INTERIM REPORT, 4TH QUARTER 2012/13

1 MARCH 2013 – 31 MAY 2013

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BANG & OLUFSEN

Q4 HIGHLIGHTS

Bang & Olufsen realised revenue of DKK 2,814 million in the 2012/13 financial year, corresponding to a decline of 6 per cent compared to last year. The positive contribution from the successful launch of many new and innovative products was more than outweighed by continued challenging market conditions in Europe, combined with short-term, adverse revenue effects of terminating low-performing retailers and taking control of the distribution in China. The Group EBIT was negative DKK 188 million. Both revenue and EBIT were in line with the company's latest guidance.

- The Group's revenue was DKK 740 million for the fourth quarter of the 2012/13 financial year compared to revenue of DKK 867 million in the same period last year.
- The B2C business recorded revenue of DKK 582 million in the fourth quarter of the 2012/13 financial year compared to DKK 688 million in the same period last year. Fourth quarter last year was a tough comparison base due to the launch of BeoPlay V1.
- Based on the success of recently launched products and a strong roadmap for new products for the next 12-18 months, Bang & Olufsen has decided to reduce the complexity in the product portfolio by terminating a number of older, non-productive products across all product segments. The new product launches and the terminations of old products will significantly rejuvenate and strengthen the product portfolio, make it even more attractive to consumers and retailers and further position Bang & Olufsen as a leader within high-end AV solutions.
- The B2B business recorded revenue of DKK 159 million in the fourth quarter of the 2012/13 financial year compared to revenue of DKK 158 million in the same period last year.
- B2C revenue in all markets outside Europe saw strong increases in the fourth quarter compared to the same quarter last year. North America increased to DKK 49 million from the unusually low DKK 15 million in the same quarter last year, BRIC markets increased by 21 per cent and Rest of world increased by 22 per cent. The strong developments outside Europe were offset by a 30 per cent decrease in Europe.
- The Group's gross margin in the fourth quarter was 35.8 per cent, compared to a gross margin of 40.6 per cent last year. The decline in the gross margin was mainly a result of extraordinary inventory write-downs (DKK 22 million) reflecting the decision to terminate older, non-productive product and an adverse effect from indirect production costs due to a

significant inventory reduction in the quarter. These effects were only partially offset by a decrease in warranty provisions (DKK 23 million) reflecting a continued positive development in the quality level of the product portfolio.

- Capacity costs were DKK 304 million in the fourth quarter, compared to DKK 271 million in the fourth quarter last year. The quarter was impacted by higher amortisation and lower capitalisation on development projects of DKK 25 million compared to the same quarter last year. Additional cost increases relate to an increased level of own retail and the establishment of a B&O PLAY organisation. The capacity costs included net non-recurring items of DKK 15 million, mainly related to network restructuring and organisational changes.

- Earnings before tax for the fourth quarter of the 2012/13 financial year were negative DKK 45 million against positive DKK 77 million in the same quarter last year.

- Free cash flow in the fourth quarter was positive at DKK 59 million compared to negative DKK 51 million in the same period last year. The Group's net working capital was reduced to DKK 557 million at the end of the fourth quarter of the 2012/13 financial year compared to DKK 613 at the end of the 2011/12 financial year.

- The 2013/14 financial year is the third year of the transition phase in the "Leaner, Faster, Stronger" strategy. The key focus for the year will be to continue to build a strong foundation that will prepare Bang & Olufsen for future growth, while ensuring a significant improvement in the financial results.

- After the end of the reporting period Bang & Olufsen has taken over 20 shops from the previous master dealer Richcom in China (including Beijing and Shanghai). This means that Bang & Olufsen now owns and operates 31 out of the 36 stores in China and Hong Kong. The final purchase price has not been finalised yet, but is expected to be in the level of DKK 35 million.

Any enquiries about this announcement can be addressed to:
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A webcast will be hosted on 16 August 2013 at 10.00. Access to the webcast is obtained through our web page www.bang-olufsen.com/investor.

KEY FIGURES

Bang & Olufsen a/s – Group

	4th quarter		YTD	
(DKK million)	2012/13	2011/12	2012/13	2011/12
Income statement:				
Revenue	740	867	2,814	3,008
Gross margin, %	35.8	40.6	38.9	40.4
Earnings before interest, taxes, depreciation, amortisation and capitalisation (EBITDAC)	(27)	69	(107)	99
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	50	156	144	379
Earnings before interest and tax (EBIT)	(39)	81	(188)	122
Financial items, net	(6)	(4)	(25)	(16)
Earnings before tax (EBT)	(45)	77	(212)	104
Earnings after tax	(37)	55	(160)	73
Financial position:				
Total assets	2,757	2,892	2,757	2,892
Share capital	393	362	393	362
Equity	1,641	1,626	1,641	1,626
Net interest-bearing debt	273	248	273	248
Net working capital	557	613	557	613
Cash flow:				
– from operating activities	168	87	127	225
– from investing activities	(109)	(137)	(328)	(380)
– free cash flow	59	(51)	(202)	(155)
– from financing activities	(22)	94	171	134
Cash flow for the period	37	43	(30)	(21)
Key figures:				
EBITDA-margin, %	6.7	18.0	5.1	12.3
EBIT-margin, %	(5.2)	9.4	(6.7)	4.1
NIBD/EBITDA ratio *)	1.9	0.7	1.9	0.7
Return on assets, %	(1.6)	3.5	(7.7)	5.2
Return on invested capital, excl. goodwill, %	1.3	7.9	2.3	17.4
Return on equity, %	(2.3)	3.4	(9.8)	4.6
Full time employees at the end of the period	2,036	2,106	2,036	2,106
Stock related key figures:				
Earnings per share (EPS), DKK	(1)	2	(4)	2
Earnings per share diluted (EPS-D), DKK	(1)	2	(4)	2
Price/Earnings	(59)	41	(13)	30

**) Calculated based on rolling 12m EBITDA*

MANAGEMENT REPORT

Strong B2C growth outside Europe and a growth of 17 per cent in the Automotive segment in the fourth quarter of the 2012/13 financial year were outweighed by a decline in Europe, which mainly relates to a lower level of new product launches, store terminations as well as continued challenging market conditions in Europe.

