Bang & Olufsen a/s

Interim Report 2002/03

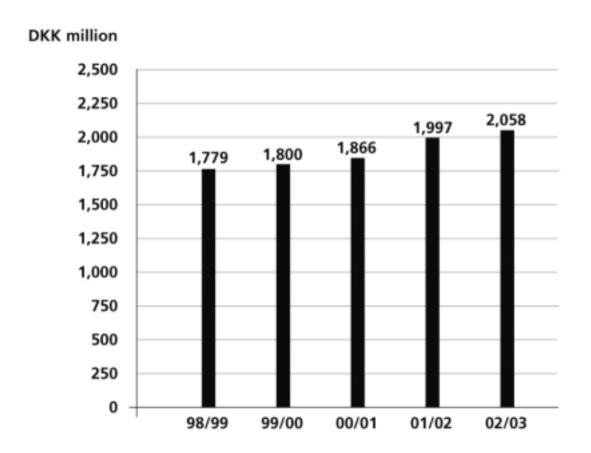
Headlines

- Turnover increase of 3 % covering wide fluctuations market by market.
- Result from ordinary operations before tax increased with 37 % from DKK 99 million to DKK 136 million. (Accounting principle change result in gain of DKK 16 million).
- Improved earnings due to improved gross margin.
 Production efficiency.

Price increases.

- Stringent cost control and very moderate cash consumption.
- Total assets reduced with DKK 138 million mainly due to reduction in stocks.

Net turnover - 1st half year



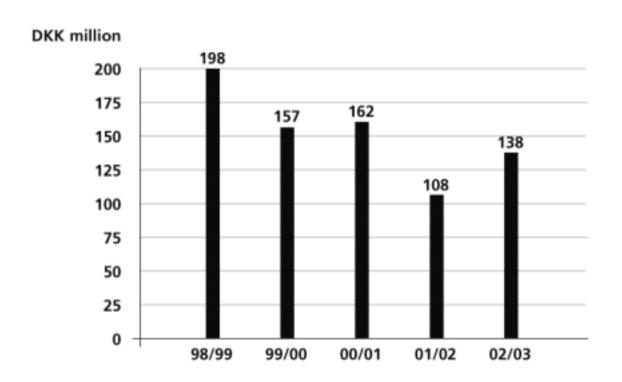
- · Very turbulent 1st half year.
- Spain, UK, Italy, Far East very strong performance.
- Central Europe unsatisfactory.
- Medicom turnover decreased with DKK 5 million.
- Negative currency effect of DKK 26 mio. or 1,3 %.

Growth in net turnover by segment 2001/02 - 2002/03

	Half year	Half year
DKK million	2002/03	2001/02
Branded business	1,928	1,866
Non branded business	134	131
Internal turnover	-4	-
	2,058	1,997

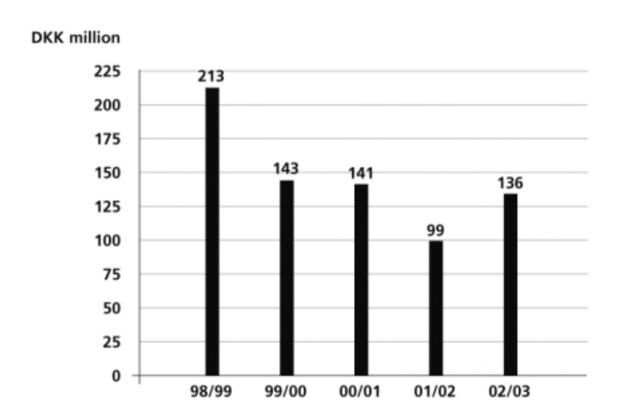
	Change in DKK million	Change in %
Branded business	62	3%
Non branded business	3	2%
Internal turnover	-4	-
	<u>61</u>	<u>3%</u>

Operating profit - 1st half year



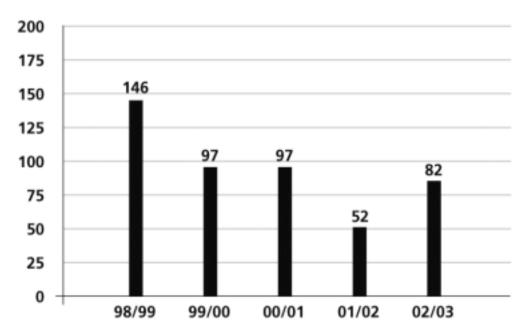
- Significant gross margin improvement of 2,6 % driven by price increases and productivity gains.
- Still major trading losses in the US. A combination of operating losses on continuing activities and restructuring costs.

