

No. 69

COMPANY ANNOUNCEMENT

26 February 2013

PANDORA ANNOUNCES ITS FINANCIAL RESULTS FOR 2012

GROUP REVENUE WAS DKK 6,652 MILLION. EBITDA MARGIN WAS 24.9%. NET PROFIT WAS DKK 1,202 MILLION. FREE CASH FLOW WAS DKK 1,151 MILLION.

The reported full year figures in this report are slightly better than anticipated, but adversely impacted by the effect from the stock balancing campaign launched on 21 February 2012.

- Group revenue in 2012 was DKK 6,652 million compared to DKK 6,658 million in 2011:
 - Americas increased by 5.3% (2.5% decrease in local currency)
 - Europe decreased by 3.1% (5.0% decrease in local currency)
 - Asia Pacific decreased by 10.4% (17.5% decrease in local currency)
- Gross margin decreased to 66.6% in 2012 (compared to a gross margin of 73.0% in 2011)
- EBITDA margin was 24.9% in 2012 (compared to an EBITDA margin of 34.3% in 2011), EBITDA decreased by 27.3% to DKK 1,658 million
- EBIT margin was 22.2% in 2012 (compared to an EBIT margin of 30.9% in 2011), EBIT decreased by 28.3% to DKK 1,475 million
- Reported net profit decreased by 41.0% to DKK 1,202 million in 2012 (compared to a net profit of DKK 2,037 million in 2011). Excluding the earn-out provision adjustment for PANDORA CWE, 2012 net profit decreased by 24.6% to DKK 1,151 million (compared to an adjusted net profit of DKK 1,526 million in 2011)
- Free cash flow was DKK 1,151 million in 2012 (compared to DKK 1,670 million in 2011)
- For the financial year 2012, the Board of Directors proposes a dividend of DKK 5.50 per share corresponding to a pay-out ratio of 59% (compared to 35% in 2011)
- PANDORA expects revenue for 2013 to be above DKK 7.2 billion and expects an EBITDA margin above 25%
- Today PANDORA will initiate a share buyback programme for up to DKK 700 million to be completed during 2013 with the primary purpose of reducing the Company's share capital at the Annual General Meeting in 2014

FINANCIAL GUIDANCE FOR 2013

PANDORA expects revenue for 2013 to be above DKK 7.2 billion and expects an EBITDA margin above 25%.

PANDORA expects CAPEX to be around DKK 300 million and expects an effective tax rate of approximately 19%.

During 2013 PANDORA expects to open approximately 150 Concept stores.

BOARD OF DIRECTORS EVALUATION OF CAPITAL STRUCTURE

As previously communicated the Board of Directors has analysed what it believes to be an optimal capital structure for the Company, including making a decision on how to distribute surplus capital to the shareholders. The outcome of this analysis is a combination of a change in dividend policy as well as the initiation of a share buyback programme.

The Board of Directors has previously targeted an average dividend pay-out ratio of approximately 35% of the consolidated net profit for the year defined in accordance with IFRS. Going forward, the Board of Directors aims to maintain a stable and then increasing nominal dividend per share, using the dividend for 2011 of DKK 5.50 per share as the reference point.

In addition and taking the above into account, the Board of Directors will, on an on-going basis, determine whether any surplus capital should effectively be distributed through share buyback programmes or as an extraordinary dividend in order to reach an optimal capital structure, which the Board of Directors, at this point in time, view as a NIBD/EBITDA ratio of 0-1x on 12 months rolling basis.

This policy and PANDORA's ability to distribute surplus capital to the shareholders will be dependent upon, amongst other things, the availability of sufficient distributable reserves, the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors may deem relevant.

Share buyback programme for 2013.

The Board of Directors of PANDORA has decided to launch a share buyback programme in 2013 (the "Programme"), under which PANDORA expects to buy back its own shares up to DKK 700 million. According to the decision made at the Extraordinary General Meeting held on 17 September 2010, PANDORA's Board is until 17 September 2015 authorised to acquire own shares on behalf of the Company with a total nominal value of up to 10 % of PANDORA's share capital (the "Authorisation"). The Programme will end no later than 31 December 2013. The purpose of the share buy-back is to reduce PANDORA's share capital and to meet obligations arising from employee share option programmes. The Board of Directors intends to propose to PANDORA's shareholders at the Annual General Meeting in 2014 that PANDORA's share capital be reduced by the shares purchased under the Programme. PANDORA may also use the shares purchased under the Programme to meet obligations arising from employee share option programmes. Deducting existing treasury shares (182,925), the net obligation at 31 December 2012 was 925,198 shares.