Development in the fourth quarter

Revenue Q4 2012/13 (Q4 2011/12 in brackets)

B2C		B2B	
DKK 582m (DKK 688m)		DKK 159m (DKK 158m)	
AV	**B&O PLAY**	**Automotive**	**ICEpower**
DKK 470m (DKK 505m)	DKK 113m (DKK 183m)	DKK 140m (DKK 120m)	DKK 19m (DKK 38m)

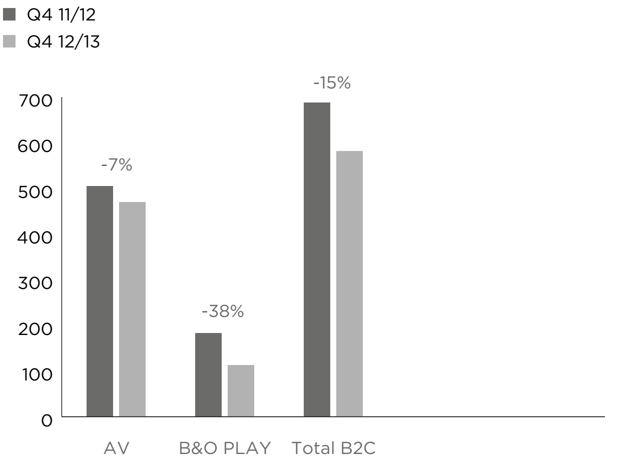
Revenue

The Group's revenue for the fourth quarter of the 2012/13 financial year was DKK 740 million, compared to DKK 867 million last year, or a decline of 15 per cent.

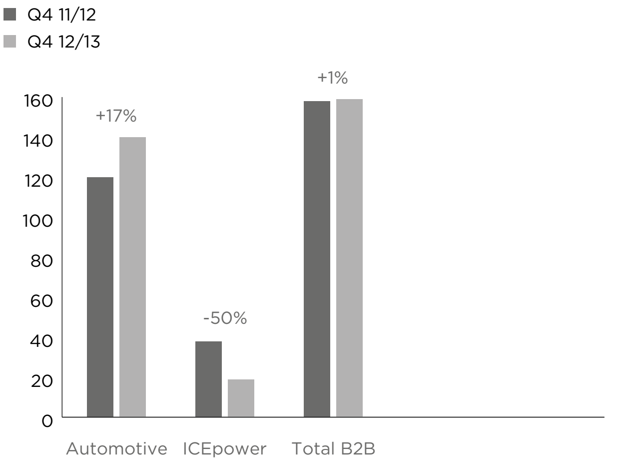
The B2C business, which consists of the AV and the B&O PLAY segments, recorded revenue of DKK 582 million in the fourth quarter of the 2012/13 financial year compared to revenue of DKK 688 million in the same period last year. The B2C business was therefore the main explanation for the decline in group revenue.

The AV segment recorded revenue of DKK 470 million in the fourth quarter of the 2012/13 financial year compared to DKK 505 million in the same period last year, corresponding to a decline of 7 per cent. Newly launched products continue to perform well. Based on the success of recently launched products and a strong roadmap for new products for the next 12-18 months, Bang & Olufsen has decided to reduce the complexity in the product portfolio by terminating a number of older, non-productive products across all product segments. The new product launches and the terminations of old products will significantly rejuvenate and strengthen the product portfolio, make it even more attractive to consumers and retailers and further position Bang & Olufsen as a leader within high-end AV solutions.

Revenue and growth by segment Q4 – B2C (DKK million)



Revenue and growth by segment Q4 – B2B (DKK million)



B&O PLAY recorded revenue of DKK 113 million in the fourth quarter of the 2012/13 financial year compared to DKK 183 million in the fourth quarter last year, which was positively affected by the launch of the BeoPlay V1, BeoPlay A8 and the BeoPlay A3 which in terms of impact exceeded the positive effect from the launch of the BeoPlay H3 and H6 headphones in the fourth quarter this year. The BeoPlay H3 and H6 headphones have been well received by consumers, dealers and the press in the markets where they have been launched. A full market roll-out will occur during 2013/14.

B2C revenue in Europe decreased by 30 per cent in the quarter driven by broad decline across all European markets.

BRIC markets grew by 21 per cent mainly driven by strong growth in Bang & Olufsen's own stores in Hong Kong and South China, newly opened B1 stores and dedicated B&O PLAY shop-in-shops in China. The takeover of the master dealer in mid-China continued to have an adverse impact on the revenue from China during the quarter. The total effect on turnover for the year was as expected approximately DKK 100 million.

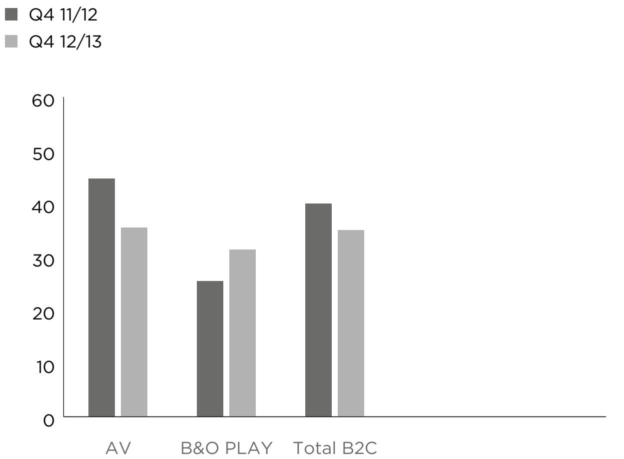
Revenue in North America increased to DKK 49 million, from the unusually low DKK 15 million in the same quarter last year. B2C revenue in the Rest of world increased by 22 per cent.

The B2B business, which consists of the Automotive and ICEpower segments, recorded revenue of DKK 159 million in the fourth quarter of the 2012/13 financial year which is on the same level as last year.

