

Struer, 8 April 2008

Translation

Interim report for the period 1 June 2007 – 29 February 2008 for Bang & Olufsen a/s

- The Group's turnover for the first three quarters of the financial year was DKK 3,207 million against DKK 3,287 million for the same period last year. Medicom was recognised in the comparative figures for 2006/07 at DKK 101 million. Consequently, the Group has, in fact, recorded an increase in turnover of DKK 21 million.
- The Group's gross margin was 46.2 per cent compared to 47.1 per cent for the same period last year owing to a change in the product mix.
- Operating profit totalled DKK 219 million against DKK 415 million, while result before tax totalled 191 million against DKK 409 million, a decrease of DKK 218 million. Result before tax was among other things affected by non-recurring expenditures and a negative change in the net effect of capitalisation of DKK 58 million and increased distribution and marketing costs of more than DKK 50 million.
- The Group's third quarter turnover was DKK 1,041 million, equating to a decrease in turnover of DKK 177 million or 15 per cent. Result before tax for the quarter was a profit of DKK 41 million against DKK 171 million last year.
- In the first three quarters, the three largest markets, Denmark, Germany and the UK, recorded an overall decline in turnover of DKK 132 million of which DKK 118 million was in the third quarter. The North American market maintained its turnover level for the period as a whole, although the third quarter saw a decline of DKK 17 million.
- The Group's strongest growing geographical markets were the Expansion Markets, Japan, Asia-Pacific, France and Switzerland which recorded an overall advance in turnover of DKK 111 million in the three first quarters, of which DKK 18 million was in the third quarter. Between them, the business areas Automotive and Enterprise recorded an increase in turnover of DKK 81 million and Enterprise's order book has been particularly satisfactory.
- During the third quarter, Bang & Olufsen launched the BeoLab 10 loudspeaker and the ground-breaking, patented technology, Automatic Colour Management, which has further differentiated the plasma TV portfolio.
- The Group's strategy continues to be aimed at maintaining a high level of activity in the product development area, to open 50 new B1 shops per annum worldwide and to realise the significant potential within business areas such as Automotive and Enterprise as well as in a number of overseas markets.
- Turnover for the 2007/08 financial year is expected to be in the region of DKK 4,250 million and DKK 4,350 million while operating profit is expected to be between DKK 225 and 275 million. In accordance with the Group's announcement on March 14, 2008, result before tax is expected to be within the range of DKK 200 to 250 million.

Jørgen Worning
Chairman

Peter Thostrup
Executive Vice President

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Main figures – Bang & Olufsen a/s Group
(unaudited and not reviewed by the company's auditor)

(DKK million)

Main figures for the period 1/6 – 29/2	2007/08	2006/07	
Net turnover	3,207.1	3,286.6	
Gross profit	1,481.7	1,547.6	
<i>Gross margin</i>	46.2 %	47.1 %	
Operating profit	219.4	415.1	
Result of investments in associated companies after tax	(7.8)	-	
Financial items, net	(21.0)	(6.2)	
Result before tax	190.6	408.9	
Tax on result for the period	(53.5)	(123.7)	
Result for the period	<u>137.1</u>	<u>285.2</u>	
Attributable to:			
Shareholders of the parent company	133.1	281.8	
Minority interests	4.0	3.4	
Result for the period	<u>137.1</u>	<u>285.2</u>	
Earnings per share			
Earnings per share, DKK	11.7	24.0	
Diluted earnings per share, DKK	<u>11.7</u>	<u>24.0</u>	
Balance sheet information	29/2 2008	31/5 2007	28/2 2007
Intangible assets	411.0	450.0	376.6
Tangible assets	650.7	617.9	672.9
Investment property	53.7	56.4	0.6
Financial assets	99.2	125.2	59.1
Total non-current assets	<u>1,214.6</u>	<u>1,249.5</u>	<u>1,109.2</u>
Inventories	850.5	694.3	708.2
Receivables	726.5	824.8	861.4
Cash	48.5	196.4	194.6
Non-current assets classified as held for sale	-	-	32.5
Total current assets	<u>1,625.5</u>	<u>1,715.5</u>	<u>1,796.7</u>
Total assets	<u>2,840.1</u>	<u>2,965.0</u>	<u>2,905.9</u>
Equity	1,511.4	1,681.9	1,675.4
Non-current liabilities	545.1	371.1	357.4
Current liabilities	783.6	912.0	873.1
Total equity and liabilities	<u>2,840.1</u>	<u>2,965.0</u>	<u>2,905.9</u>

Parentheses denote negative figures or amounts to be deducted.

