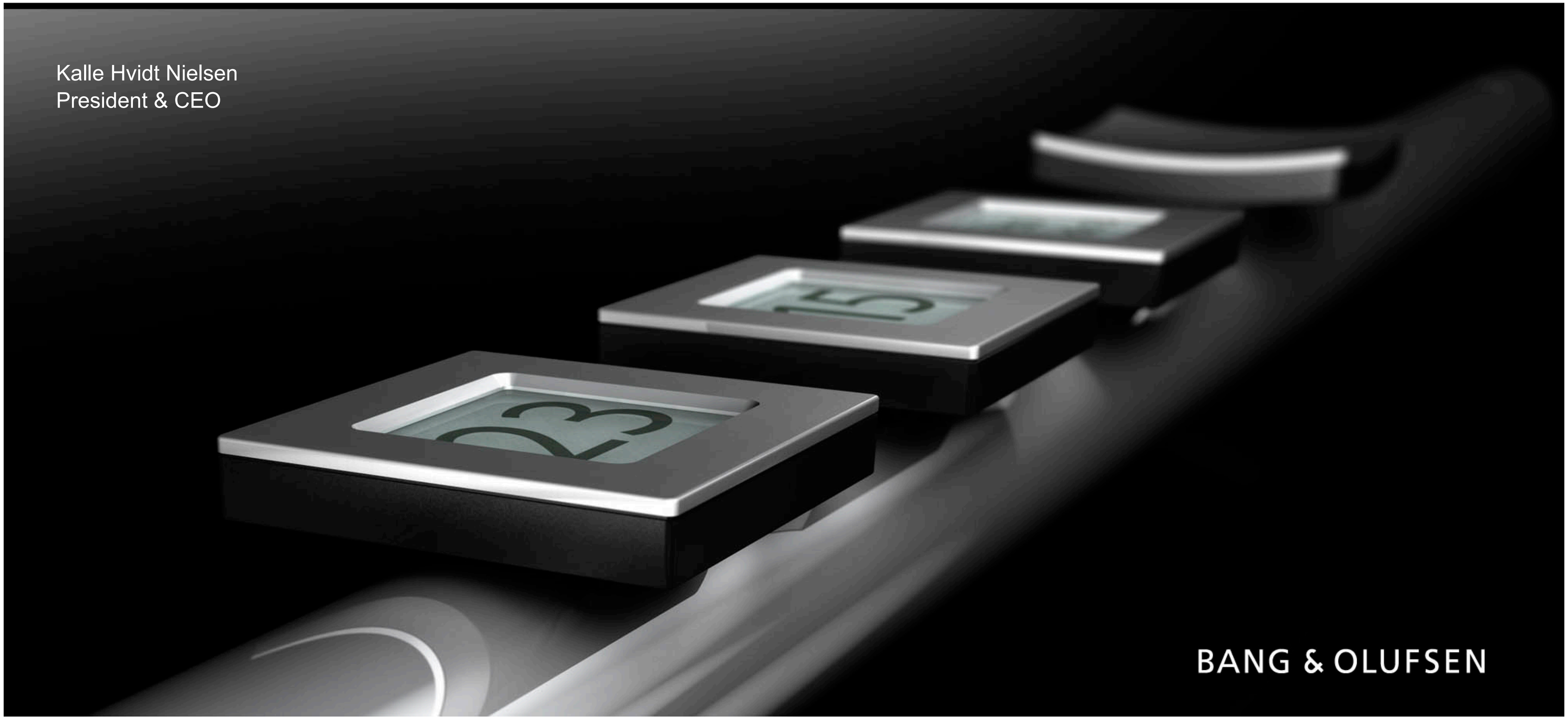
Bang & Olufsen a/s

# Interim report for the period 1 June to 31 August 2009

Kalle Hvidt Nielsen
President & CEO



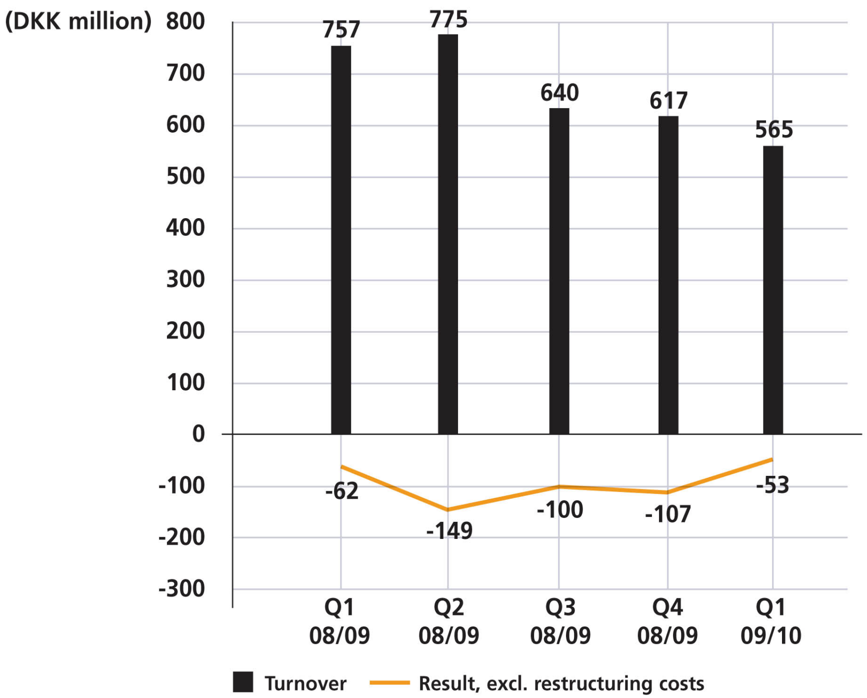
# Headlines

- Net turnover amounted to DKK 565 million against DKK 757 million in the same period last year, a decline of 25 per cent
- Result before tax improved from negative DKK 62 million in the same period last year to negative DKK 53 million this year, an improvement of DKK 9 million
- Cost-cutting plan has resulted in a reduction of the break-even turnover