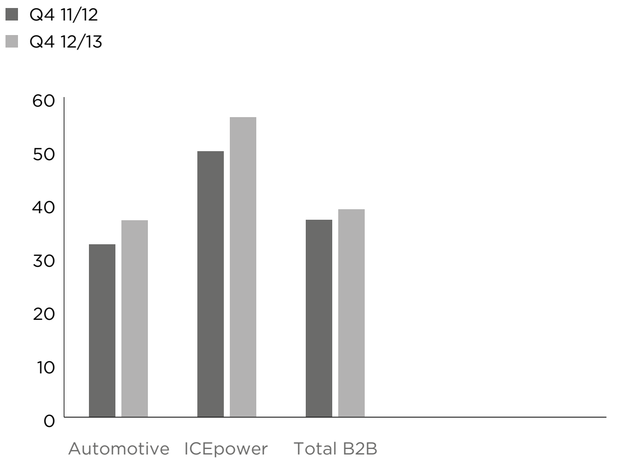
The Automotive segment recorded revenue of DKK 140 million in the fourth quarter of the 2012/13 financial year, compared to DKK 120 million in the fourth quarter last year and hence continued to show strong growth. The growth was driven by the launch of a number of new car models.

The ICEpower segment recorded revenue of DKK 19 million in the fourth quarter of the 2012/13 financial year compared to DKK 38 million in the same period last year which is a reduction of 50 per cent and is due to lower demand from external customers as well as from the Bang & Olufsen Group.

Gross margin by segment Q4 – B2C (%)



Gross margin by segment Q4 – B2B (%)



Gross margin

The Group gross margin decreased to 35.8 per cent in the fourth quarter from a gross margin of 40.6 per cent in the fourth quarter of the 2011/12 financial year.

The gross margin in AV was 35.5 per cent in the fourth quarter of the financial year, compared to 44.7 per cent in the same quarter last year. The gross margin in the fourth quarter was affected by the following items:

- To rejuvenate and strengthen the product portfolio, in parallel with launching a number of strong new products, Bang & Olufsen decided to reduce the complexity in the product portfolio by terminating a number of older non-productive products across all product segments. The write down of inventory related to this negatively affected the gross margin by DKK 22 million in the fourth quarter of the 2012/13 financial year.

- In addition the decrease in gross margin was a result of low revenue leading to relatively higher semi-variable costs, and a significant reduction in inventory which resulted in a reduction of indirect production costs capitalised as part of inventory.

- Bang & Olufsen's continuous focus on improving product quality. This has resulted in a reduced need for warranty provisions and as a result DKK 23 million was released in the fourth quarter of the 2012/13 financial year.

The gross margin for B&O PLAY in the fourth quarter of the 2012/13 financial year was 31.4 per cent against a gross margin of 25.5 per cent for the same period last year. The increase compared to the same quarter last year is mainly due to a change in product mix, as products launched during 2012/13 have a higher gross margin than in particular the BeoPlay V1.

The gross margin within the Automotive segment in the fourth quarter of the 2012/13 financial year was 36.9 per cent against a gross margin of 32.4 per cent for the same period last year.

The gross margin within the ICEpower segment was 56.2 per cent in the fourth quarter of the 2012/13 financial year against a gross margin of 49.9 per cent for the same period last year.

Capacity costs

During the fourth quarter of the 2012/13 financial year, the capacity costs increased to DKK 304 million from DKK 271 million in the same period last year. The increase mainly relates to higher development costs, and higher distribution and marketing costs.

The capacity cost include net non-recurring costs of DKK 15 million for the fourth quarter of the financial year, which mainly relate to organisational changes, network restructuring and restructuring of the European sales setup. The majority of these costs affected the distribution and marketing costs.

Distribution and marketing costs were DKK 188 million in the fourth quarter of the 2012/13 financial year compared to DKK 168 million in the same period last year. This corresponds to an increase of DKK 19 million which mainly is due to the increased level of own stores.

Administration costs totalled DKK 22 million in the fourth quarter of the 2012/13 financial year compared to DKK 30 million in the fourth quarter of the 2011/12 financial year.

The Group incurred development costs of DKK 111 million for the fourth quarter of the 2012/13 financial year (of which DKK 77 million were capitalised) against DKK 120 million for the same period last year (of which DKK 87 million were capitalised). The activity level in product development remains high.

Expensed development costs (incl. amortisation and impairment losses) were DKK 94 million for the fourth quarter of the 2012/13 financial year, compared to DKK 73 million for the same period last year. Total amortisation charges and impairment losses on development projects were DKK 60 million compared to DKK 40 million last year. The increase in amortisation charges mainly relates to amortisation on the video engine, which was launched in the fourth quarter 2011/12 (in BeoPlay V1) and to amortisation on newly launched automotive models. The net effect of capitalisation was positive DKK 17 million compared to a positive effect of DKK 47 million last year – an adverse impact from capitalisation of DKK 30 million compared to the same period last year.

Capitalised development costs and carrying amount
(DKK million) – Q4

2012/13

	B2C	B2B	Total
Capitalised, net	51	26	77
Carrying amount, net	431	232	663

Capitalised development costs and carrying amount
(DKK million) – Q4

2011/12

	B2C	B2B	Total
Capitalised, net	61	26	87
Carrying amount, net	442	194	636

In the fourth quarter of the 2012/13 financial year the capitalised development costs were DKK 77 million, of which DKK 23 million relate to Automotive projects.

During the fourth quarter reimbursements of DKK 3 million were received from Automotive partners which was in line with the same period last year. The reimbursements received have been offset directly in intangible assets.

Earnings before tax for the fourth quarter of the 2012/13 financial year were negative DKK 45 million against positive DKK 77 million in the same period last year.

For comments on the income statement movements year to date refer to the Annual Report 2012/13.

Development in balance sheet items and cash flow
At the end of the fourth quarter the Group's net working capital was reduced to DKK 557 million compared to DKK 613 million at the end of the fourth quarter of the 2011/12 financial year, and DKK 708 million at the end of the third quarter 2012/13. The decrease compared to the previous financial year mainly relates to a reduction in inventory and trade receivables offset to a certain extent by a decrease in payables.

