

Headlines Q4 2009/10

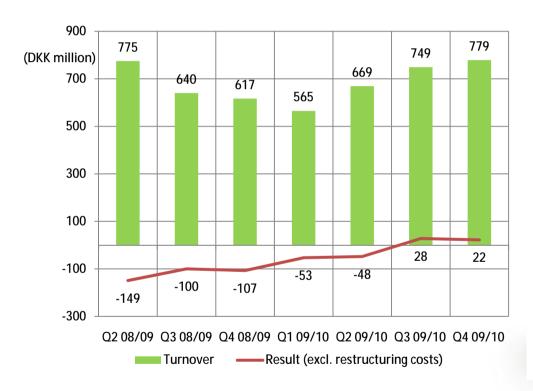
• The Group's total turnover for the 2009/10 financial year totalled DKK 2,762 million against DKK 2,790 million last year. Turnover for the fourth quarter was DKK 779 million against DKK 617 million for the same period last year, an increase of 26 per cent.

- Result before tax was negative at DKK 50 million against a negative result of DKK 523 million last year. Result
 before tax for the fourth quarter was positive at DKK 22 million against a negative result of DKK 108 million for the
 fourth quarter of 2008/09.
- The Group has reduced its capacity costs by DKK 465 million from DKK 1,602 million last year to DKK 1,137 million.
 The Group has, however, maintained a high activity level in the development department in order to secure growth going forward.
- The Group's gross margin for the 2009/10 financial year was 39.5 per cent, which is on a par with last year's gross margin.
- The turnover growth in the second half of the financial year was primarily driven by a number of important product launches. 35 per cent of the Group's turnover within the audio and video business derived from new products, with "new" defined as sales in the first 12 months after the launch.

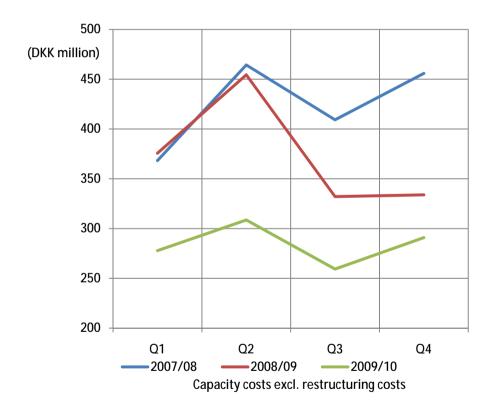
Headlines Q4 2009/10

• For the year the Group's cash flows from operating activities were DKK 257 million against DKK 113 million last year. Total cash flows for the year were negative at DKK 3 million.

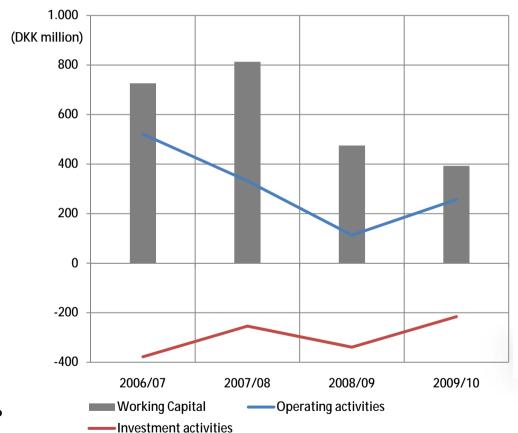
- The major part of the Group's markets showed growth in the fourth quarter, and the Groups two largest markets, Germany and Denmark, reported turnover growth of DKK 34 million, equating to 27 per cent.
- Automotive continued to show progress in the 2009/10 financial year with a turnover of DKK 268 million against DKK 174 million last year. In the fourth quarter, Automotive achieved a turnover of DKK 101 million against DKK 41 million for the same period last year.
- Based on a continuing high activity level within product development and an increased marketing effort, Bang &
 Olufsen expects that the 2010/11 financial year as a whole will result in a positive development in the turnover and a
 positive result before tax based on a gross margin not deviating significantly from the level achieved in the 2009/10
 financial year.