Result from ordinary operations before tax - 1st half year



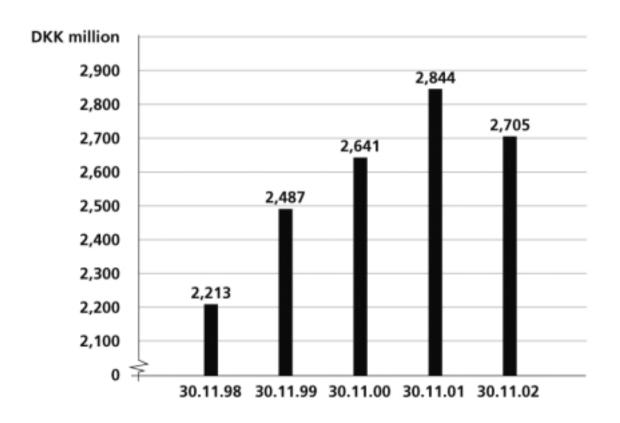
Result - 1st half year

DKK million



 Tax 39,8 % - still no activation of US tax losses carried forward.

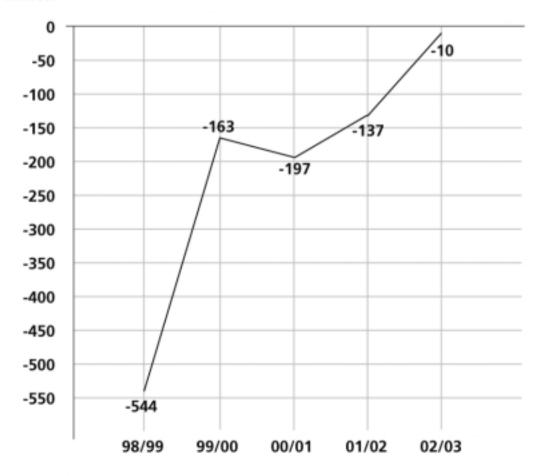
Total assets - 1st half year



- · Reduction in investments.
- Reduction in inventory.
- Increase in cash.

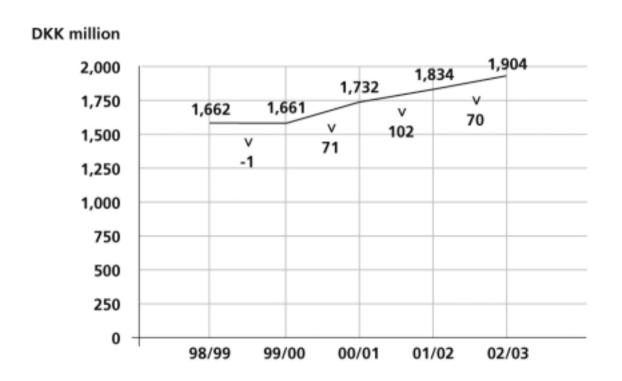
Cash flow - 1st half year

DKK million

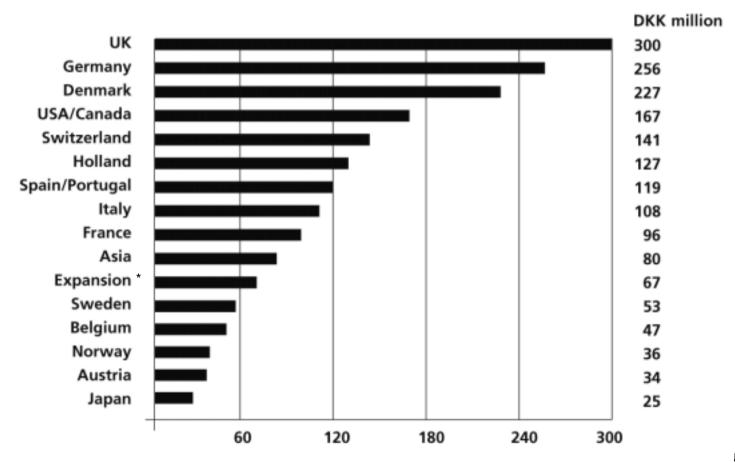


- Least cash consuming first half year in decades.
- Major inventory reduction.
- · Cautious investment approach.
- · Debt reduction.