Free cash flow in the fourth quarter was positive at DKK 59 million compared to negative DKK 51 million in the same period last year. For the full financial year Bang & Olufsen generated a free cash flow of negative DKK 202 million compared to negative DKK 155 million in the same period last year.

The net interest bearing debt increased to DKK 273 million from DKK 248 million by the end of the 2011/12 financial year, and DKK 331 million at the end of the third quarter 2012/13. The increase compared to last year in the net interest bearing debt was primarily caused by the negative net earnings.

The Group's equity has increased from DKK 1,626 million to DKK 1,641 million despite the negative earnings after tax. This was primarily due to the capital increase following the strategic partnership entered into with Sparkle Roll and A CAPITAL.

The Group equity ratio was 60 per cent at the end of the 2012/13 financial year against 56 per cent at the end of the 2011/12 financial year.

Distribution development in the fourth quarter

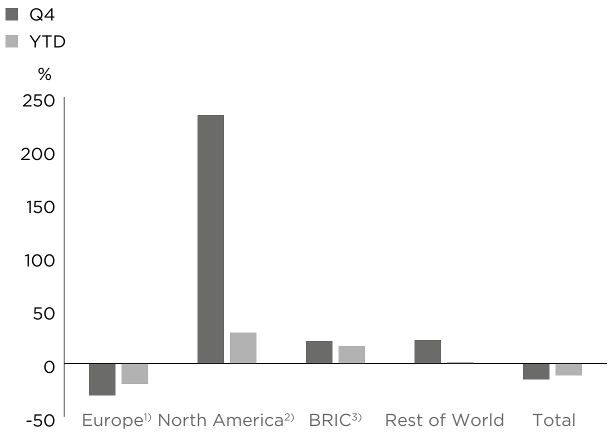
Revenue development by region

In the fourth quarter of the 2012/13 financial year revenue in Europe decreased by DKK 159 million – corresponding to 30 per cent – to DKK 379 million. The decline was seen across most European markets. The revenue in Europe was negatively affected by challenging market conditions affecting consumer demand and the decision to terminate low performing stores as well as the fact that the strong B&O PLAY revenue in the fourth quarter last year was driven primarily by the European market.

North America recorded revenue of DKK 49 million compared to the unusually low DKK 15 million in revenue in the same quarter last year.

BRIC markets grew by 21 per cent mainly driven by strong growth in Bang & Olufsen's own stores in Hong Kong and South China as well as sales related to the opening of new B1 and dedicated B&O PLAY shop-in-shops in China. The takeover of the master dealer in mid-China continued to have an adverse impact on the revenue from China.

Revenue growth by region (Q4 and YTD)

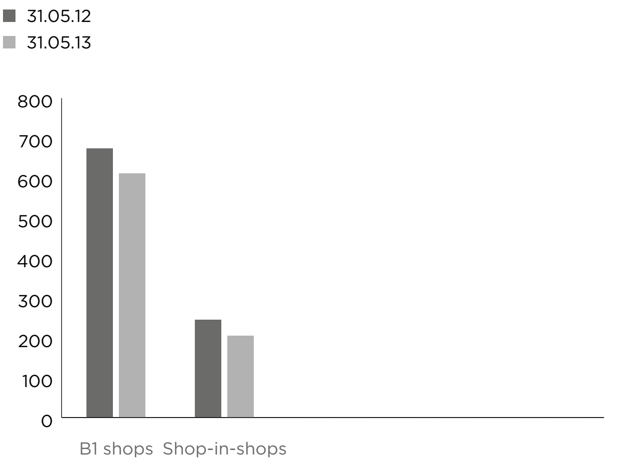


Revenue in Rest of world increased from DKK 52 million for the same period last year to DKK 64 million.

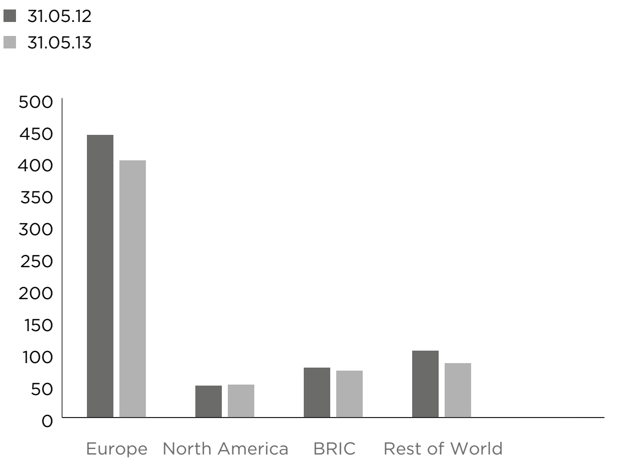
Revenue through third party channels was DKK 15 million compared to DKK 20 million for the same period last year. The fourth quarter last year was positively impacted by multiple B&O PLAY product launches and the opening of a large number of outlets.

1) Europe covers Denmark, Norway, Sweden, United Kingdom, Netherlands, Belgium, Germany, Switzerland, Austria, Spain, Italy and France.
2) North America covers USA, Canada and Mexico.
3) BRIC covers Brazil, Russia, India, China, Taiwan, Hong Kong and Korea.

Number of B1 shops and shop-in-shops



B1 shops by region



Development in the number of shops
In order to create a healthier retail network, with fewer, more productive stores, Bang & Olufsen announced during the 2012/13 financial year, that initiatives would be taken to close up to 125 stores primarily in Europe. 80 of these stores have been terminated within the 2012/13 financial year, and will close within the six month termination period. 16 of the terminated stores closed already in the 2012/13 financial year. The remaining stores will be terminated during the 2013/14 financial year. Focusing the distribution on fewer, more productive stores will enable Bang & Olufsen and the retail network to invest in service, events, marketing, store design and other customer focused activities, which will further strengthen the customer experience and ensure a stronger long-term growth for Bang & Olufsen and the network. The adverse revenue impact related to this initiative is estimated to have been approximately DKK 130 million in 2012/13.

