**  
CEO & President



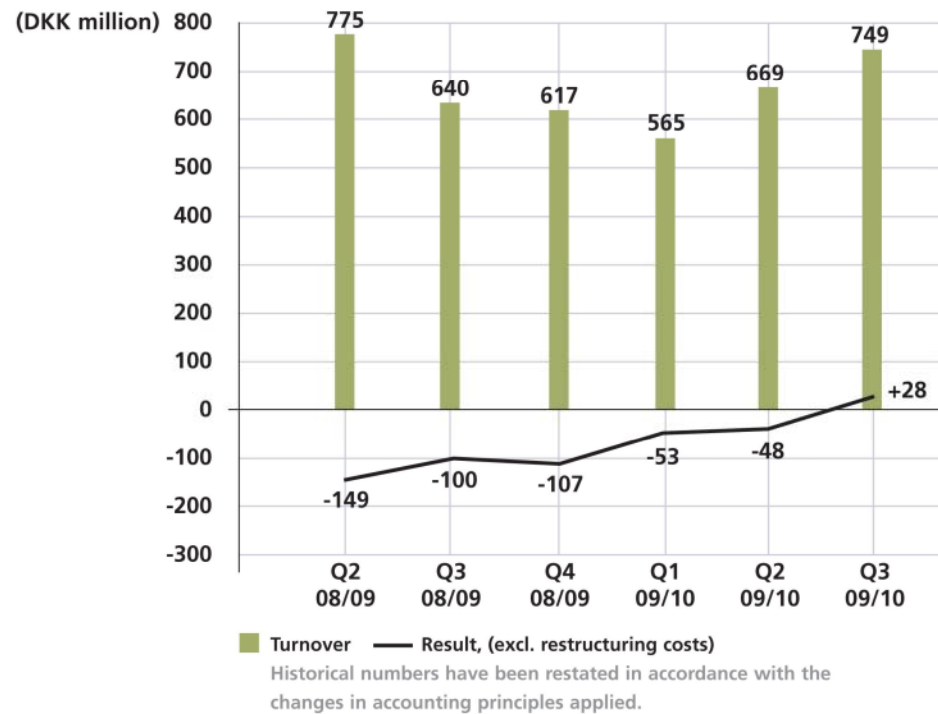
**BANG & OLUFSEN**

- The Group's total turnover totalled DKK 1,982 million against DKK 2,173 million in the same period last year. Turnover in the third quarter totalled DKK 749 million against DKK 640 million in the same period last year, an increase of 17 per cent.
- Result before tax was negative at DKK 72 million against a negative result of DKK 310 million (excl. restructuring costs of DKK 105 million) in the same period last year. Result before tax in the third quarter was positive at DKK 28 million against a negative result of DKK 100 million (excl. restructuring costs of DKK 105 million) in the third quarter of 2008/09.
- During the third quarter the Group has seen the effect of a number of important product launches.
- The major part of the Group's markets showed growth in the third quarter. The business area Automotive continued to advance in the third quarter in that turnover totalled DKK 50 million against DKK 29 million for the same period last year.
- The turnover development in B1-shops, which have been in operation for more than 24 months, has been positive at 26 per cent.

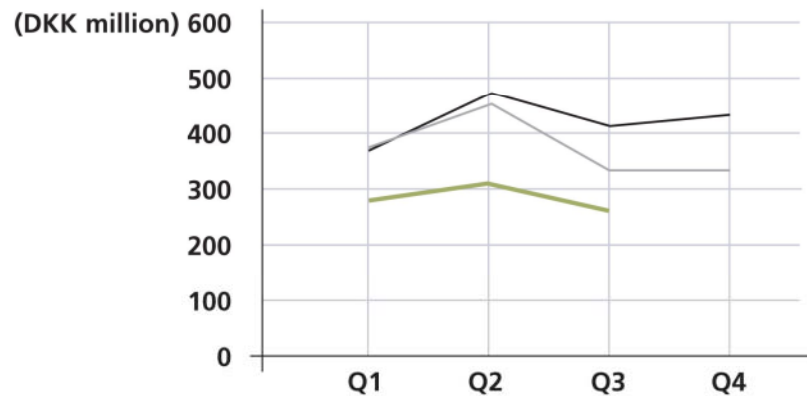
- In the period the Group's cash flows were negative at DKK 91 million against negative DKK 214 million last year. Cash flows from operating activities were positive at DKK 113 million against DKK 86 million in the same period last year.
- The Group has reduced capacity costs with DKK 316 million (comparison figures are excl. restructuring costs of DKK 105 million).
- The Group has a continued focus on reducing capacity costs and removes around 70 positions.
- The Group is extending the board of management.
- Bang & Olufsen maintains the expectation that the 2009/10 financial year will result in a turnover between DKK 2,700 and DKK 2,900 million (compared to the 2008/09 financial year of DKK 2,789.5 million). A result before tax in the lower end of the previously announced range between DKK -50 and DKK 0 million is expected (compared to the 2008/09 financial year of DKK -523 million). This is, among others, owing to non-recurring expenditures in connection with the restructuring costs.