Turnover - 1st half year

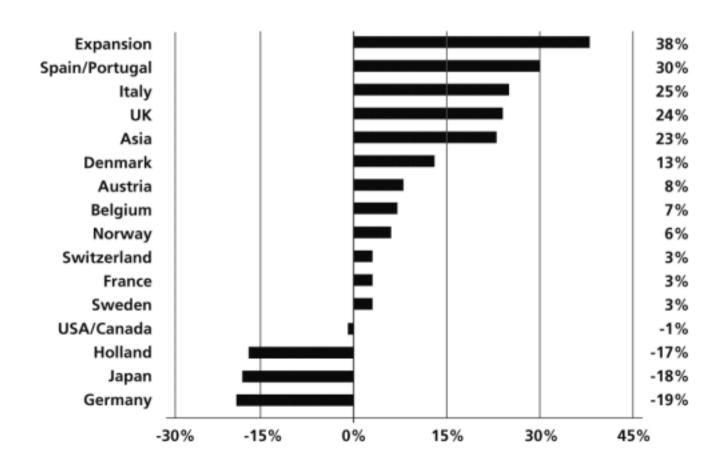


Turnover per market 2002/03 - 1st half year

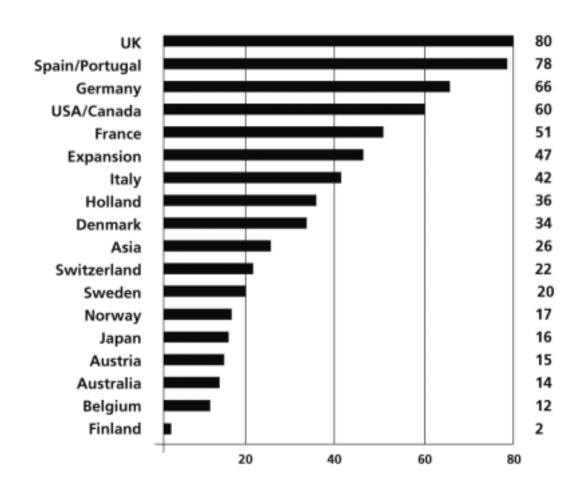


^{*} Russia, Middle East, South America and East Europe.

Growth rate per market 2002/03 - 1st half year

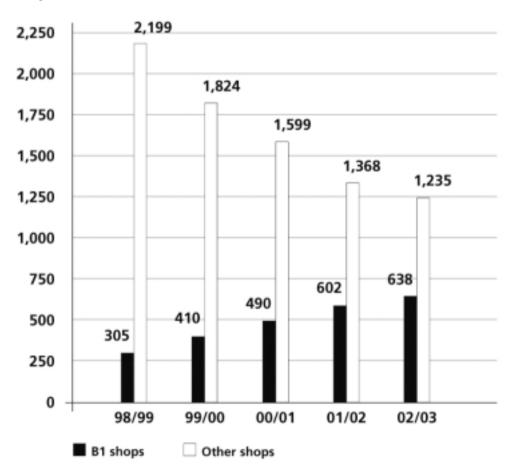


Number of B1 shops per market 30.11.02



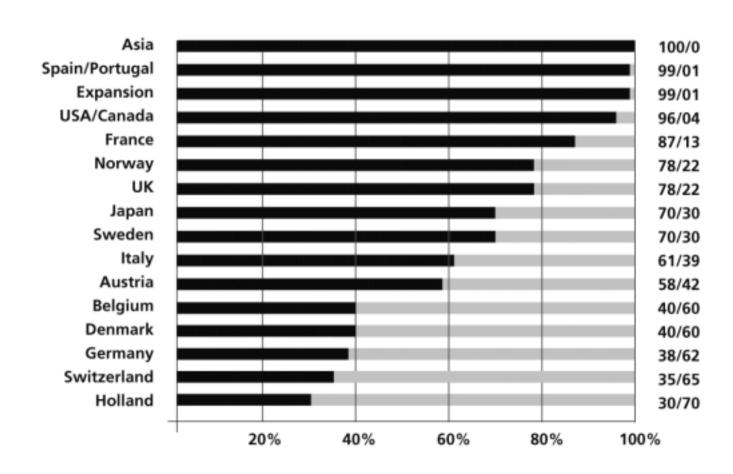
Shops world-wide per 1998/99 - 2002/03 - 1st half year