The Programme is being implemented in accordance with the provisions of the European Commission's regulation no. 2273/2003 of 22 December 2003 ("safe harbour"), which protects listed companies against violation of insider legislation in connection with share buybacks.

PANDORA has appointed Nordea Bank Danmark A/S ("Nordea") as Lead Manager of the Programme. Nordea will, under a separate agreement with the Company, buy back shares on behalf of PANDORA and make trading decisions in respect of PANDORA shares independently of and without influence from PANDORA.

PANDORA may terminate the Programme at any time. In the event such decision is taken, PANDORA shall give notice thereof, and Nordea shall consequently no longer be entitled to buy shares on behalf of PANDORA.

The majority shareholder, Prometheus Invest ApS, has undertaken to participate in the Programme on a pro rata basis, in order to secure that the current free float percentage is not reduced. The participation is planned so that Prometheus Invest ApS on each day of trading will sell a number of PANDORA shares at the volume weighted average purchase price of the shares purchased under the Programme in the market on the relevant day of trading.

The Programme will be implemented under the Authorisation and the following framework:

- The maximum total consideration for PANDORA shares bought back in the period of the Programme is DKK 700 million
- The Programme will end no later than 31 December 2013 and a maximum of 12,831,400 PANDORA shares will be bought under the Programme, which together with the Company's holding of treasury shares of 182,925 shares at the date of this announcement will equal 10% of the shares issued in PANDORA
- The maximum number of shares to be bought per daily market session will be the equivalent to 25% of the average daily volume of shares in the Company traded on NASDAQ OMX Copenhagen during the preceding 20 business days
- Shares cannot be purchased at prices higher than the two following prices:
 - a) The price of the latest independent trade
 - b) The price of the highest independent bid on NASDAQ OMX Copenhagen

On a weekly basis the Company will issue an announcement in respect of transactions made under the Programme.

CEO Bjørn Gulden, said:

“2012 was a year of re-setting the business. We started the year with two major initiatives: realigning the products and prices and improving the quality of stock with our retailers by replacing slow moving items with best sellers. After a difficult first half where we worked hard on implementing these initiatives, it is encouraging to see the positive developments in Q3 and Q4 2012.

The new innovative products at commercial prices launched in 2012 have sold in and out very well. The retailers have reacted very positively to our stock balancing programme and we can now see that their stock have improved, both in terms of quality and value compared to a year ago.

The sales-out has improved in all major markets and we are especially pleased to see the development in Australia and the UK. The US has continued to perform well. The German market has improved in sales-out but it will take more time and consistent execution until we improve our sales-in.

The Asian strategic review is continuing, the first result of this being that we have changed our distributor in Japan.

We are continuing to invest in new markets and have in 2012 seen a very positive development in markets like Russia, Italy and France.

The results achieved in 2012 is a confirmation of the strength of the PANDORA brand, our positioning in the segment for branded affordable luxury jewellery – as well as a solid verification of our highly cash generative business model. The latter is also the reason why the Board of Directors and Management feel comfortable with increasing our pay-out ratio significantly at the same time as we are initiating a share buyback programme up to DKK 700 million in order to pay back excess cash to our shareholders.”

ANNUAL REPORT 2012 AND Q4 FINANCIAL STATEMENT

A full version of PANDORA's Annual Report 2012 has been released today and is available for download in the investor section of www.pandoragroup.com.

Financial highlights for Q4 2012 are presented as an appendix to this release.

CONFERENCE CALL

A conference call for investors and financial analysts – hosted by CEO Bjørn Gulden and CFO Henrik Holmark – will be held today at 10.00 CET and can be accessed from our website: www.pandoragroup.com. The corresponding presentation will be available on the website one hour before the call.

The following numbers can be used by investors and analysts:

DK: +45 3272 7625

UK (International): +44 (0) 1452 555 566

US: +1 631 510 7498

To help ensure that the conference begins in a timely manner, please dial in 5 minutes prior to the scheduled starting time. Participants will have to quote confirmation code 97986776 when dialling into the conference.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and modern jewellery made from genuine materials at affordable prices. PANDORA jewellery is sold in more than 70 countries on six continents through over 10,300 points of sale, including approximately 900 Concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs over 6,000 people worldwide of whom 4,000 are located in Gemopolis, Thailand, where the company manufactures its jewellery. PANDORA is publicly listed on the NASDAQ OMX Copenhagen stock exchange in Denmark. In 2012, PANDORA's total revenue was DKK 6.7 billion (approximately EUR 893 million). For more information, please visit www.pandoragroup.com.

