

Translation

Struer, 14 March 2008

Bang & Olufsen a/s downgrades the expectations for the 2007/08 financial year

A difficult market situation is the primary reason. The recent economic development has influenced both the US and several European markets negatively. In general, retail sales are seen as being very unpredictable at the moment.

On an extraordinary board meeting Friday 14 March 2008 the Board of Directors decided to downgrade the expectations for the 2007/08 financial year.

The estimate for the result for the financial year was last revised by the Group at the publication of the interim report for the first half year on 9 January this year. At that point in time the new estimate was based on an expectation of zero growth in the second half year. Based on the preliminary figures for the third quarter, the Board of Directors and the Board of Management no longer consider this expectation to be realistic. The result before tax etc. for the financial year is now expected to be realized as follows:

DKK million	14 March 2008	9 January 2008
Net turnover:	4,250 – 4,350	4,450 – 4,550
Operating profit:	225 - 275	385 – 425
Result before tax:	200 - 250	360 - 400

The result before tax is affected by non-recurrent expenditures and a negative change in the net effect of capitalization totaling DKK 70 million.

On 9 January Bang & Olufsen also stated that the sales of AV products for December had disappointed. However, in January the development seemed to have stabilised with a turnover on a par with last year, whereas February like December showed a significant decline

Overall the European markets have shown a decline in turnover for the third quarter. Especially the development in the Group's three largest markets, Denmark, the UK and Germany has been disappointing, while the development in sales in Asia and the Expansion markets (including Russia) remains positive.

The month of March – and thereby the start of the fourth quarter – indicates that the turnover for the Group's AV business will be slightly below last year's level for the remainder of the financial year.

The sale within the business areas Automotive (sound systems for cars) and Enterprise (sales to hotels) continues to develop satisfactorily.

Traditionally, Bang & Olufsen has managed the capacity costs tightly, and the capacity costs will be adjusted to the turnover and the gross profit, which is now expected. The effect of the adjustments will not take effect until the coming financial year.

The Board of Directors is committed to maintaining the high level of activity within product development, so that the adjustments do not affect the long-term strategic development of Bang & Olufsen. The commercialization and marketing of the Group's well-known core products continues to have the highest priority. For instance, during the first half year 32 new B1 shops were opened

The interim report for the third quarter will be published Tuesday 8 April 2008.

Jørgen Worning
Chairman

Peter Thostrup
Executive Vice President