## Development in turnover and result before tax

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- Result before tax positive at DKK 28 million based on a turnover growth of 17 per cent.
- The lower gross margin at 38.9 per cent is caused by a shift in the product mix and the introduction of new products influencing the gross margin negatively.



— 2007/08 — 2008/09 — 2009/10

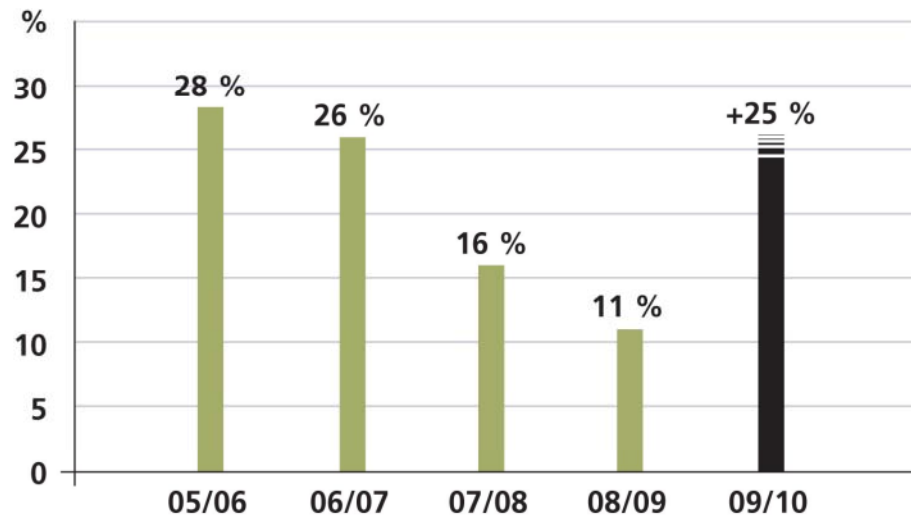
Capacity costs (excl. restructuring costs)

Historical numbers have been restated in accordance with the changes in accounting principles applied.

- Capacity costs have been reduced by DKK 316 million or 27 per cent from DKK 1,162 million (excl. restructuring costs of DKK 105 million) to DKK 846 million.
- In the third quarter the capacity costs were reduced by DKK 73 million from DKK 332 million (excl. restructuring costs of DKK 105 million) to DKK 259 million, corresponding to 22 per cent.
- The Group has a continued focus on reducing capacity costs and removes around 70 positions.