- Result before tax positive at DKK 22 million based on a turnover growth of 26 per cent.
- Fourth quarter showed a positive turnover effect, primarily driven by product launches.
- The gross margin in the fourth quarter was 40.9 per cent against 36.9 per cent in the same period last year. The improvement is caused by the higher turnover resulting in an improved utilisation of the production capacity.



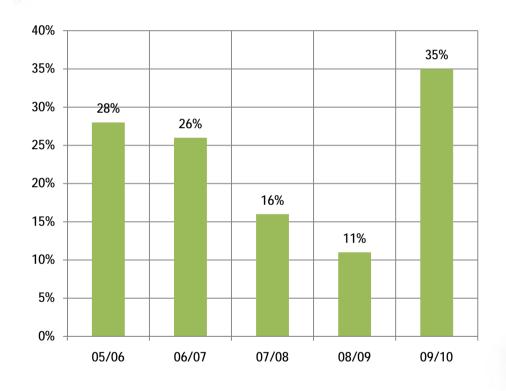
- Capacity costs have been reduced in accordance with the Pole Position strategy.
- Capacity costs have been reduced by DKK 359 million or 24 per cent from DKK 1,496 million (excluding one-off costs) to DKK 1,137 million.
- Capacity costs for the fourth quarter were reduced by DKK 43 million to DKK 291 million, equating to 13 per cent.



- Improved cash flow from operations, DKK 257 million in 2009/10 compared to DKK 113 million in 2008/09.
- Reduced working capital, from DKK 475 million in 2008/09 to DKK 393 million in 2009/10.
- Improved cash flow from investment activities, negative DKK 216 million in 2009/10 compared to negative DKK 339 million in 2008/09.
- Net effect of capitalization of R&D costs was 95 in 2009/10, whereof DKK 25 million have been reimbursed by automotive partners.
- Total cash flows for the year were negative at DKK 3 million.

Launch products' share of audio-video turnover

Q4 2009/10







BeoVision 10-40 BeoVision 10-46



BeoVision 7-55



BeoTime



BeoCom 5



Adaptive Sound technology



BeoLab 11



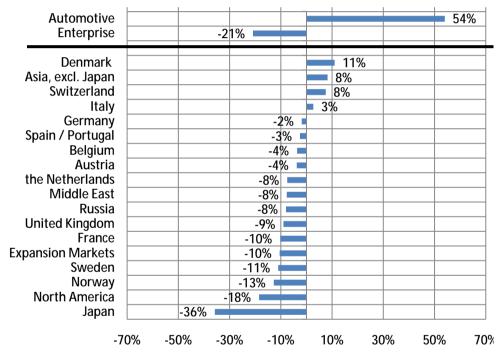
BeoLink application for iPhone and iPod Touch



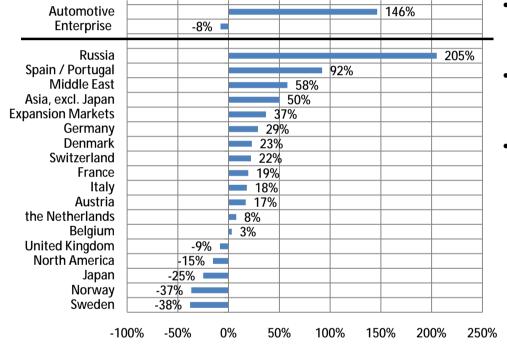
(BeoLab 6002/BeoLab 8002)