Development in equity 1/6 – 29/2	2007/08	2006/07
Equity as at 1 June	1,681.9	1,742.1
Equity and exchange rate adjustments in subsidiaries	6.5	0.9
Change in fair value of derivative financial instruments	(0.1)	(0.2)
Employee shares	10.4	10.8
Grant of share options	7.9	(2.6)
Net income recognised directly in equity	24.7	8.9
Retained earnings	137.1	285.2
Total recognised income and expenses for the period	161.8	294.1
Purchase of own shares	(100.2)	(189.2)
Sale of own shares	1.6	17.3
Dividend, own shares	14.0	11.3
Dividend paid	(247.7)	(200.2)
	(332.3)	(360.8)
Equity as at 29 February	1,511.4	1,675.4
Cash flow, main figures 1/6 – 29/2	2007/08	2006/07
Cash flow from operating activities	202.9	282.5
Cash flow from investment activities	(153.0)	(203.6)
Cash flow from financing activities	(158.3)	(385.1)
Cash flow for the period	(108.4)	(306.2)

Parentheses denote negative figures or amounts to be deducted.

Management's report

Comments to developments in the financial year's third quarter

Bang & Olufsen a/s

The past years' disappointing development in the Group's overall turnover coupled with the financial downgrading, c.f. announcement no. 07.11 of 9 January this year, resulted in the Board of Directors' decision to make a change to the top management.

For Bang & Olufsen a/s, the third quarter of the financial year was also characterised by a challenging and difficult-to-predict market situation, where a slowdown has impacted on the entire Western European market. As a result, all Western European markets suffered declines in turnover in the third quarter.

At the beginning of the fourth quarter the sales situation in the main business remains both challenging and difficult-to-predict.

The Group is currently adjusting the costs. However, the high level of activity within the area of product development is maintained. The adjustments will not take effect until the coming financial year.

For the third quarter 2007/2008, turnover for the Bang & Olufsen a/s Group as a whole was DKK 1,041 million against DKK 1,218 million last year, i.e. a decrease of DKK 177 million or 15 per cent.

For the third quarter, turnover for the branded business fell by 14 per cent from DKK 1,181 million last year to DKK 1,020 million this year.

Of the DKK 161 million turnover decline, DKK 118 million stems from the decline in the three largest markets, Denmark, Germany and the UK.

The Group's gross margin for the quarter was 46.4 per cent against 46.7 per cent for the same quarter last year. The change is owing to a shift in the product mix with relatively higher sales of TVs.

Gross profit decreased by DKK 86 million as a result of the decline in turnover and in the gross margin.

Development costs increased by DKK 6 million during the quarter, which is in line with the Group's stated objective of maintaining a high level of activity.

During the quarter, distribution and marketing costs increased by just DKK 3 million against an increase for the financial year's first three quarters as a whole of DKK 75 million. As previously announced, this is owing to the fact that the Group brought forward a substantial proportion of its marketing spend to the first half year.

Seen in isolation, operating profit before net effect of capitalisation in the third quarter was DKK 72 million against DKK 176 million last year, which is a decline of DKK 104 million.

The third quarter's result before tax was DKK 41 million against DKK 171 million, i.e. a decrease of DKK 130 million. After tax, the result for the quarter was DKK 27 million against DKK 119 million last year.

Development in the markets in the third quarter

(Figures for all markets appear in the appendix "Turnover branded business".)

The third quarter of the financial year was generally characterised by stagnation and decline in Western Europe. There are two main reasons for this: Negative economic trends in large parts of Europe and the US in recent months have made for a difficult market situation while, at the same time, some of Bang & Olufsen's most recent product launches did not sell as expected. By contrast, the quarter saw positive trends in geographical markets such as Asia, Japan and Expansion. The Automotive business area also recorded a satisfactory growth in turnover.

- The Group's three largest markets, Denmark, Germany and the UK, achieved an overall turnover of DKK 336 million for the third quarter against DKK 454 million for the same period last year. This equates to a decline of DKK 118 million or 26 per cent.
- Expansion Markets, Japan and Asia-Pacific have, together with the business area Automotive, increased turnover in the third quarter by DKK 44 million, from DKK 143 million last year to DKK 187 million this year.
- During the third quarter, the North American market saw a decline of DKK 17 million from DKK 65 million last year to DKK 48 million this year. Measured in local currency, however, this represents zero growth for the quarter.
- In other markets, the third quarter recorded a decline in Italy of DKK 24 million, from DKK 68 million last year to DKK 44 million this year. Sweden declined by DKK 11 million from DKK 35 million to DKK 24 million, while the other markets saw a slight fall.

Comments to developments in the first three quarters of the financial year

Bang & Olufsen a/s

For the Bang & Olufsen a/s Group as a whole, turnover for the first three quarters of the financial year was DKK 3,207 million against DKK 3,287 million last year. This is a decline of DKK 80 million or 2 per cent. The comparative figures include Medicom's turnover of DKK 101 million and when adjusted for this, the Group posted a small increase in turnover of DKK 21 million.