Launch products' share of audio-video turnover

Q3 2009/10



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Product launches in 2009/10

Q3 2009/10



BeoVision 10-40  
BeoVision 10-46



BeoVision 7-55



BeoTime



BeoCom 5



Adaptive Sound technology



BeoLab 11

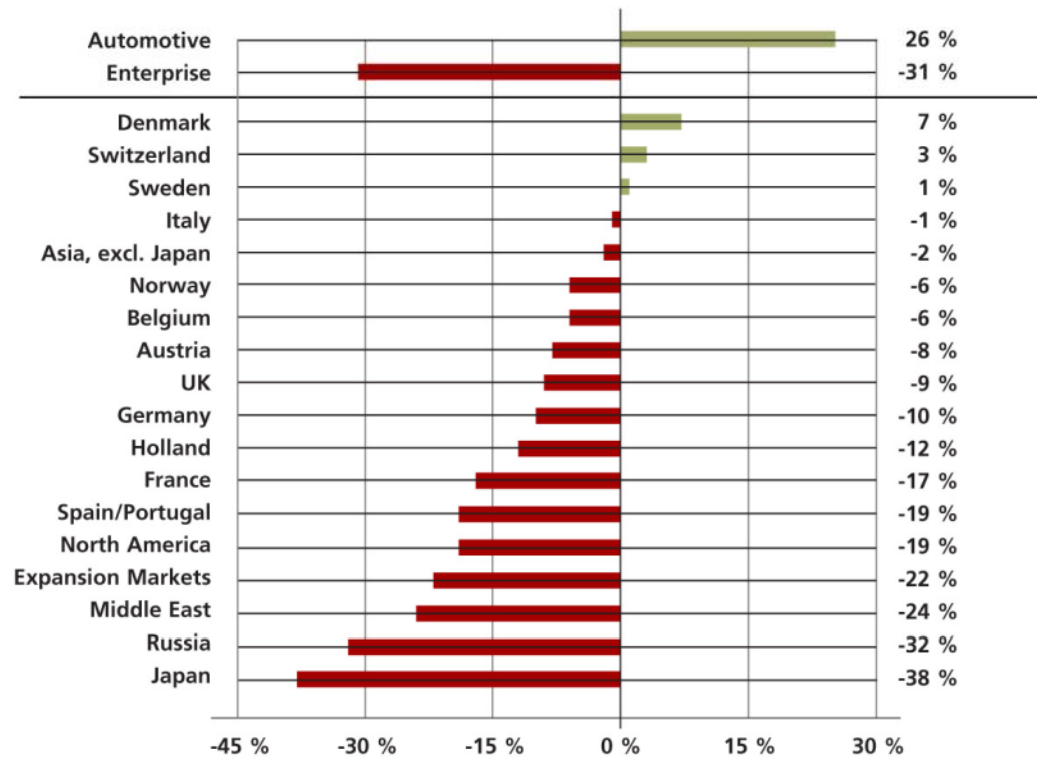


BeoLink application for  
iPhone and iPod Touch

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Turnover growth per market (local currency) in the first three quarters

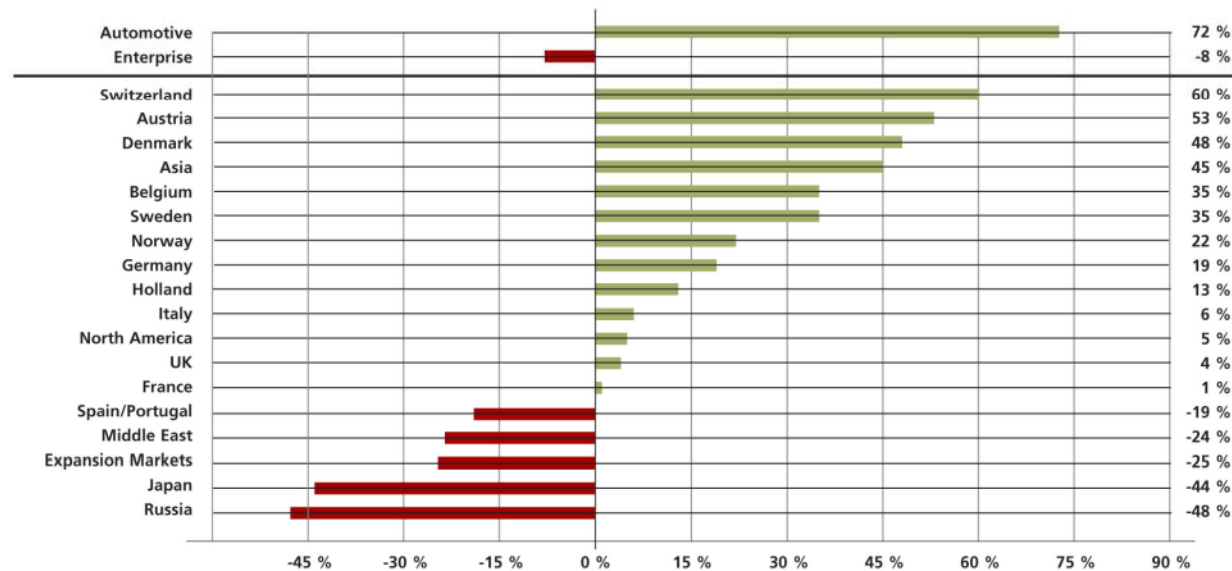
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- In the first three quarters Automotive gained a growth of 26 per cent.
- Denmark and Switzerland grew 7 per cent and 3 per cent respectively.