- Turnover from launch products in line with expectations
- Market conditions still challenging
- Bang & Olufsen maintains the expectations that the 2009/10 financial year as a whole will result in a break-even result before tax based on a turnover level a little below DKK 3,200 million

# Pole Position strategy progressing according to plan

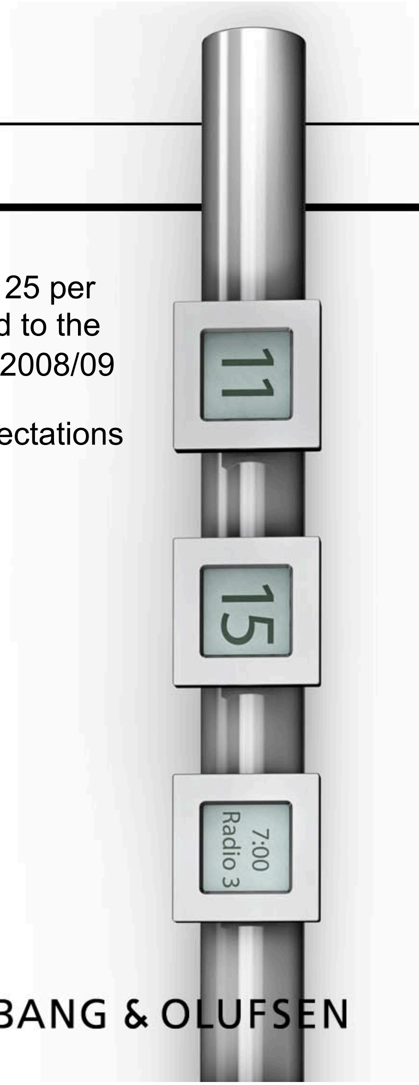
- A focused product development: Increased turnover from launch products
- One shared, global sales organisation
- Cost reductions: Reduction of the break-even turnover