The branded business recorded a turnover of DKK 3,148 million for the period, i.e. an advance of DKK 3 million from DKK 3,145 million for the same period last year. Exchange rate developments had a negative impact on turnover by DKK 33 million compared to the same period last year.

The Group's gross margin was 46.2 per cent against 47.1 per cent for the same period last year. The decrease in gross margin is largely due to a shift in the product mix towards additional sales of TV.

Product development activities continue to increase. Development costs incurred were DKK 371 million against DKK 367 million last year.

Distribution and marketing costs totalled DKK 759 million against DKK 684 million for the same period last year. The distribution and marketing costs include a non-recurring expenditure of DKK 21 million relating to a lost arbitration case in December 2007. In connection with the same matter, DKK 4 million has been expensed under financial items. Part of the increase is related to increased marketing activities, which were mainly incurred during the 1st half year.

Administration costs total DKK 111 million against DKK 102 million for the same period last year.

For the financial year's first three quarters, operating profit before net effect of capitalisation was DKK 241 million against DKK 394 million last year, i.e. a decline of DKK 153 million.

The net effect of capitalisation of development costs was negative at DKK 22 million against a positive effect of DKK 21 million last year. When comparing the two periods, therefore, there is a negative effect on the result of DKK 43 million for the first three quarters of the year.

For the first three quarters, operating profit was DKK 219 million against DKK 415 million last year, which is a decline of DKK 196 million.

Financial items, net amounted to a net expense of DKK 21 million against DKK 6 million for the same period last year.

Result before tax was a profit of DKK 191 million. This represents a decline of DKK 218 million compared to the DKK 409 million for the same period last year. Result after tax was a profit of DKK 137 million against DKK 285 million for the same period last year.

Cash flow for the period was negative at DKK 108 million, whereas for the same period last year, it was negative at DKK 306 million. The Group has maintained its level of investment and expended DKK 348 million over the period in share-oriented initiatives against DKK 389 million last year. During the period, the Group raised a long-term loan of DKK 200 million.

Development in the markets

Following a scheduled start to the financial year, the Group has experienced an uneven and unpredictable development in turnover since mid-December. This means that the financial year's first three quarters have not met original expectations. Although there has been satisfactory growth in markets such as Asia and Expansion as well as in the business areas Automotive and Enterprise, the overall turnover level remains at status quo because of the decline in turnover in large markets such as Denmark, Germany and the UK.

Product launches

During the third quarter, Bang & Olufsen launched a new loudspeaker, BeoLab 10, for large screen TVs. The company also launched the patented picture calibration technology, Automatic Colour Management. The pioneering technology further differentiates the company's plasma TV portfolio.

Distribution development

During the third quarter of the 2007/08 financial year, two new B1 shops were opened, while during the first three quarters of the financial year, a total of 54 B1 shops were opened or upgraded. At the same time, 20 shops were closed or converted to shop in shops. The Group continues its efforts to expand the global distribution with focus on quality, and the objective for the year is, as previously stated, for a net addition of 50 B1 shops. Continued distribution development is important for ensuring growth in turnover.

Consequently, by the end of the third quarter, there were 811 B1 shops worldwide against 777 at the end of the 2006/07 financial year and 745 by the end of February last year.

The share of turnover for B1 shops was 79 per cent. The number of shop in shops is 474 against 522 at the end of the previous financial year.

Business-to-business

Enterprise

For the first three quarters of 2007/2008, Bang & Olufsen Enterprise, which comprises the Group's sales to hotels, recorded an excellent advance of 93 per cent. Turnover was DKK 108 million against DKK 56 million for the same period last year. The order book has been particularly satisfactory and expectations for the business area remain intact.

Automotive

The consolidation of Bang & Olufsen Automotive continues. For the first three quarters, turnover was DKK 81 million against DKK 52 million for the same period last year, which equates to a growth of DKK 56 per cent. Bang & Olufsen's sound systems are now available for the A5/S5, A8/S8, R8, Q7 and A4 Audi models, while systems for other Audi models are currently under development. Collaboration with Aston Martin is proceeding as planned.

In mid-March, Automotive's sound systems were ranked first in the Car-HiFi category by the well-regarded magazine, Auto, Motor und Sports' reader survey of Best Brand 2008.

Bang & Olufsen ICEpower a/s

For Bang & Olufsen ICEpower, turnover for the period was DKK 73 million against DKK 72 million for the same period last year. Result before tax was DKK 5 million against DKK 18 million last year, a decline of DKK 13 million.