Launched in 2010/11

BANG & OLUFSEN



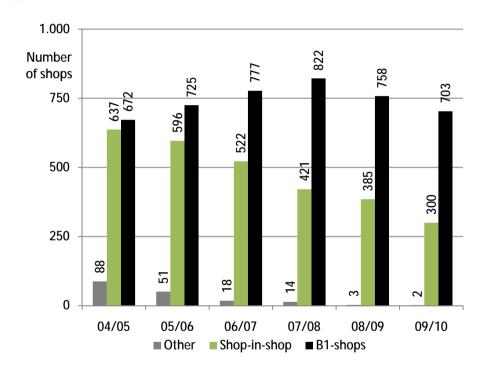
- Negative development in sales in the first half of the financial year of 20 per cent turned to growth in the second half of the financial year of 22 per cent, primarily driven by important product launches.
- Denmark, Switzerland and the Asian markets grew with 11 per cent and 8 per cent respectively.
- Automotive achieved a growth of 54 per cent.
- Enterprise still experiences tough market conditions.



- Positive growth in the majority of the Group's markets.
- Denmark and Germany grew 23 per cent and 29 per cent respectively.
- Automotive continued the positive development with a growth of 146 per cent.

Distribution development

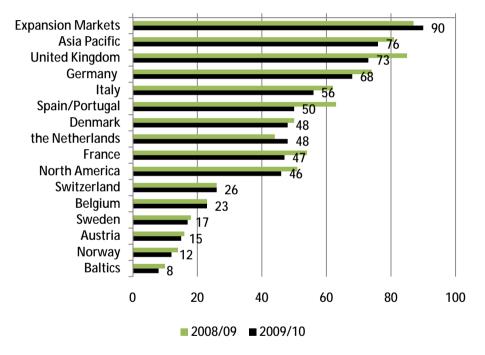
Q4 2009/10



- During the financial year 2009/10, 33 B1 shops were opened or upgraded, while 88 shops were closed or converted to shop-in-shops.
- At the end of May 2010, there are 703 B1 shops across the world compared to 758 at the end of the 2008/09 financial year, and the net change for the year, therefore, is a decline of 55 shops, hereof 5 in the fourth quarter.

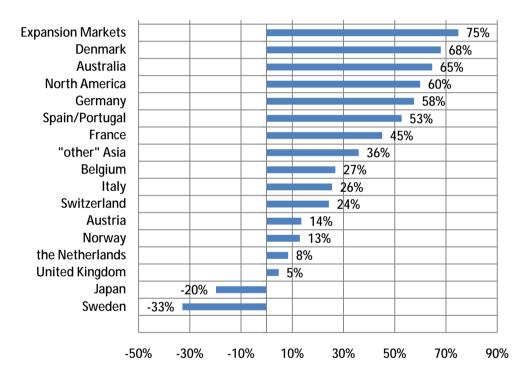
Distribution development

Q4 2009/10



Number	of B1-shop	s end of year
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Market	Δ 2009/10
Expansion Markets	3
Asia Pacific	-5
United Kingdom	-12
Germany	-6
•	-6
Italy	•
Spain/Portugal	-13
Denmark	-2
the Netherlands	4
France	-7
North America	-5
Switzerland	0
Belgium	0
Sweden	-1
Austria	-1
Norway	-2
Baltics	-2



- With an average improvement of the turnover per shop of 36 per cent compared to the same period last year (Q4), the quarter has contributed to a continued improvement of the financial situation of the B1 shops.
- On annual basis the average growth in turnover is 7 per cent compared to last year.

Expectations for the 2010/11 financial year

Q4 2009/10

Product portfolio

The Group's objective for the 2010/11 financial year is to support the growth ambitions within the branded business through a continued high activity level within product development. The Group therefore expects that approximately 25 per cent of the groups turnover from 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 outlets. 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 an increased marketing effort, Bang & Olufsen expects that the 2010/11 financial year as a whole will result in a positive development in the turnover and a positive result before tax based on a gross margin not deviating significantly from the level achieved in the 2009/10 financial year.

The group expects that the turnover in the first quarter of the 2010/11 financial year will be at the same level as the previous year.