# Improved result compared to last year



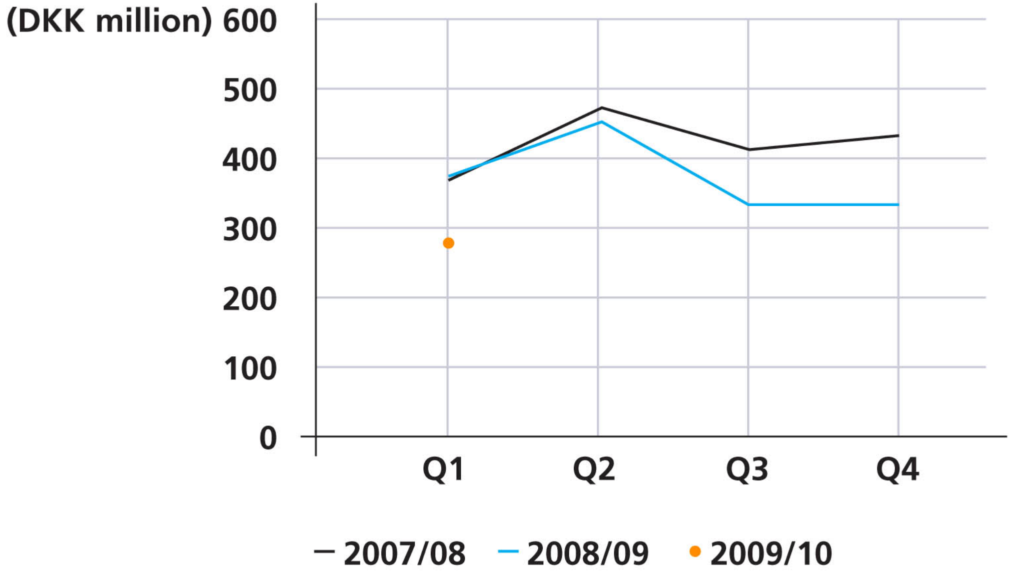

Historical numbers have been restated in accordance with the changes in accounting principles applied.

- Improved result before tax in spite of 25 per cent decline in net turnover compared to the the same period in the financial year 2008/09
- Gross margin at 39.9 in line with expectations



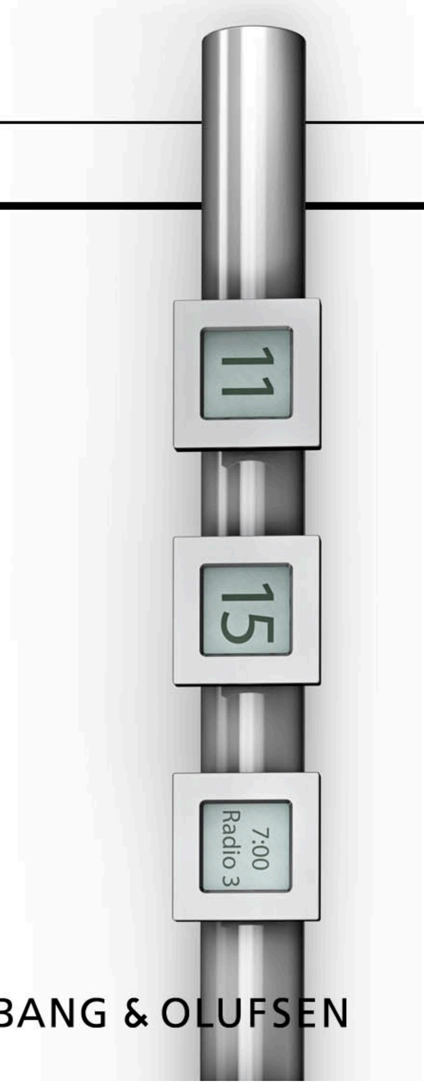

BANG & OLUFSEN

# Cost-cutting plan: Reduction of break-even turnover



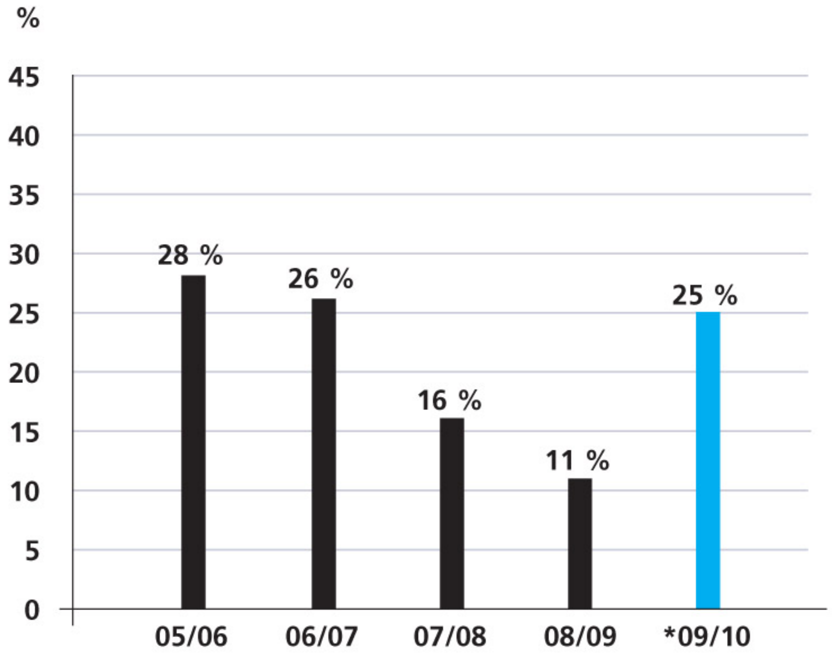

**Capacity costs (excl. restructuring costs)**

Historical numbers have been restated in accordance with the changes in accounting principles applied.