In April 2013 the first store with the new store design opened on Strøget in Copenhagen. The new store design has a strong focus on emphasizing Bang & Olufsen's unique capabilities within acoustics, design and craftsmanship and is designed to create a truly magical shopping experience for Bang & Olufsen's customers.

By the end of the fourth quarter, there were 611 B1 stores across the world against 628 at the end of the third quarter of the 2012/13 financial year. Thus, the net movement for the fourth quarter was a net reduction of 17 stores, with three openings and 20 closures.

By the end of May 2013, there were 402 B1 stores in Europe against 419 at the end of the third quarter 2012/13. The net movement in Europe for the fourth quarter therefore amounts to a reduction of 17 stores, with two openings and 19 closures.

In North America, there were 51 B1 stores against 50 at the end of the third quarter of the financial year 2012/13. The movement in North America for the fourth quarter was one opening.

In the BRIC markets there were 73 B1 stores which is unchanged from the end of the third quarter of the financial year 2012/13.

In Rest of world there were 85 B1 stores against 86 at the end of the third quarter of the financial year 2012/13. The net movement for the fourth quarter amounts to one closure.

The number of shop-in-shops was 205 against 212 at the end of the third quarter of the financial year 2012/13.

At the end of the 2012/13 financial year, Sparkle Roll had opened 16 dedicated B&O PLAY stores across China. The stores will be included in the store count from Q1 2013/14.

The share of revenue for B1 shops was 86 per cent compared to 89 per cent in fourth quarter of the 2011/12 financial year.

For the fourth quarter of the 2012/13 financial year the revenue to Bang & Olufsen shops with more than 24 months of operations decreased by 23 per cent for B1 shops and 34 per cent for shop-in-shops.

The Group's expectations to the 2013/14 financial year

The 2013/14 financial year is the third year of the transition phase in the "Leaner, Faster, Stronger" strategy. The key focus for the year will be to continue to build a strong foundation that will prepare Bang & Olufsen for future growth, while ensuring a significant improvement in the financial results.

Continued challenging market conditions in Europe is likely to have a negative impact on consumer confidence and continue to create headwind for the overall AV market in the 2013/14 financial year, and hence have an adverse effect on the general demand for products across all of Bang & Olufsen's segments.

The most important focus areas in the 2013/14 financial year are the rejuvenation and strengthening of the Bang & Olufsen product portfolio and the transformation of the retail network, while continuing to grow Automotive and B&O PLAY, albeit at a reduced rate. It is expected that this will lead to revenue moderately above the level of the 2012/13 financial year.

A continued focus on operational and sourcing efficiencies and an increased share of sales of high margin products are expected to increase the gross margin to a level slightly above the level in the 2012/13 financial year.

Capacity costs excluding the increased costs of own retail are expected to be reduced. The costs related to own retail will increase compared to the 2012/13 financial year in particular due to the takeover of the retail operations in China.

The EBIT margin is expected to show significant improvement compared to the 2012/13 financial year to a level around break-even. However, the EBIT margin is highly sensitive to the development in the revenue.

Subsequent events

As previously communicated Bang & Olufsen took over 20 shops from the previous master dealer Richcom in mid-China (including Beijing and Shanghai) on 1 June 2013. Bang & Olufsen now owns and operates 31 out of the 36 stores in total in China and Hong Kong. The final purchase price has not been finalised yet, but is expected to be in the level of DKK 35 million.

MANAGEMENT'S STATEMENT

We have today considered and approved the interim report for the period 1 June 2012 – 31 May 2013 for Bang & Olufsen a/s.

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, as endorsed by the EU and further Danish disclosure requirements for interim reports for listed companies.

It is our opinion that the interim report provides a true and fair view of the Group's assets, liabilities and financial position as at 31 May 2013 and the results of the Group's operations and cash flows for the period 1 June 2012 – 31 May 2013.

It is also our opinion that the management report gives a true and fair view of developments in the Group's activities and financial situation, the earnings for the period and the Group's financial position in general as well as a description of the most significant risks and uncertainties to which the Group is exposed.

Struer, 16 August 2013

Executive Management:

Tue Mantoni
President & CEO

Henning Bejer Beck
Executive Vice President & CFO

Board of Directors:

Ole Andersen
Chairman

Jim Hagemann Snabe
Deputy Chairman

Jesper Jarlbæk

André Loesekrug-Pietri

Rolf Eriksen

Alberto Torres

Knud Olesen

Jesper Olesen

Per Østergaard Frederiksen

CONSOLIDATED INCOME STATEMENT

		4th quarter		**YTD**	
(DKK million)	Note	2012/13	2011/12	2012/13	2011/12
Revenue		**739.9**	**867.4**	**2,813.9**	**3,007.7**
Production costs		(475.1)	(515.0)	(1,718.0)	(1,792.0)
Gross profit		**264.8**	**352.4**	**1,095.9**	**1,215.7**
Gross margin, %		35.8	40.6	38.9	40.4
Development costs	3	(94.3)	(72.7)	(442.4)	(337.4)
Distribution and marketing costs		(187.6)	(168.2)	(755.9)	(654.3)
Administration costs		(21.8)	(30.1)	(85.9)	(101.6)
Earnings before interest and tax (EBIT)		**(38.8)**	**81.4**	**(188.2)**	**122.4**
Share of result after tax in associated companies		0.1	(0.1)	1.3	(2.1)
Financial income		2.3	4.9	8.6	9.4
Financial expenses		(8.6)	(9.0)	(33.2)	(25.5)
Financial items, net		(6.3)	(4.1)	(24.7)	(16.1)
Earnings before tax (EBT)		**(45.0)**	**77.2**	**(211.6)**	**104.2**
Income tax for the period		7.7	(22.7)	51.8	(30.9)
Earnings for the period		**(37.3)**	**54.5**	**(159.8)**	**73.3**
Earnings attributable to:					
Shareholders in the parent company		(37.3)	54.5	(159.8)	73.3
Earnings per share					
Earnings per share (EPS) and earnings per share from continuing operations, DKK		(1.0)	1.5	(4.3)	2.0
Diluted earnings per share (EPS-D) and earnings per share from continuing operations, DKK		(1.0)	1.5	(4.3)	2.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4th quarter		YTD	
(DKK million)	2012/13	2011/12	2012/13	2011/12
Earnings for the period	**(37.3)**	**54.5**	**(159.8)**	**73.3**
Exchange rate adjustment of investments in foreign subsidiaries	(4.2)	0.5	(3.0)	0.0
Change in fair value of derivative financial instruments used as cash flow hedges	0.9	11.4	(4.7)	25.7
Transfer to the income statement of fair value adjustments of derivative financial instruments used as cash flow hedges, realised cash flows:				
Transfer to revenue	0.6	(2.4)	(5.8)	(10.8)
Transfer to production costs	1.4	1.9	6.2	4.3
Tax on other comprehensive income	(0.7)	(2.7)	1.1	(4.8)
Other comprehensive income, net of tax	**(2.1)**	**8.7**	**(6.3)**	**14.4**
Total comprehensive income for the period	**(39.4)**	**63.2**	**(166.1)**	**87.7**
Total comprehensive income attributable to:				
Shareholders in the parent company	(39.4)	63.2	(166.1)	87.7