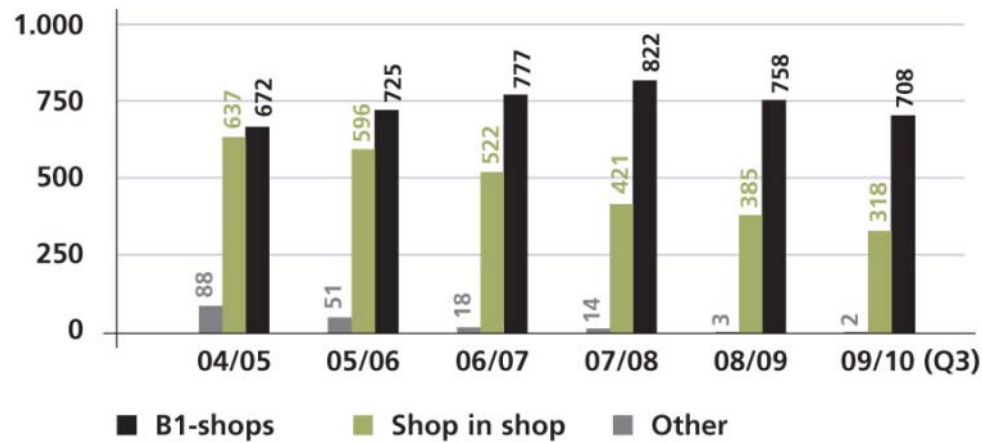
# Turnover growth per market (local currency) in the third quarter

Q3 2009/10

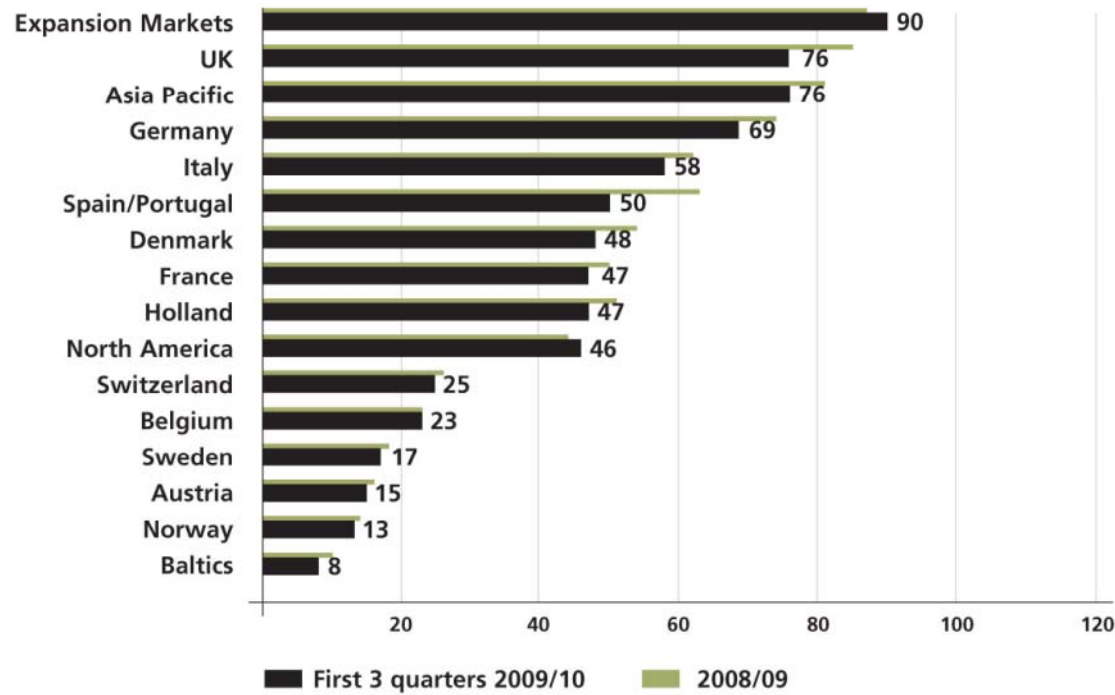


- Denmark and Switzerland grew 48 per cent and 60 per cent respectively.
- The three big markets Denmark, Germany and UK gained a total growth of 23 per cent in the third quarter.
- Automotive achieved a fantastic growth of 72 per cent.