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APPENDIX – Q4 2012

FINANCIAL HIGHLIGHTS

DKK million	2012 Q4	2011 Q4	2012 Full year	2011 Full year
Income statement				
Revenue	2,174	1,952	6,652	6,658
Gross profit	1,403	1,420	4,429	4,860
EBITDA	534	524	1,658	2,281
Operating profit (EBIT)	486	475	1,475	2,058
Net financial income and expenses	40	145	4	311
Profit before tax	526	620	1,479	2,369
Net profit	421	555	1,202	2,037
Balance sheet				
Total assets	8,414	8,051	8,414	8,051
Invested capital	5,900	5,923	5,900	5,923
Net working capital excluding derivatives	1,277	1,327	1,277	1,327
Shareholders' equity	6,038	5,411	6,038	5,411
Net interest-bearing debt	-183	209	-183	209
Cash flow statement				
Net cash flow from operating activities	1,098	1,032	1,339	1,823
Net cash flow from investing activities	-84	-129	-231	-364
Free cash flow	1,030	930	1,151	1,670
Cash flow from financing activities	-947	-1,026	-943	-2,502
Net cash flow for the period	67	-123	165	-1,043
Ratios				
Revenue growth, %	11.4%	-15.0%	-0.1%	-0.1%
Gross Profit, growth %	-1.2%	-11.8%	-8.9%	2.9%
EBITDA growth, %	1.9%	-38.9%	-27.3%	-15.0%
EBIT growth, %	2.3%	-39.2%	-28.3%	-14.8%
Net profit growth, %	-24.1%	-10.3%	-41.0%	8.9%
Gross margin, %	64.5%	72.7%	66.6%	73.0%
EBITDA margin, %	24.6%	26.8%	24.9%	34.3%
EBIT margin, %	22.4%	24.3%	22.2%	30.9%
Tax rate, %	20.0%	10.5%	18.7%	14.0%
Cash conversion, %	244.7%	167.6%	95.8%	82.0%
Capex	105	130	276	269
Net interest-bearing debt to EBITDA *	-0.1	0.1	-0.1	0.1
Equity ratio, %	71.8%	67.2%	71.8%	67.2%
ROIC, % *	25.0%	34.7%	25.0%	34.7%
Other key figures				
Average number of employees	6,054	5,327	5,753	5,186
Dividend per share, DKK **	-	-	5.50	5.50
Earnings per share, basic	3.2	4.3	9.2	15.7
Share price at end of period	124.5	54.0	124.5	54.0

* Ratio is based on 12 months rolling EBITDA and EBIT respectively.

**Proposed dividend per share, DKK

Key figures and financial ratios are defined and calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2010". Please refer to note 25 in the Annual Report 2012.

HIGHLIGHTS IN Q4

GROUP REVENUE WAS DKK 2,174 MILLION. EBITDA MARGIN WAS 24.6%. NET PROFIT WAS DKK 421 MILLION.

- Group revenue increased by 11.4% in Q4 2012 (6.9% increase in local currency) to DKK 2,174 million compared to DKK 1,952 million in Q4 2011:
 - Americas increased by 6.3% (1.5% increase in local currency)
 - Europe increased by 24.0% (20.7% increase in local currency)
 - Asia Pacific decreased by 7.2% (13.4% decrease in local currency)
- Gross margin decreased to 64.5% in Q4 2012 (compared to a gross margin of 72.7% in Q4 2011) mainly impacted by increasing raw material prices
- EBITDA margin was 24.6% in Q4 2012 (compared to an EBITDA margin of 26.8% in Q4 2011), EBITDA increased by 1.9% to DKK 534 million
- EBIT margin was 22.4% in Q4 2012 (compared to an EBIT margin of 24.3% in Q4 2011), EBIT increased by 2.3% to DKK 486 million
- Reported net profit decreased by 24.1% to DKK 421 million in Q4 2012 (compared to a net profit of DKK 555 million in Q4 2011). Excluding the CWE earn-out provision adjustment based on a revised outlook for PANDORA CWE, Q4 2012 net profit increased by 8.8% to DKK 370 million (compared to an adjusted net profit of DKK 340 million)
- Free cash flow was DKK 1.030 million in Q4 2012 (compared to DKK 930 million in Q4 2011)

REVENUE DEVELOPMENT IN Q4 2012

Total revenue increased by 11.4% to DKK 2,174 million in Q4 2012 from DKK 1,952 million in Q4 2011. Revenue was positively impacted by the generation of a larger proportion of revenue in Owned & Operated stores (including online revenue), strong revenue development in the UK, Other Europe and Australia as well as a positive impact from currencies. Revenue was negatively affected by the development in Germany, delivery of Valentine's Day collection in Q1 2013 instead of historically in the fourth quarter and a provision for buying back inventory in connection with the change of distributor in Japan.