Number of shops

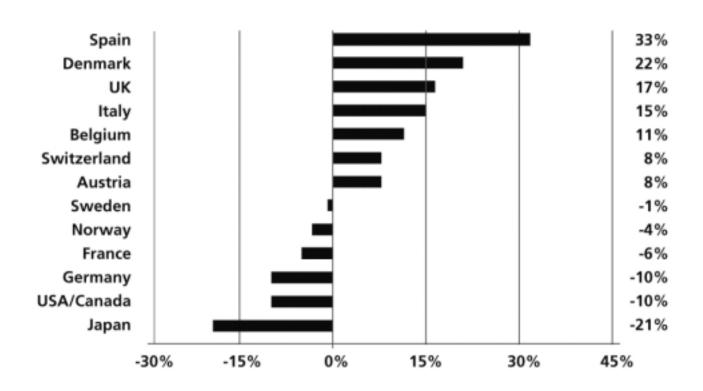


- Moderate development of B1 shops.
- Continued reduction of multibrand outlets.

Turnover share of B1 shops in 2002/03 - 1st half year

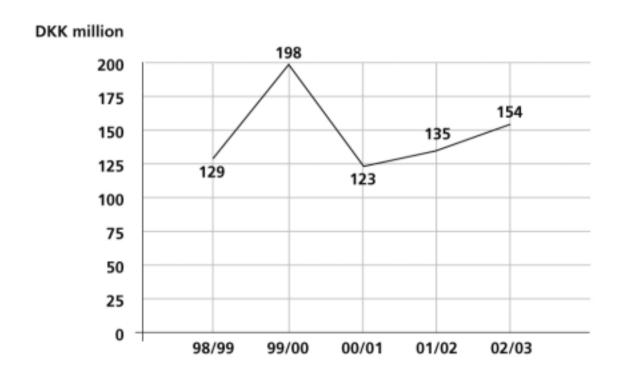


Growth in the B1 shop segment 30.11.01 - 30.11.02 Average growth 7% - in mature stores - in local currencies



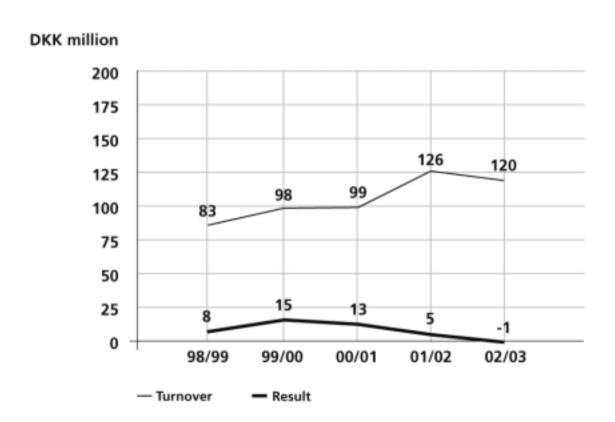
Bang & Olufsen Telecom a/s

Turnover - 1st half year



Bang & Olufsen Medicom a/s

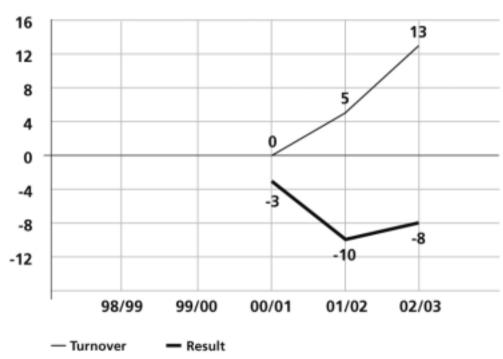
Turnover and operating result - 1st half year



Bang & Olufsen ICEpower a/s

Turnover and operating result - 1st half year

DKK million



Recent- / product launches







BeoVision 5, 42" US



BeoCom 4

Actual and planned product launches 2002/03

- BeoVision 5, 42" US (launched December 2002)
- BeoVision MX 8000 (launched November 2002)
- BeoCom 4 (launched January 2003)
- BeoSound 3200 (harddisk)
- Break through acoustic product

Expectations and outlook

- Qualitative consolidation of B1 distribution.
- Two more product launches.
- Possible further restructuring cost in the US.
- Still operating under a cautious planning scenario.
- Moderate turnover increase.
- Pre-tax profit increase of 10-15%.
- Pre-tax result of DKK 280-295 million maintained.