INTERIM REPORT

FIRST QUARTER OF THE 2011/12 FINANCIAL YEAR





THE FIRST QUARTER IN HEADLINES – Tue Mantoni, CEO

THE FINANCIAL RESULT FOR THE FIRST QUARTER OF 2011/12 - Henning Bejer Beck, CFO

THE EXPECTATIONS FOR THE 2011/12 FINANCIAL YEAR – Tue Mantoni, CEO





- § Sound & Acoustics Innovation Team established.
- § New organisation around the new product category begins to take shape.
- § Lou Schreurs hired as new Senior Vice President, Product Creation massive international experience.
- § Danny Feltmann Espersen has been hired as Vice President, Sales, Service & Retail Marketing extensive retail experience.
- § Re-organisation of the Global Sales Organisation Lars Hardboe Galsgaard hired as new Managing Director, Greater China region.
- § Bang & Olufsen organisation adjusted reduction of approximately 90 employees.
- § Bang & Olufsen was once again among the top 5 coolest brands followed by brands like BlackBerry, Google and YouTube.
- § New communication platform 'What moves you' launched.







BeoSound 5 Encore launched in July:

- § Easy access to more than 13,000 internet radio stations
- § Browse and play music from a plethora of sources
- § Well received by customers and reviewers
- § Attracts new customers



BeoVision 7-55 3D launched in August:

- § Integrated Blu-ray player
- § Second-to-none sound and picture experiences
- § A supplement to BeoVision 4 3D family



NEW DEALERS OPENED









- § Espoo, SF
- § Rotterdam, NL
- § Bologna, I
- § Bastia Umbra, I
- § West Hollywood, US
- § Kuala Lumpur, MY
- § Caracas, VE
- § Nürnberg, D
- § Halle, B
- § Jinan, CN





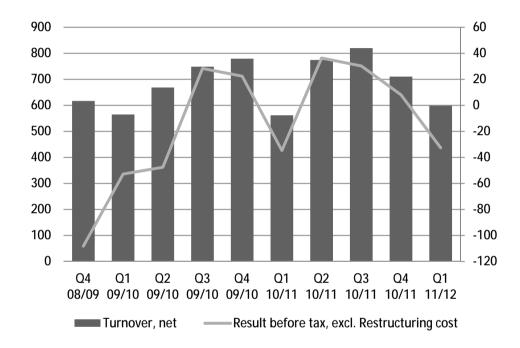
THE FIRST QUARTER IN HEADLINES - Tue Mantoni, CEO

THE FINANCIAL RESULT FOR THE FIRST QUARTER OF 2011/12 - Henning Bejer Beck, CFO

THE EXPECTATIONS FOR THE 2011/12 FINANCIAL YEAR – Tue Mantoni, CEO



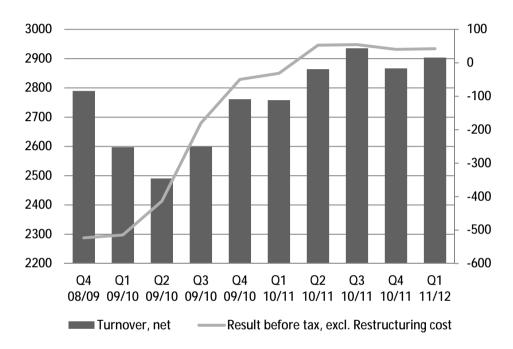
DEVELOPMENT IN TURNOVER AND RESULT BEFORE TAX



- § Turnover for the first quarter was DKK 599 million against DKK 562 million for the same period last year.
- § The increase in turnover can be related to the audio-video division and the Automotive business area.
- § Result before tax was negative at DKK 33 million against a negative result of DKK 35 million for the same period last year. The result is negatively affected by DKK 6 million in severance provisions related to the organisational changes following the implementation of the new corporate strategy.



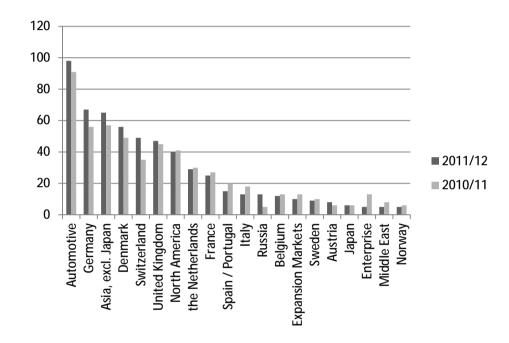
DEVELOPMENT IN TURNOVER AND RESULT BEFORE TAX - 12 MONTHS ROLLING



- S During the last 12 months the Group has experienced a turnover increase of 5.3 per cent and a positive result before tax of DKK 42 million against a negative result of DKK 32 million in the previous 12 months, an improvement of DKK 74 million.
- § The result is negatively affected by non-recurring items of DKK 38 million, of which DKK 6 million are severance provisions related to the organisational changes following the implementation of the new corporate strategy.