Associated companies

Bang & Olufsen Medicom a/s

Bang & Olufsen Medicom a/s is recognised in the item, Result of investments in associated companies after tax, with a negative result after tax of DKK 8 million. In the first three quarters of 2006/07, Medicom was recognised in the Group's figures with a turnover of DKK 101 million and a result of DKK 1 million.

Expectations for the financial year

Turnover for the 2007/08 financial year is expected to be in the region of DKK 4,250 and DKK 4,350 million, while operating profit is expected to be between 225 and 275 million. As previously announced, result before tax is expected to be within the range of DKK 200 and DKK 250.

Statement by the Management

The Board of Directors and the Management have today discussed and approved the interim report for 1 June 2007 to 29 February 2008 for Bang & Olufsen a/s. The interim report is presented in accordance with IAS 34 and further Danish requirements to the presentation of interim reports for listed companies. The interim report has not been audited or examined by the company's auditors.

We consider the accounting policies applied to be appropriate so that the interim report provides a true and fair view of the Group's assets, liabilities, financial position, result and cash flow.

Struer, 8 April 2008

Board of Directors of Bang & Olufsen a/s

Jørgen Worning

Lars Brorsen

Peter Skak Olufsen

Preben Damgaard Nielsen

Thorleif Krarup

Niels B. Christiansen

Knud Olesen

Jesper Olesen

Anette Revsgaard Sejbjerg

Board of Management of Bang & Olufsen a/s

Peter Thostrup

Profit and loss account for the period 1/6 – 29/2

Bang & Olufsen a/s

(DKK million)

	Group			
	1/12 - 29/02 2007/08	1/12 - 28/02 2006/07	1/6 - 29/02 2007/08	1/6 - 28/02 2006/07
Net turnover	1,040.9	1,217.6	3,207.1	3,286.6
Production costs	(557.7)	(648.7)	(1,725.4)	(1,739.0)
Gross profit	483.2	568.9	1,481.7	1,547.6
Development costs	(130.0)	(123.8)	(370.6)	(367.2)
Distribution and marketing costs	(239.0)	(236.4)	(759.0)	(684.2)
Administration costs etc.	(42.0)	(33.1)	(110.9)	(102.3)
Operating profit before net effect of capitalisation	72.2	175.6	241.2	393.9
Net effect of capitalisation	(18.7)	(0.4)	(21.8)	21.2
Operating profit	53.5	175.2	219.4	415.1
Result of investments in associated companies after tax	(4.7)	-	(7.8)	-
Financial income	5.1	2.2	14.0	10.8
Financial costs	(12.8)	(6.7)	(35.0)	(17.0)
Financial items, net	(7.7)	(4.5)	(21.0)	(6.2)
Result before tax	41.1	170.7	190.6	408.9
Tax on result for the period	(13.8)	(51.9)	(53.5)	(123.7)
Result for the period	27.3	118.8	137.1	285.2
Attributable to:				
Shareholders of the parent company	26.2	118.2	133.1	281.8
Minority interests	1.1	0.6	4.0	3.4
	27.3	118.8	137.1	285.2
Earnings per share				
Earnings per share, DKK	2.3	10.1	11.7	24.0
Diluted earnings per share, DKK	2.3	10.1	11.7	24.0

Balance sheet

Assets

Bang & Olufsen a/s

(DKK million)

	Group		
	29/02-08	31/05-07	28/02-07
Intangible assets			
Goodwill	44.8	44.8	18.0
Acquired rights	40.9	44.4	11.3
Completed development projects	248.4	244.6	245.4
Development projects in progress	76.9	116.2	101.9
Total intangible assets	<u>411.0</u>	<u>450.0</u>	<u>376.6</u>
Tangible assets			
Land and buildings	248.6	252.1	317.7
Plant and machinery	200.3	203.8	205.9
Other equipment	91.8	70.7	50.0
Leasehold improvements	29.8	29.1	24.3
Tangible assets in progress and prepayment for tangible assets	80.2	62.2	75.0
Total tangible assets	<u>650.7</u>	<u>617.9</u>	<u>672.9</u>
Investment property	<u>53.7</u>	<u>56.4</u>	<u>0.6</u>
Financial assets			
Investments in associated companies	8.0	15.8	6.0
Deferred tax assets	29.1	21.2	21.4
Other financial receivables	62.1	88.2	31.7
Total financial assets	<u>99.2</u>	<u>125.2</u>	<u>59.1</u>
Total non-current assets	<u>1,214.6</u>	<u>1,249.5</u>	<u>1,109.2</u>
Inventories	<u>850.5</u>	<u>694.3</u>	<u>708.2</u>
Receivables			
Trade receivables	623.9	743.2	755.2
Receivables from associated companies	-	1.8	-
Income tax receivables	39.4	27.0	30.7
Other receivables	34.5	30.0	51.3
Prepayments	28.7	22.8	24.2
Total receivables	<u>726.5</u>	<u>824.8</u>	<u>861.4</u>
Cash	<u>48.5</u>	<u>196.4</u>	<u>194.6</u>
Non-current assets classified as held for sale	<u>-</u>	<u>-</u>	<u>32.5</u>
Total current assets	<u>1,625.5</u>	<u>1,715.5</u>	<u>1,796.7</u>
Total assets	<u>2,840.1</u>	<u>2,965.0</u>	<u>2,905.9</u>