CONSOLIDATED BALANCE SHEET

(DKK million)	31/5/13	31/5/12
Goodwill	51.9	47.8
Acquired rights	20.7	27.8
Completed development projects	484.7	296.8
Development projects in progress	178.2	338.9
Intangible assets	**735.4**	**711.3**
Land and buildings	198.2	210.3
Plant and machinery	155.6	145.6
Other equipment	24.4	29.3
Leasehold improvements	30.2	17.5
Tangible assets in course of construction and prepayments of tangible assets	67.5	96.8
Tangible assets	**475.9**	**499.5**
Investment property	**40.0**	**41.3**
Investments in associates	7.0	5.6
Other financial receivables	43.3	46.6
Financial assets	**50.3**	**52.2**
Deferred tax assets	**183.1**	**139.9**
Total non-current assets	**1,484.7**	**1,444.2**
Inventories	**572.1**	**665.0**
Trade receivables	443.9	539.9
Receivables from associates	1.8	2.4
Corporation tax receivable	23.8	12.4
Other receivables	41.7	50.4
Prepayments	43.2	18.8
Receivables	**554.4**	**623.9**
Cash	**145.9**	**159.1**
Total current assets	**1,272.4**	**1,448.0**
Total assets	**2,757.1**	**2,892.2**

CONSOLIDATED BALANCE SHEET

(DKK million)	31/5/13	31/5/12
Share capital	392.7	362.4
Translation reserve	22.1	25.1
Reserve for cash flow hedges	4.0	8.3
Retained earnings	1,221.8	1,230.2
Total equity	**1,640.6**	**1,626.0**
Pensions	12.4	9.8
Deferred tax	13.8	15.4
Provisions	57.9	86.2
Mortgage loans	206.1	212.9
Other non-current liabilities	3.1	0.9
Total non-current liabilities	**293.3**	**325.2**
Mortgage loans	6.8	6.6
Loans from banks	150.0	150.0
Overdraft facilities	56.2	37.8
Provisions	39.4	54.8
Trade payables	295.3	384.8
Corporation tax payable	25.5	27.8
Other liabilities	226.9	259.9
Deferred income	23.1	19.2
Total current liabilities	**823.2**	**941.0**
Total liabilities	**1,116.5**	**1,266.2**
Total equity and liabilities	**2,757.1**	**2,892.2**

CONSOLIDATED CASH FLOW STATEMENT

		4th quarter		YTD	
(DKK million)	Notes	2012/13	2011/12	2012/13	2011/12
Earnings for the period		(37.3)	54.5	(159.8)	73.3
Amortisation, depreciation and impairment losses		88.6	74.4	331.9	256.2
Adjustments for non-cash items	4	(20.0)	53.3	(66.6)	81.6
Change in receivables		(4.2)	(154.3)	80.5	(204.7)
Change in inventories		132.5	(46.3)	92.8	(94.8)
Change in trade payables etc.		20.0	119.5	(117.9)	144.5
Cash flows from operations		179.6	101.1	160.9	256.1
Interest received and paid, net		(6.2)	(4.1)	(24.7)	(16.1)
Income tax paid		(5.1)	(10.3)	(9.7)	(14.7)
Cash flow from operating activities		**168.4**	**86.7**	**126.5**	**225.3**
Purchase of intangible non-current assets		(83.9)	(87.2)	(263.2)	(280.1)
Purchase of tangible non-current assets		(28.8)	(48.6)	(83.8)	(136.8)
Acquisition of activity		-	(12.9)	-	(12.9)
Sale of tangible non-current assets		4.0	9.6	4.8	45.6
Received reimbursements, intangible non-current assets		3.2	2.6	10.9	12.1
Capital increase, Bang & Olufsen Medicom a/s		-	-	-	(1.7)
Change in financial receivables		(3.7)	(0.9)	3.3	(6.5)
Cash flow from investing activities		**(109.3)**	**(137.4)**	**(328.1)**	**(380.3)**
Free cash flow		**59.1**	**(50.7)**	**(201.5)**	**(155.0)**
Repayment of long-term loans		(2.0)	(1.8)	(6.6)	(6.4)
Proceeds from short-term borrowings		(20.0)	100.0	-	150.0
Capital increase		-	-	178.7	-
Payment of debt regarding purchase of minority interest and dividend		-	-	-	(5.7)
Purchase of own shares		-	(4.3)	(1.3)	(4.3)
Sale of own shares		-	-	0.5	-
Cash flow from financing activities		**(22.0)**	**93.9**	**171.2**	**133.6**
Change in cash and cash equivalents		**37.1**	**43.2**	**(30.3)**	**(21.4)**
Cash and cash equivalents, opening balance		53.8	77.4	121.3	141.4
Exchange rate adjustment, cash and cash equivalents		(1.3)	0.7	(1.4)	1.3
Cash and cash equivalents, closing balance		**89.7**	**121.3**	**89.7**	**121.3**
Cash and cash equivalents:					
Cash		145.9	159.1	145.9	159.1
Current overdraft facilities		(56.2)	(37.8)	(56.2)	(37.8)
Cash and cash equivalents, closing balance		**89.7**	**121.3**	**89.7**	**121.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(DKK million)	31/05 2013	31/05 2012
Equity, opening balance	**1,626.0**	**1,538.3**
Earnings for the period	(159.8)	73.3
Other comprehensive income, net of tax	(6.3)	14.4
Comprehensive income for the period	(166.1)	87.7
Capital increase *)	178.7	-
Employee shares	-	1.2
Purchase of minority interest and distributed dividend	-	(2.9)
Grant of share options	2.8	6.0
Purchase of own shares	(1.3)	(4.3)
Sale of own shares	0.5	-
Equity, closing balance	**1,640.6**	**1,626.0**