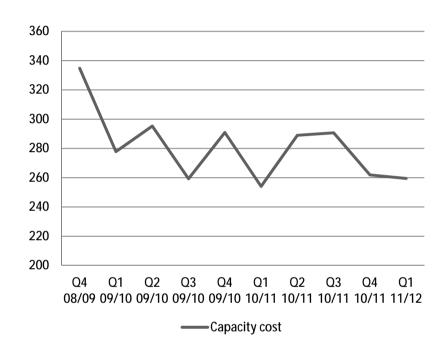
TURNOVER DEVELOPMENT PER MARKET



- § The Group's main markets Germany and Denmark increased turnover by 19 per cent and 14 per cent respectively.
- § The third main market, United Kingdom, remained unchanged compared to last year.
- § The Asian markets saw an increase in turnover of 14 per cent and Switzerland and North America saw increase of 16 per cent and 11 per cent respectively.



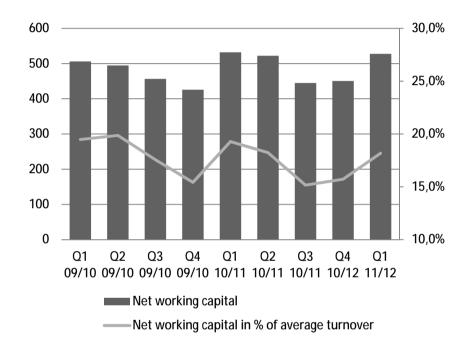
COST LEVEL



- § The Group's capacity costs increased by DKK 6 million compared to last year from DKK 254 million to DKK 260 million.
- § The increase can be related to an increase in development costs of DKK 16 million, which is in accordance with the Group's ambition to maintain a high activity level within the product development area.
- S Distribution and marketing costs fell by DKK 12 million from DKK 160 million last year to 148 million this year due to general cost savings.



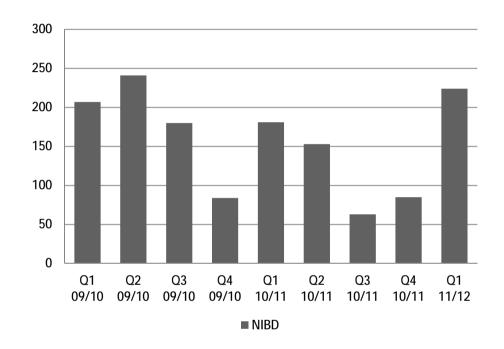
NET WORKING CAPITAL



- Net working capital is on the same level as last year, with a small decline of DKK 4 million.
- § Net working capital in percentage of turnover is on the same level as last year at 18 per cent.



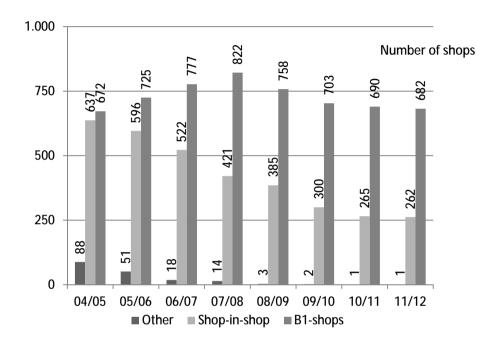
DEBT SITUATION



- § Net interest bearing debt has increased by DKK 43 million from the first quarter of the 2010/11 financial year to the first quarter of the 2011/12 financial year.
- § Improved NIBD/EBITDA ratio to 0,73 on a 12 months rolling basis, compared to 0,79.



DISTRIBUTION DEVELOPMENT



- § During the first quarter 14 B1-shops were opened or upgraded, while 22 shops were closed or converted to shop-in-shops.
- § At the end of August 2011 there were 682 B1-shops compared to 690 at the end of the 2010/11 financial year.





THE FIRST QUARTER IN HEADLINES – Tue Mantoni, CEO

THE FINANCIAL RESULT FOR THE FIRST QUARTER OF 2011/12 - Henning Bejer Beck, CFO

THE EXPECTATIONS FOR THE 2011/12 FINANCIAL YEAR – Tue Mantoni, CEO



EXPECTATIONS FOR THE 2011/12 FINANCIAL YEAR

Bang & Olufsen maintains the expectations of a 2011/12 result before tax to be in the level of DKK 100 million based on a turnover level exceeding DKK 3,000 million.

The Group's objective for the 2011/12 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 30 per cent of the Group's turnover from the audio and video business will derive from new products and major product updates, with "new" defined as sales in the first 12 months after the launch.



INTERIM REPORT

FIRST QUARTER OF THE 2011/12 FINANCIAL YEAR