Number of shops



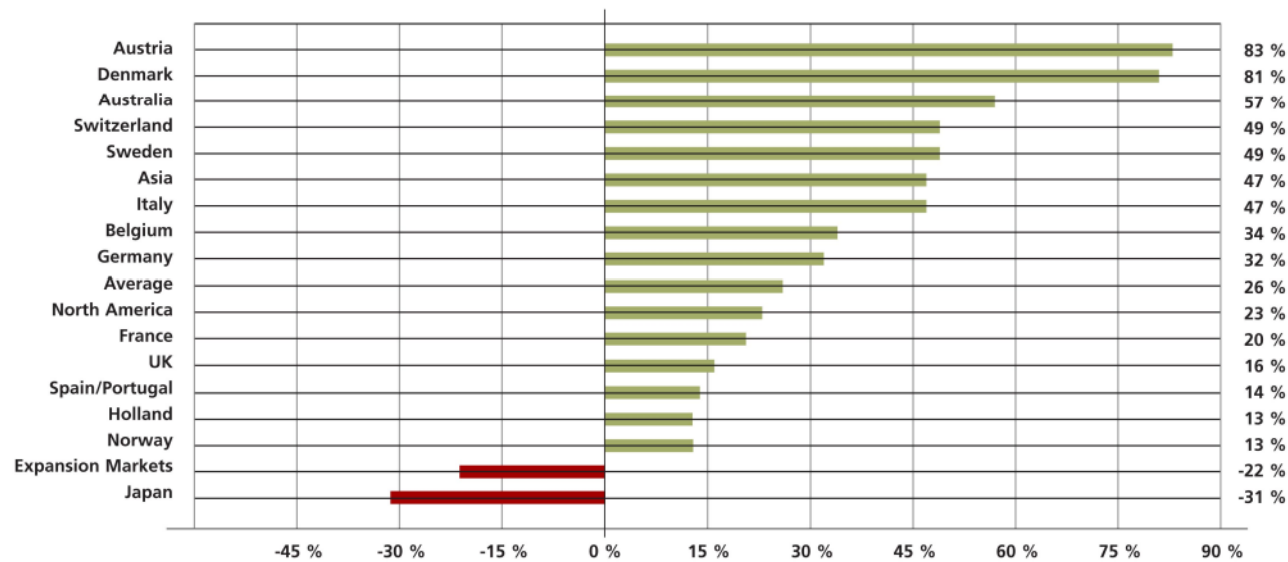
- During the first three quarters of the financial year 2009/10, 30 B1 shops were opened or upgraded, while 80 shops were closed or converted to shop-in-shops.
- At the end of February 2010, there are 708 B1 shops across the world compared to 758 at the end of the 2008/09 financial year, and the net change for the 9 months, therefore, is a decline of 50 shops, hereof 11 in the third quarter.



Country	Number
Expansion Markets	3
UK	-9
Asia Pacific	-5
Germany	-5
Italy	-4
Spain/Portugal	-13
Denmark	-2
France	-7
Holland	3
North America	-5
Switzerland	-1
Belgium	0
Sweden	-1
Austria	-1
Norway	-1
Baltics	-2

# Turnover growth (local currency) in mature B1 shops

Q3 2009/10



· With an average turnover growth of 26 per cent per shop compared to the same period (Q3) last year, the quarter has improved the distribution's situation significantly.



Kalle Hvidt Nielsen

President & CEO



Henning Bejer Beck

Chief Financial Officer



Christian Winther

Executive Vice President  
Marketing & Sales



John Bennett-Therkildsen

Executive Vice President  
Operations

- Bang & Olufsen maintains the expectation that the 2009/10 financial year will result in a turnover between DKK 2,700 and DKK 2,900 million (compared to the 2008/09 financial year of DKK 2,789.5 million). A result before tax in the lower end of the previously announced range between DKK -50 and DKK 0 million is expected (compared to the 2008/09 financial year of DKK -523 million). This is, among others, owing to non-recurring expenditures in connection with the restructuring costs.

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2009/10



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