

BANG & OLUFSEN A/S
9 FEBRUARY 2011

ANNOUNCEMENT NO. 10.12
TRANSLATION

- Tue Mantoni is appointed new President & CEO of Bang & Olufsen from 1 March 2011 and resigns from Bang & Olufsen's Board of Directors.
- At the same time, Kalle Hvidt Nielsen steps down as President & CEO of Bang & Olufsen, but will assist Tue Mantoni for a four-month transitional period up until the end of June 2011.
- The Board of Directors proposes that the Board of Directors be enlarged and strengthened through the election of two new members.
- The Board of Directors has decided to call an extraordinary general meeting with a view to electing the new members of the Board of Directors and also with a view to adopting new general guidelines concerning performance-related remuneration.

Ole Andersen
Chairman

*Applications to this announcement to be made to:
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New President & CEO

On 1 March 2011, Tue Mantoni, currently a member of Bang & Olufsen's Board of Directors, will take up the position of President & CEO of the company. Kalle Hvidt Nielsen will step down as President & CEO of Bang & Olufsen on 28 February 2011. However, Kalle Hvidt Nielsen will remain with Bang & Olufsen until the end of June to facilitate the handover to Tue Mantoni and also to ensure continuity in the company's product development function.

Tue Mantoni comes from the British motorcycle brand Triumph Motorcycles where he has been for the past eight years, most recently as CEO. Since 1 January 2011 Tue Mantoni has been a non-executive Director of Triumph Motorcycles Ltd. Before joining Triumph, Tue Mantoni worked for McKinsey & Co. in Copenhagen and London. As a Dane and as a member of the Board of Directors of Bang & Olufsen for the past eighteen months, Tue Mantoni has a sound understanding of Bang & Olufsen's values and roots. From many years of working abroad, he also possesses considerable international experience.

On the new appointment, the Chairman of Bang & Olufsen's Board of Directors, Ole Andersen, says:

"During his career so far, Tue Mantoni has acquired and exercised the qualifications which, in the opinion of the Board of Directors, are essential to the next step in Bang & Olufsen's development.

Most recently, Tue Mantoni has demonstrated for Triumph that he has what it takes to head an international lifestyle brand and steer it successfully through a commercial transformation process. Like Bang & Olufsen, Triumph is operating in a competitive market where innovation, design, product quality and strong customer experiences are some of the most important success parameters. "

Tue Mantoni:

"Bang & Olufsen is one of the Danish brands with the greatest international potential. I am proud of and look forward to working with the management team and the global network of dealers, suppliers and business partners to ensure that we regain a unique and strong market position. Our strategy will no doubt be based on a comprehensive and in-depth understanding of our customers and their present and future needs and desires."

Kalle Hvidt Nielsen joined Bang & Olufsen on 1 August 2008. He will be stepping down as President & CEO on 28 February 2011, but will remain with the company until the end of June 2011.

Ole Andersen:

"Kalle Hvidt Nielsen has for the past almost three years made a significant contribution to developing Bang & Olufsen and has steered the company through a critical period characterised by the economic crisis and falling demand. The company has had to focus its efforts on possible growth areas and implement extensive efficiency programs, while at the same time accelerating its product development process in order to bring new products to the market and create a foundation for renewed growth. With Kalle Hvidt Nielsen at the helm, Bang & Olufsen has been stabilised after a period of substantial losses, while at the same time significantly reducing the capital employed. We are grateful for Kalle Hvidt Nielsen's hard work."

Kalle Hvidt Nielsen says:

“I am proud of the way in which we have turned around the development of Bang & Olufsen over the past three years. It has been a tremendous and exciting challenge, and I greatly value the huge efforts which everybody in and around Bang & Olufsen has put into making this happen. With Bang & Olufsen in this strengthened position, I had been looking forward to heading the next phase, focusing on developing the brand further and boosting revenue and earnings. However, the Board of Directors now wants another profile to take over, which I respect of course, and I will do what I can to ensure the smoothest possible transition.”

Proposed election of two new members to the Board of Directors

Tue Mantoni will be resigning from the Board of Directors on taking up the position of President & CEO of Bang & Olufsen on 1 March 2011. The Board of Directors will then be composed of four members elected by the general meeting and three employee representatives. The members are Ole Andersen (Chairman), Niels Bjørn Christiansen (Deputy Chairman), Rolf Eriksen, Peter Skak Olufsen, Anette Revsgaard Sejbjerg (employee-elected), Jesper Olesen (employee-elected) and Knud Olesen (employee-elected).

The Board of Directors proposes Dr Alberto Torres as new member of the Board of Directors. Dr Alberto Torres holds a PhD in Computer Science and BSc and MSc degrees from Universidad Simón Bolívar. From 1994-2004, Alberto Torres was a management consultant with McKinsey & Co. in the USA and France. During this time with McKinsey, Alberto Torres was primarily involved in mobile telephony, consumer electronics, software and internet services. In 2004, Alberto Torres started his career with Nokia, becoming CEO of Nokia's luxury mobile telephone business 'Vertu' in 2005. In the period up until 2008, he led Vertu's turnaround. In the 2008-2011 period, Alberto Torres has held a number of leading positions in the Nokia group, including head of Devices Category Management. He has been a member of the Nokia group management since 2009.

The Board of Directors also proposes Jesper Jarlbæk as new member of the Board of Directors. Jesper Jarlbæk holds a Graduate Diploma in Business Administration (HD) and qualified as a state-authorized public accountant in 1981. Jesper Jarlbæk was with Arthur Andersen from 1975-2002, most recently as Managing Partner of Arthur Andersen Denmark and Managing Partner, Assurance and Business Advisory in Scandinavia. In the 2002-2006 period, Jesper Jarlbæk was Managing Partner –Advisory services of Deloitte Denmark, Jesper currently serves on the boards of a number of companies, including the listed companies TORM A/S, TK Development A/S and CIMBER STERLING GROUP A/S. Jesper Jarlbæk is Deputy Chairman of the Danish Venture Capital and Private Equity Association (DVCA), from which he was awarded the 'Business Angel of the Year' prize in 2009.

Extraordinary general meeting

The Board of Directors has decided to call an extraordinary general meeting, which will be held in Struer, Denmark, on 10 March 2011. At the general meeting, the Board of Directors will propose the election of Alberto Torres and Jesper Jarlbæk as new members of the Board of Directors. Moreover, the Board of Directors will propose an amendment to the company's general guidelines concerning performance-related remuneration. Subject to the approval of the changed general guidelines concerning performance-related remuneration by the general meeting, the Board of Directors is intending to offer Tue Mantoni a share option programme as part of his total remuneration. Based on the Black Scholes model, the programme, which will run for a four-year period, will have a value not exceeding DKK 10 million.

A notice convening the extraordinary general meeting will be issued and will include the complete agenda.