*) All new shares have been subscribed for by Sparkle Roll Holdings Limited and A Capital Bravo Holding S.à.r.l. at a market price of DKK 60.22 per share of DKK 10.

NOTES

1 ACCOUNTING PRINCIPLES

The interim report for Bang & Olufsen a/s is prepared as a condensed set of financial statements in accordance with IAS 34 'Interim Financial Reporting', as endorsed by the European Union and further Danish disclosure requirements for interim reports for listed companies. The interim report has not been audited or reviewed by the company's external auditors. An interim report for the parent company has not been prepared. The interim report is stated in Danish krone (DKK) which is the functional currency of the parent company.

The Annual Report 2012/13 contains a full description of applied accounting principles.

2 SIGNIFICANT ESTIMATES AND ASSESSMENTS BY MANAGEMENT

The preparation of interim reports requires that management makes estimates and assessments which affect the application of accounting principles and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The material estimates that management makes when applying the accounting principles of the group, and the material uncertainty connected with these estimates and assessments are unchanged in the preparation of the interim report compared to the preparation of the Annual Report as at 31 May 2013.

3 DEVELOPMENT COSTS

	4th quarter		**YTD**	
(DKK million)	2012/13	2011/12	2012/13	2011/12
Incurred development costs before capitalisation	111.2	120.2	475.8	471.5
Hereof capitalised	(76.6)	(87.0)	(250.8)	(279.9)
Incurred development costs after capitalisation	34.6	33.2	225.0	191.6
Capitalisation (%)	*68.9*	*72.4*	*52.7*	*59.4*
Total amortisation charges and impairment losses on development projects	59.6	39.5	217.4	145.8
Development costs recognised in the consolidated income statement	**94.3**	**72.7**	**442.4**	**337.4**

NOTES

4 ADJUSTMENTS FOR NON-CASH ITEMS IN THE CASH FLOW STATEMENT

	4th quarter		YTD	
(DKK million)	2012/13	2011/12	2012/13	2011/12
Change in other liabilities	(21.6)	2.2	(39.0)	3.9
Financial items, net	6.3	4.1	24.7	16.1
Share of result after tax in associated companies	(1.4)	(1.9)	(2.6)	0.1
Gain/loss on sale of non-current assets	(1.0)	(1.2)	(1.2)	(8.2)
Tax on earnings for the period	(7.6)	22.7	(51.8)	30.9
Various adjustments	5.3	27.4	3.2	38.8
Adjustment for non-cash items	**(20.0)**	**53.3**	**(66.6)**	**81.6**

5 SEGMENT INFORMATION

	4th quarter		YTD		Change, %
(DKK million)	2012/13	2011/12	2012/13	2011/12	YTD
Revenue by segment and business area					
Consumer business (B2C):					
AV	469.7	504.9	1,648.9	2,043.1	(19)
B&O PLAY	112.5	182.6	532.3	377.6	41
Total consumer business (B2C)	582.2	687.5	2,181.2	2,420.7	(10)
Business to business (B2B):					
Automotive	140.3	120.0	545.7	454.0	20
ICEpower	19.1	38.4	86.8	115.4	(25)
Total business to business (B2B)	159.4	158.4	632.5	569.4	11
Elimination of internal revenue	(2.8)	(10.2)	(11.4)	(22.1)	-
Exchange rate adjustments	1,1	31.7	11.6	39.7	-
Revenue, Group	**739.9**	**867.4**	**2,813.9**	**3,007.7**	**(6)**
Gross margin by business area, %					
Consumer business (B2C):					
AV	35.5	44.7	41.7	43.1	
B&O PLAY	31.4	25.5	29.6	27.7	
Business to business (B2B):					
Automotive	36.9	32.4	36.4	36.6	
ICEpower	56.2	49.9	53.9	48.3	
Gross margin %, Group	**35.8**	**40.6**	**38.9**	**40.4**	

NOTES

5 SEGMENT INFORMATION (CONTINUED)

	4th quarter		YTD		Change, %
(DKK million)	2012/13	2011/12	2012/13	2011/12	YTD
Revenue by region					
Consumer business (B2C)					
Bang & Olufsen distribution:					
Europe	379.2	538.3	1,404.7	1,738.6	(19)
North America	49.3	14.8	180.4	140.1	29
BRIC	74.7	61.6	296.5	255.3	16
Rest of World	64.0	52.4	240.6	239.0	1
Total Bang & Olufsen distribution	567.2	667.1	2,122.2	2,373.0	(11)
3rd party distribution and e-commerce:					
B&O PLAY	15.0	20.4	59.0	47.7	24
Total 3rd party distribution and e-commerce	15.0	20.4	59.0	47.7	24
Total consumer business (B2C)	**582.2**	**687.5**	**2,181.2**	**2,420.7**	**(10)**
Business to business (B2B)					
Automotive	140.3	120.0	545.7	454.0	20
ICEpower	19.1	38.4	86.8	115.4	(25)
Total business to business (B2B)	**159.4**	**158.4**	**632.5**	**569.4**	**11**
Elimination of internal revenue	(2.8)	(10.2)	(11.4)	(22.1)	-
Exchange rate adjustments	1.1	31.7	11.6	39.7	-
Revenue, Group	**739.9**	**867.4**	**2,813.9**	**3,007.7**	**(6)**