Excluding foreign exchange movements, revenue increased by 6.9% consisting of price decreases (-3.8 percentage point), volume (14.1 percentage point), market mix (1.3 percentage point) and mix effects (-4.7 Percentage point).

The geographical distribution of revenue in Q4 2012 was 43.2% for the Americas (45.2% in Q4 2011), 44.4% for Europe (39.9% in Q4 2011) and 12.4% for Asia Pacific (14.9% in Q4 2011).

Based on data from Concept stores, which have been operating for 12 months or more, like-for-like sales-out in PANDORAs four major markets have experienced a positive development in Q4 2012, which PANDORA believes is due to the success of new innovative products launched and generally better execution in stores during 2012.

REVENUE BREAKDOWN BY GEOGRAPHY

DKK million	Q4 2012	Q4 2011	% Change	% Change in local currency	Received Q4 2012*	Replaced Q4 2012*
Americas	939	883	6.3%	1.5%	-	10
United States	738	701	5.3%		-	8
Other	201	182	10.4%		-	2
Europe	966	779	24.0%	20.7%	-	-
United Kingdom	384	344	11.6%		-	-
Germany	154	184	-16.3%		-	-
Other	428	251	70.5%		-	-
Asia Pacific	269	290	-7.2%	-13.4%	-	-
Australia	243	210	15.7%		-	-
Other	26	80	-67.5%		-	-
Total	2,174	1,952	11.4%	6.9%	-	10

* Received means value of discontinued products returned to PANDORA in Q4 2012. Replaced means value of new products returned to retailers Q4 2012.

DKK million	FY 2012	FY 2011	% Growth	% Growth in local currency	Received FY 2012*	Replaced FY 2012*
Americas	3,312	3,144	5.3%	-2.5%	343	343
United States	2,579	2,537	1.7%		284	284
Other	733	607	20.8%		59	59
Europe	2,542	2,623	-3.1%	-5.0%	213	213
United Kingdom	869	951	-8.6%		79	79
Germany	469	638	-26.5%		28	28
Other	1,204	1,034	16.4%		106	106
Asia Pacific	798	891	-10.4%	-17.5%	53	53
Australia	618	656	-5.8%		44	44
Other	180	235	-23.4%		9	9
Total	6,652	6,658	-0.1%	-5.5%	609	609

* Received means value of discontinued products returned to PANDORA in 2012. Replaced means value of new products returned to retailers 2012.

On 21 February 2012, PANDORA initiated a one-off, time limited stock balancing campaign with the aim to improve the quality of the stock at its key retail partners. The campaign has now been successfully completed.

During Q4 2012 PANDORA received discontinued products with a wholesale value of DKK 0 million and, products worth DKK 10 million were replaced with new bestsellers. For 2012 the numbers totalled DKK 609 million and DKK 609 million, respectively.

In order to reduce the risk of slow moving excess stock at retailers going forward, PANDORA has implemented a number of initiatives. The more frequent and smaller drops of new product launches should reduce the risk related to excess stock at retail. Additionally, the ability to more closely monitor daily sales-out development at SKU level from Concept stores will provide earlier insight into non-performing items with a possibility to ensure a better balance between sales-in and sales-out and thereby reduce the risk of excess stock at retailers.

Going forward, when PANDORA discontinues products, two main avenues will be pursued in order to address discontinued stock at retailers. One is to introduce sales campaigns on discontinued items twice a year and to clear items through online as well as offline outlet channels. A second avenue is to take back discontinued stock from retailers and on an on-going basis to take a provision for returns of discontinued items in markets where returns of products from customers are customary. These options are applied differently in the various geographical regions.

Generally in the Americas, PANDORA currently takes back stock from retailers and are, starting in Q4 2012, actively announcing to retailers when items are discontinued. Other regions, as a general rule, pursue sales campaigns or clearance through outlet channels.