Balance sheet

Equity and liabilities

Bang & Olufsen a/s

(DKK million)

	Group		
	29/02-08	31/05-07	28/02-07
Equity			
Share capital	120.8	120.8	120.8
Share premium	-	14.6	14.6
Translation reserve	(38.0)	(17.3)	(12.1)
Reserve for cash flow hedges	-	0.1	(0.2)
Retained earnings	1,423.5	1,557.7	1,545.8
Equity attributable to shareholders of the parent company	1,506.3	1,675.9	1,668.9
Minority interests	5.1	6.0	6.5
Total equity	1,511.4	1,681.9	1,675.4
Non-current liabilities			
Pensions	9.7	9.7	14.9
Deferred tax	70.0	67.8	37.9
Provisions	98.2	97.0	93.2
Mortgage loans	239.0	93.4	99.9
Loans from banks etc.	120.6	97.1	111.5
Other non-current liabilities	7.6	6.1	-
Total non-current liabilities	545.1	371.1	357.4
Current liabilities			
Mortgage loans, short term part	8.4	14.0	13.9
Loans from banks etc., short term part	42.9	32.4	32.5
Other loans from banks	-	39.5	-
Provisions	37.2	33.3	30.3
Trade payables	185.0	216.4	175.8
Income tax	107.1	122.3	157.0
Other payables	332.6	356.2	357.0
Deferred income	70.4	97.9	95.8
	783.6	912.0	862.3
Liabilities regarding non-current assets classified as held for sale	-	-	10.8
Total current liabilities	783.6	912.0	873.1
Total liabilities	1,328.7	1,283.1	1,230.5
Total equity and liabilities	2,840.1	2,965.0	2,905.9

Cash flow for the period 1/6 – 29/2

Bang & Olufsen a/s

(DKK million)

	Group	
	2007/08	2006/07
Result for the period	137.1	285.2
Depreciations, amortisations and impairment losses	198.2	174.6
Adjustments	103.4	142.8
Change in working capital	(133.7)	(237.1)
Interest received etc.	14.0	10.8
Interest paid etc.	(35.0)	(17.0)
Income tax paid	(81.1)	(76.8)
Cash flow from operating activities	<u>202.9</u>	<u>282.5</u>
Purchase of intangible non-current assets	(81.4)	(99.6)
Purchase of tangible non-current assets	(141.1)	(118.4)
Sale of tangible non-current assets	43.4	9.7
Change in financial receivables	26.1	4.7
Cash flow from investment activities	<u>(153.0)</u>	<u>(203.6)</u>
Proceeds from long-term loans	200.0	-
Repayment of long-term loans	(26.0)	(24.3)
Dividend paid	(247.7)	(200.2)
Purchase of own shares	(100.2)	(189.2)
Sale of own shares	1.6	17.3
Dividend, own shares	14.0	11.3
Cash flow from financing activities	<u>(158.3)</u>	<u>(385.1)</u>
Changes in cash and cash equivalents	<u>(108.4)</u>	<u>(306.2)</u>
Cash and cash equivalents 1 June	<u>156.9</u>	<u>502.5</u>
Cash and cash equivalents 29 February	<u>48.5</u>	<u>196.3</u>

Equity statement

Bang & Olufsen a/s, Group

(DKK million)