BANG & OLUFSEN

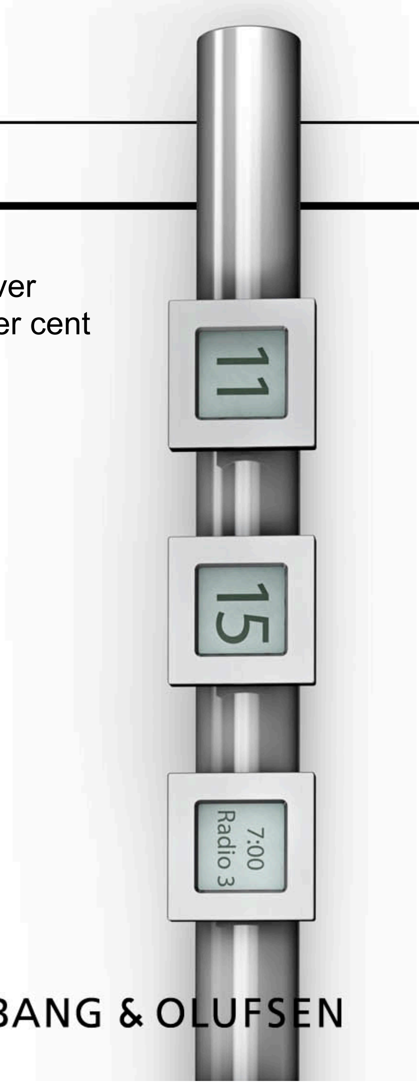
# Launch products’ share of total turnover (audio-video business)




* Expected

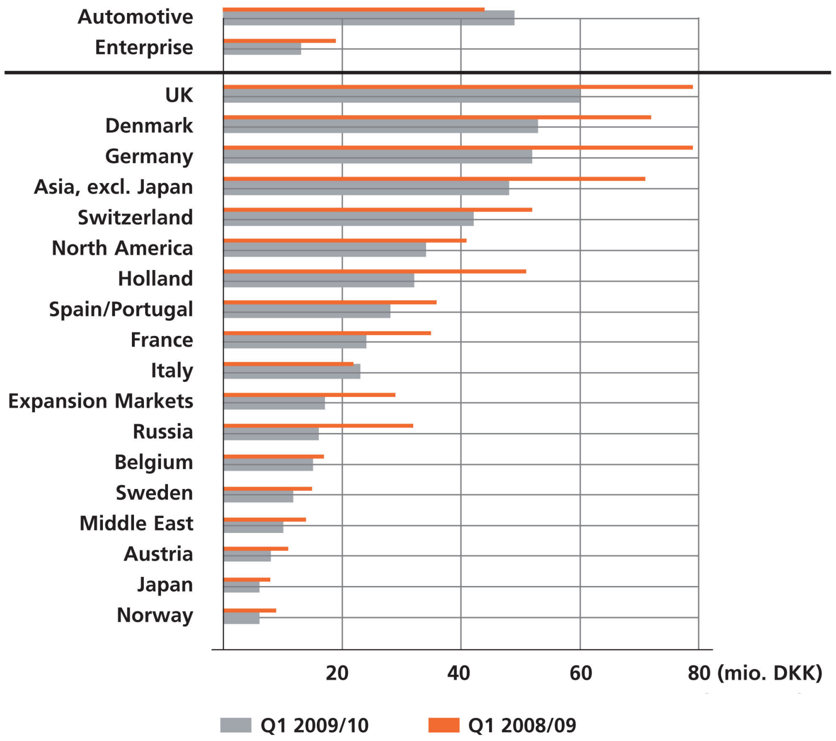
· Launch products’ share of total turnover is expected to be approximately 25 per cent for the financial year 2009/10.