NOTES

6 SHOPS BY REGION – BANG & OLUFSEN DISTRIBUTION (B1 AND SHOP-IN-SHOP)

	Number (units)					Share of revenue (%)	
	31.05.2013	28.02.2013	30.11.2012	31.08.2012	31.05.2012	YTD 2012/13	YTD 2011/12
Europe[1]	601	627	644	651	680	66.2%	73.2%
North America[2]	55	52	52	50	53	8.5%	5.9%
BRIC[3]	74	74	75	78	80	14.0%	10.8%
Rest of world[4]	86	87	88	91	105	11.3%	10.1%
	816	**840**	**859**	**870**	**918**	**100%**	**100%**

[1] *Shop-in-shop; 199 (28.02.2013; 208)*

[2] *Shop-in-shop; 4 (28.02.2013; 2)*

[3] *Shop-in-shop; 1 (28.02.2013; 1)*

[4] *Shop-in-shop; 1 (28.02.2013; 1)*

APPENDIX 1

Earnings by quarter 2012/13:

(DKK million)	2012/13 Q1	Q2	Q3	Q4
Revenue	**600.4**	**819.0**	**654.6**	**739.9**
Gross profit	**245.0**	**357.8**	**228.3**	**264.8**
Earnings before interest and tax (EBIT)	**(61.3)**	**26.2**	**(114.3)**	**(38.8)**
Share of result after tax in associated companies	-	0.6	0.6	0.1
Financial items, net	(2.9)	(3.9)	(11.6)	(6.2)
Earnings before tax (EBT)	**(64.2)**	**22.9**	**(125.3)**	**(45.0)**
Income tax for the period	17.0	(7.5)	34.6	7.7
Earnings after tax for the period	**(47.2)**	**15.4**	**(90.7)**	**(37.3)**

Accumulated earnings by quarter 2012/13:

(DKK million)	2012/13 Q1	Q2	Q3	Q4
Revenue	**600.4**	**1,419.4**	**2,074.0**	**2,813.9**
Gross profit	**245.0**	**602.8**	**831.1**	**1,095.9**
Earnings before interest and tax (EBIT)	**(61.3)**	**(35.1)**	**(149.4)**	**(188.2)**
Share of result after tax in associated companies	-	0.6	1.2	1.3
Financial items, net	(2.9)	(6.8)	(18.4)	(24.7)
Earnings before tax (EBT)	**(64.2)**	**(41.3)**	**(166.6)**	**(211.6)**
Income tax for the period	17.0	9.5	44.1	51.8
Earnings after tax for the period	**(47.2)**	**(31.8)**	**(122.5)**	**(159.8)**

APPENDIX 1

Earnings by quarter 2011/12:

	2011/12			
(DKK million)	Q1	Q2	Q3	Q4
Revenue	**598.6**	**775.5**	**766.3**	**867.4**
Gross profit	**231.0**	**339.3**	**293.3**	**352.4**
Earnings before interest and tax (EBIT)	**(28.5)**	**46.8**	**22.7**	**81.4**
Share of result after tax in associated companies	(0.9)	(0.9)	(0.2)	(0.1)
Financial items, net	(3.2)	(5.1)	(3.7)	(4.1)
Earnings before tax (EBT)	**(32.6)**	**40.8**	**18.8**	**77.2**
Income tax for the period	5.6	(12.0)	(1.8)	(22.7)
Earnings after tax for the period	**(27.0)**	**28.8**	**17.0**	**54.5**

Accumulated earnings by quarter 2011/12:

	2011/12			
(DKK million)	Q1	Q2	Q3	Q4
Revenue	**598.6**	**1,374.1**	**2,140.3**	**3,007.7**
Gross profit	**231.0**	**570.3**	**863.3**	**1,215.7**
Earnings before interest and tax (EBIT)	**(28.5)**	**18.3**	**41.0**	**122.4**
Share of result after tax in associated companies	(0.9)	(1.8)	(2.0)	(2.1)
Financial items, net	(3.2)	(8.3)	(12.0)	(16.1)
Earnings before tax (EBT)	**(32.6)**	**8.2**	**27.0**	**104.2**
Income tax for the period	5.6	(6.4)	(8.2)	(30.9)
Earnings after tax for the period	**(27.0)**	**1.8**	**18.8**	**73.3**

ADDITIONAL INFORMATION

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Financial calendar

Thursday 19 September 2013	Annual General Meeting 2012/13
Wednesday 2 October 2013	Interim report (1st quarter 2013/14)
Wednesday 16 January 2014	Interim report (2nd quarter 2013/14)
Wednesday 11 April 2014	Interim report (3rd quarter 2013/14)
Wednesday 13 August 2014	Annual Report 2013/14
Thursday 11 September 2014	Annual General Meeting 2013/14
Wednesday 2 October 2014	Interim report (1st quarter 2014/15)

Safe Harbour statement
The report contains statements relating to expectations for future developments, including future revenue and earnings, as well as expected business-related events. Such statements are uncertain and carry an element of risk since many factors, of which some are beyond Bang & Olufsen's control, can mean that actual developments will deviate significantly from the expectations expressed in the report. Without being exhaustive, such factors include among others general economic and commercial factors, including market and competitive matters, supplier issues and financial issues in the form of foreign exchange, interest rates, credit and liquidity risks.

Applicable version
The interim report has been translated from Danish. In case of doubt the Danish version shall apply at all times.

About Bang & Olufsen
Bang & Olufsen was founded in Struer, Denmark, in 1925 by Peter Bang and Svend Olufsen, two innovative, young engineers devoted to high quality audio reproduction. Since then, the brand has become an icon of performance and design excellence through its long-standing craftsmanship tradition and the strongest possible commitment to high-tech research and development. Still at the forefront of domestic technology, Bang & Olufsen has extended its comprehensive experience with integrated audio and video solutions for the home to other areas such as the hospitality and automotive industries in recent years. Consequently, its current product range epitomises seamless media experiences in the home as well as in the car and on the move.

For additional information refer to www.bang-olufsen.com.