	Equity attributable to shareholders of the parent company					Minority interests	Total
	Share capital	Share premium	Translation reserve	Reserve for cash flow hedges	Retained earnings		Equity
Equity 1 June 2006	124.5	14.6	(4.7)	-	1,603.6	4.1	1,742.1
Equity and exchange rate adjustments in subsidiaries	-	-	(7.4)	-	8.3	-	0.9
Change in fair value of derivative financial instruments	-	-	-	(0.2)	-	-	(0.2)
Employee shares	-	-	-	-	10.8	-	10.8
Grant of share options	-	-	-	-	(2.6)	-	(2.6)
Net income recognised directly in equity	-	-	(7.4)	(0.2)	16.5	-	8.9
Retained earnings	-	-	-	-	281.8	3.4	285.2
Total recognised income and expense for the period	-	-	(7.4)	(0.2)	298.3	3.4	294.1
Capital reduction	(3.7)	-	-	-	3.7	-	-
Purchase of own shares	-	-	-	-	(189.2)	-	(189.2)
Sale of own shares	-	-	-	-	17.3	-	17.3
Dividend, own shares	-	-	-	-	11.3	-	11.3
Dividend paid regarding 2005/06	-	-	-	-	(199.2)	(1.0)	(200.2)
	(3.7)	-	-	-	(356.1)	(1.0)	(360.8)
Equity 28 February 2007	120.8	14.6	(12.1)	(0.2)	1,545.8	6.5	1,675.4
Equity 1 June 2007	120.8	14.6	(17.3)	0.1	1,557.7	6.0	1,681.9
Equity and exchange rate adjustments in subsidiaries	-	-	(20.7)	-	27.2	-	6.5
Change in fair value of derivative financial instruments	-	-	-	(0.1)	-	-	(0.1)
Employee shares	-	-	-	-	10.4	-	10.4
Grant of share options	-	-	-	-	7.9	-	7.9
Net income recognised directly in equity	-	-	(20.7)	(0.1)	45.5	-	24.7
Retained earnings	-	-	-	-	133.1	4.0	137.1
Total recognised income and expense for the period	-	-	(20.7)	(0.1)	178.6	4.0	161.8
Option for minority interest	-	-	-	-	1.2	(1.2)	-
Purchase of own shares	-	-	-	-	(100.2)	-	(100.2)
Sale of own shares	-	-	-	-	1.6	-	1.6
Transfer	-	(14.6)	-	-	14.6	-	-
Dividend, own shares	-	-	-	-	14.0	-	14.0
Dividend paid regarding 2006/07	-	-	-	-	(244.0)	(3.7)	(247.7)
	-	(14.6)	-	-	(312.8)	(4.9)	(332.3)
Equity 29 February 2008	120.8	-	(38.0)	-	1,423.5	5.1	1,511.4

Specifications for the interim report for the period 1/6 – 29/2

Accounting principles applied

The interim report for Bang & Olufsen a/s is prepared in accordance with IAS 34 and further Danish information requirements to the presentation of interim reports for listed companies. Further Danish information requirements to the presentation of interim reports are issued in the interim report announcement and by the OMX Nordic Exchange Copenhagen A/S. IFRS is implemented so that the interim report is also within the provisions in the International Financial Reporting Standards that have been endorsed by the European Union. Accounting principles applied and methods of computation in the interim report are unchanged compared with the financial report 2006/07.

Some new or amended Standards and interpretations are effective for the financial year 2007/08. The assessment of the management is that these Standards and Interpretations will not have significant influence on the annual report.

Interim report for the parent company has not been prepared.

Bang & Olufsen a/s

(DKK million)

	Group			
	1/12 - 29/02 2007/08	1/12 - 28/02 2006/07	1/6 - 29/02 2007/08	1/6 - 28/02 2006/07
Net effect of capitalisation				
Capitalised development costs	(25.9)	(25.9)	(90.0)	(94.5)
Amortisations and impairment losses on development projects	44.6	26.3	111.8	73.3
Net effect of capitalisation	<u>18.7</u>	<u>0.4</u>	<u>21.8</u>	<u>(21.2)</u>
Financial income				
Interest income from banks	0.9	1.2	3.4	5.5
Interest income from associated companies	-	-	0.1	-
Exchange rate gains, net	-	(1.4)	-	-
Other financial income	4.2	2.4	10.5	5.3
Financial income	<u>5.1</u>	<u>2.2</u>	<u>14.0</u>	<u>10.8</u>
Financial costs				
Interest costs on mortgage loans	5.9	3.0	11.1	7.6
Interest costs on bank loans etc.	2.7	1.3	8.0	4.4
Exchange rate losses, net	4.7	1.8	7.6	1.8
Other financial costs	(0.5)	0.6	8.3	3.2
Financial costs	<u>12.8</u>	<u>6.7</u>	<u>35.0</u>	<u>17.0</u>
Tax on result for the period				
Calculated tax on result for the period	(9.1)	(51.9)	(61.6)	(121.6)
Adjustment regarding previous years	(4.7)	-	(10.6)	(2.1)
Reduction of the corporation tax rate from 28 to 25	-	-	18.7	-
Tax on result for the period	<u>(13.8)</u>	<u>(51.9)</u>	<u>(53.5)</u>	<u>(123.7)</u>
Adjustments				
Change in other provisions			6.6	7.1
Financial income etc.			(14.0)	(10.8)
Financial costs etc.			35.0	17.0
Result of investments in associated companies after tax			7.8	-
Gain on sale of non-current assets			-	(3.9)
Tax on result for the period			53.5	123.7
Various adjustments			14.5	9.7
Adjustments			<u>103.4</u>	<u>142.8</u>
Change in working capital				
Change in receivables			105.0	(112.1)
Change in inventories			(156.2)	(147.8)
Change in accounts payables etc.			<u>(82.5)</u>	<u>22.8</u>
Change in working capital			<u>(133.7)</u>	<u>(237.1)</u>