· Strong product pipeline for 2009/10:
· New television product
· 55” version of BeoVision 7
· New audio product
· New subwoofer
· New telephone

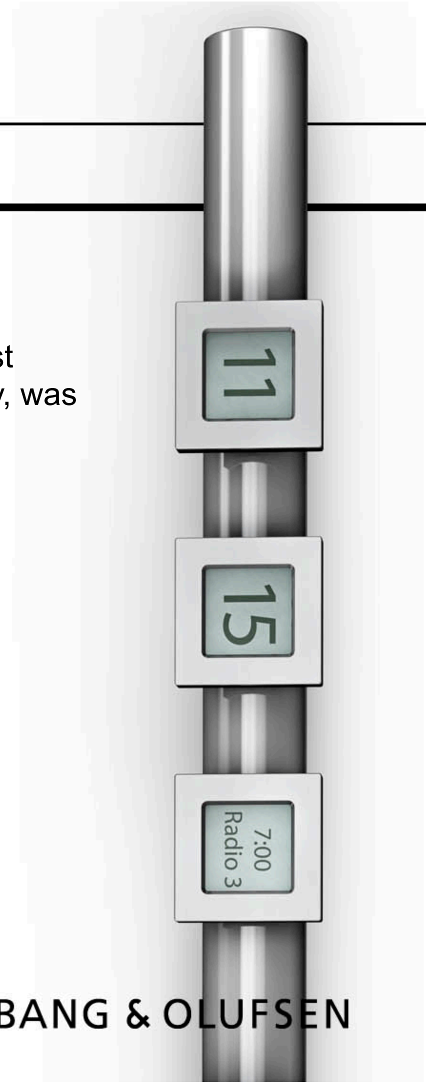



BANG & OLUFSEN

# Turnover per market (local currency) within the branded business

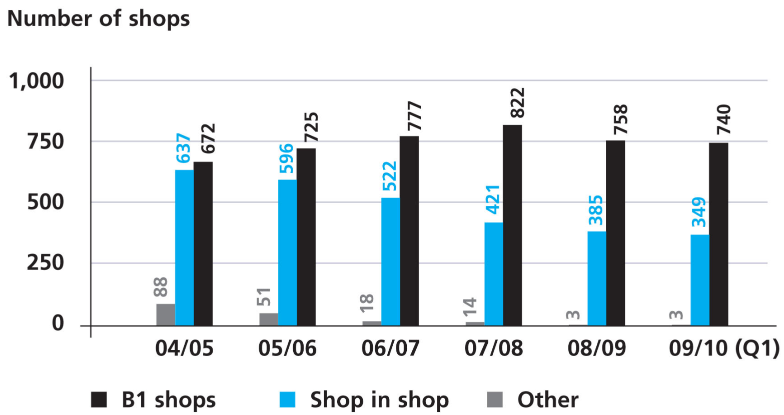



- Market conditions still challenging
- Turnover for the Group's three largest markets, UK, Denmark and Germany, was declining significantly
- Automotive continued the growth



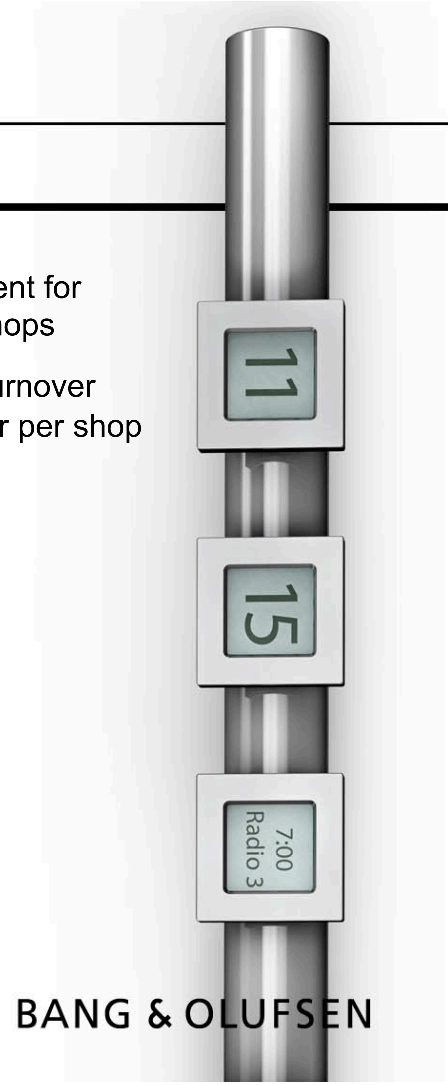

BANG & OLUFSEN

# Distribution development




· The net movement in the B1 segment for the first quarter 2009/10 was -18 shops

· The closed B1-shops have had a turnover significantly below average turnover per shop



# Expectations for the financial year 2009/10

- Bang & Olufsen expects, based on the implemented restructuring initiatives combined with a strong product launch programme, to achieve a break-even result before tax in the 2009/10 financial year based on a turnover level a little below the previously announced DKK 3,200 million
- An improvement in the result, however, can only be expected in the second quarter at the earliest based on the planned product launches