Key figures

Bang & Olufsen a/s, Group

(DKK million)

	2007/08	2006/07
Key figures		
EBITDA	410	590
EBITDA-margin, %	13	18
Profit ratio (EBIT), %	7	13
Return on assets, %	8	17
Return on invested capital, excl. goodwill, %	25	38
Return on equity, %	8	17
Current ratio	2.1	2.1
Equity ratio, %	53	58
Financial gearing	0.2	0.0
Net turnover / Invested capital excl. goodwill	2	2
Intrinsic value per share (nom. DKK 10), DKK	125	139
Quotation as at 29 February	334	680
Price/earnings	29	28
Price/earnings, diluted	29	28
Quotation / Intrinsic value per share	2.7	4.9
Number of shares (multiple voting shares and ordinary shares)	12,081,338	12,081,338
Number of own shares (multiple voting shares and ordinary shares)	767,787	507,423
Average number of circulating shares	11,376,530	11,727,142
Average number of circulating shares - diluted	11,376,530	11,734,722

Parentheses denote negative figures.

Definitions of key figures:

Earnings per share, DKK	$\frac{\text{Result after tax}}{\text{Average number of circulating shares}}$
Diluted earnings per share, DKK:	$\frac{\text{Result after tax}}{\text{Average number of circulating shares - diluted}}$
EBITDA:	Result before interests, tax, depreciations, amortisations and impairment losses
EBITDA-margin:	$\frac{\text{Result before interests, tax, depreciations, amortisations and impairment losses} \times 100}{\text{Net turnover}}$
Profit ratio (EBIT):	$\frac{\text{Operating profit} \times 100}{\text{Net turnover}}$
Return on assets:	$\frac{\text{Operating profit} \times 100}{\text{Average operational assets}}$
Return on invested capital, excl. goodwill:	$\frac{\text{Operating profit before depreciation and impairment losses on goodwill}}{\text{Average invested capital, excl. goodwill}}$
Return on equity:	$\frac{\text{Bang \& Olufsen a/s' share of result for the period} \times 100}{\text{Average equity, excl. minority interests}}$
Current ratio:	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Equity ratio:	$\frac{\text{Equity, end of period} \times 100}{\text{Total equity and liabilities, end of period}}$
Financial gearing:	$\frac{\text{Interest bearing debt (net) end of period}}{\text{Equity, end of period}}$
Intrinsic value per share (nom. DKK 10), DKK:	$\frac{\text{Equity, end of period}}{\text{Number of shares, end of period}}$
Price/earnings	$\frac{\text{Quotation}}{\text{Earnings per share}}$
Price/earnings, diluted	$\frac{\text{Quotation}}{\text{Diluted earnings per share}}$

Main and key figures are prepared in accordance with IFRS and "Recommendations and Key Figures 2005" from The Danish Society of Financial Analysts.

The period 1/6 2007 to 29/2 2008

(DKK million)	Branded business	Non-branded business			B&O a/s Group
		Bang & Olufsen	B&O Medicom a/s	B&O ICEpower a/s	
Net turnover	3,148.4	-	72.5	(13.8)	3,207.1
Internal turnover	(5.6)	-	(8.2)	13.8	-
External turnover	3,142.8	-	64.3	-	3,207.1
Operating profit	206.6	-	12.8	-	219.4
Result before tax	193.0	(7.8)	5.4	-	190.6

The period 1/6 2006 to 28/2 2007

(DKK million)	Branded business	Non-branded business			B&O a/s koncernen
		Bang & Olufsen	B&O Medicom a/s	B&O ICEpower a/s	
Net turnover	3,144.9	101.2	71.8	(31.3)	3,286.6
Internal turnover	(23.6)	(0.3)	(7.4)	31.3	-
External turnover	3,121.3	100.9	64.4	-	3,286.6
Operating profit	395.1	1.1	18.9	-	415.1
Result before tax	389.1	1.4	18.4	-	408.9

Parentheses denote negative figures or amounts to be deducted.

Bang & Olufsen a/s

(DKK million)

	2007/08				2007/08			
	1 quarter	2 quarter	3 quarter	4 quarter	1 quarter	2 quarter	3 quarter	4 quarter
Net turnover	926.4	1,239.8	1,040.9		926.4	2,166.2	3,207.1	
Gross profit	425.0	573.5	483.2		425.0	998.5	1,481.7	
Operating profit	56.7	109.2	53.5		56.7	165.9	219.4	
Result of investments in associated companies after tax	(0.8)	(2.3)	(4.7)		(0.8)	(3.1)	(7.8)	
Financial items, net	(0.1)	(13.2)	(7.7)		(0.1)	(13.3)	(21.0)	
Result before tax	55.8	93.7	41.1		55.8	149.5	190.6	
Tax on result for the period	2.3	(42.0)	(13.8)		2.3	(39.7)	(53.5)	
Result for the period	58.1	51.7	27.3		58.1	109.8	137.1	
Of which minority interests' share	(0.5)	(2.4)	(1.1)		(0.5)	(2.9)	(4.0)	
Shareholders of the parent company's share of result for the period	57.6	49.3	26.2		57.6	106.9	133.1	
	2006/07				2006/07			
	1 quarter	2 quarter	3 quarter	4 quarter	1 quarter	2 quarter	3 quarter	4 quarter
Net turnover	876.0	1,193.0	1,217.6	1,089.1	876.0	2,069.0	3,286.6	4,375.7
Gross profit	405.3	573.4	568.9	486.1	405.3	978.7	1,547.6	2,033.7
Operating profit	55.9	184.0	175.2	114.9	55.9	239.9	415.1	530.0
Gain on sale of shares in subsidiary	-	-	-	11.5	-	-	-	11.5
Result of investments in associated companies after tax	-	-	-	(1.1)	-	-	-	(1.1)
Financial items, net	1.6	(3.3)	(4.5)	(9.8)	1.6	(1.7)	(6.2)	(16.0)
Result before tax	57.5	180.7	170.7	115.5	57.5	238.2	408.9	524.4
Tax on result for the period	(20.3)	(51.5)	(51.9)	(28.2)	(20.3)	(71.8)	(123.7)	(151.9)
Result for the period	37.2	129.2	118.8	87.3	37.2	166.4	285.2	372.5
Of which minority interests' share	(1.0)	(1.8)	(0.6)	(1.7)	(1.0)	(2.8)	(3.4)	(5.1)
Shareholders of the parent company's share of result for the period	36.2	127.4	118.2	85.6	36.2	163.6	281.8	367.4

Parentheses denote negative figures.

Turnover branded business

(DKK million)	Turnover 1/6-29/2 2007/08	Turnover 1/6-28/2 2006/07	Growth in local currency	Turnover 1/12-29/2 2007/08	Turnover 1/12-28/2 2006/07	Growth in local currency
Denmark	384	426	(10) %	118	168	(29) %
Germany	350	373	(6) %	121	143	(16) %
United Kingdom	345	412	(13) %	97	143	(25) %
Switzerland	229	216	10 %	73	76	(3) %
Asian markets, excl. Japan	218	189	15 %	73	70	4 %
Holland	215	206	4 %	77	83	(7) %
Spain/Portugal	190	190	0 %	66	68	(3) %
Expansion Markets	189	140	35 %	65	48	37 %
France	171	154	11 %	57	60	(5) %
North America	168	188	0 %	48	65	0 %
Italy	141	159	(11) %	44	68	(35) %
Enterprise*	108	56	93 %	27	27	1 %
Belgium	83	82	1 %	30	32	(6) %
Automotive	81	52	56 %	34	14	148 %
Sweden	79	90	(11) %	24	35	(28) %
Norway	53	52	(2) %	17	21	(24) %
Austria	45	47	(4) %	15	18	(16) %
Middle East	40	37	8 %	12	15	(19) %
Japan	39	36	18 %	15	11	45 %
Telephone distribution	7	9	-	2	4	-
Other	8	7	-	3	4	-
Turnover to non-branded business	5	24	-	2	8	-
Total branded business	<u>3,148</u>	<u>3,145</u>		<u>1,020</u>	<u>1,181</u>	

* Enterprise handles the turnover to the hotel sector.

Parentheses denote negative figures.

Distribution development

Shop segment	Number of shops per 29/2-08	Change in the period 1/6-07 – 29/2-08	Share of turnover per segment 2007/08	Share of turnover per segment 2006/07
B1	811	34	79 %	75 %
Shop in shop	474	(48)	21 %	25 %
Other	<u>14</u>	<u>(4)</u>	<u>0 %</u>	<u>0 %</u>
Total	<u>1,299</u>	<u>(18)</u>	<u>100 %</u>	<u>100 %</u>

Definitions of shop segments:

- B1 Shops, which are dedicated retailers of Bang & Olufsen products.
- Shop in shop Shops with a dedicated sales area for bang & Olufsen products.
- Other Shops without a dedicated sales area for Bang & Olufsen products.

Parentheses denote negative figures.