Based on the experience from promoting return policies towards retailers when conducting our stock balancing campaign in 2012 and the fact that PANDORA now actively communicate to retailers when products are discontinued, PANDORA has decided to provision DKK 416 million for returns (DKK 225 million in 2011) in the 2012 annual accounts (refer to note 21 in PANDORA Annual Report 2012), with a corresponding impact on gross margin. The revenue impact of the provision corresponds to 9% of Group revenue in 2012 compared to 5% in 2011.

AMERICAS

Revenue in Americas increased by 6.3% to DKK 939 million in Q4 2012 from DKK 883 million in Q4 2011. Excluding foreign exchange movements, the revenue increased by 1.5% compared to Q4 2011.

In the United States (accounting for 34.0% of Q4 2012 Group revenue) revenue was up 5.3% in Q4 2012 versus Q4 2011 (an increase of 0.8% measured in local currency).

Based on Concept stores, which have been operating for 12 months or more, like- for-like sales-out in the US increased by 6.9% in Q4 2012 compared to Q4 2011.

Concept stores like-for-like sales-out	Sales-out			
	Q4 2011 to Q4 2012	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012
US	6.9%	4.5%	3.0%	6.7%

Stores of same category open more than 12 months

Other Americas sales were up 10.4% and now constitute 9.3% of Group revenue, with Canada as the largest contributor.

During Q4 2012 the number of branded stores in the Americas increased by 67 stores (versus 137 branded stores in Q4 2011 and 81 branded stores in Q3 2012) to a total of 1,572 stores. Branded stores accounted for 48.5% of the total number of stores compared to 47.4% at the end of Q3 2012.

AMERICAS	Number of PoS Q4 2012	Number of PoS Q3 2012	Number of PoS Q4 2011	Delta Q4 2012 and Q3 2012	Delta Q4 2012 and Q4 2011
Concept stores ¹	285	273	212	12	73
Shop-in-Shops ²	518	500	431	18	87
Gold	769	732	705	37	64
Total branded	1,572	1,505	1,348	67	224
Total branded as % of Total	48.5%	47.4%	44.7%	1.1%	3.8%
Silver	1,124	1,119	1,126	5	-2
White and Travel Retail	546	548	543	-2	3
Total	3,242	3,172	3,017	70	225

¹ Includes 2 and 1 PANDORA-owned Concept stores at Q4 2012 and Q3 2012 respectively

² Includes 0 and 0 PANDORA-owned Shop-in-Shops at Q4 2012 and Q3 2012 respectively

EUROPE

In Europe, PANDORA experienced an increase in revenue of 24.0% (an increase of 20.7% in local currency) in Q4 2012 versus Q4 2011, driven by the UK and Other Europe.

Revenue in the UK, our largest single European market (accounting for 17.7% of Q4 2012 Group revenue) increased by 11.6% (5.0% increase measured in local currency).

Based on Concept stores which have been operating for 12 months or more, like-for-like sales-out in the UK increased by 12.3% in Q4 2012 compared to Q4 2011.

Concept stores like-for-like sales-out	Sales-out			
	Q4 2011 to Q4 2012	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012
UK	12.3%	0.9%	-4.0%	-15.6%

Stores of same category open more than 12 months

Revenue in Germany, PANDORA's second largest market in Europe (accounting for 7.1% of Q4 2012 Group revenue), decreased 16.3% in Q4 2012 compared to Q4 2011. While many initiatives have been activated in Germany and sales-out of Concept stores has improved, it will, as previously announced, take time before initiatives impact PANDORA's revenue.

Based on Concept stores, which have been operating for 12 months or more, like-for-like sales-out in Germany, increased by 4.5% in Q4 2012 compared to Q4 2011.

Concept stores like-for-like sales-out	Sales-out			
	Q4 2011 to Q4 2012	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012
Germany	4.5%	2.5%	8.9%	-1.8%

Stores of same category open more than 12 months

The category Other Europe increased by 70.5% in Q4 2012 compared to Q4 2011, positively affected by Russia, Spain and Italy.

During Q4 2012 the number of branded stores in Europe increased by 206 stores to a total of 2,409 stores, accounting for 37.0% of the total number of stores compared to 34.2% at the end of Q3 2012.

EUROPE	Number of PoS Q4 2012	Number of PoS Q3 2012	Number of PoS Q4 2011	Delta Q4 2012 and Q3 2012	Delta Q4 2012 and Q4 2011
Concept stores ¹	453	405	340	48	113
Shop-in-Shops ²	570	529	585	41	-15
Gold	1,386	1,269	959	117	427
Total branded	2,409	2,203	1,884	206	525
Total branded as % of Total	37.0%	34.2%	27.0%	2.8%	10.0%
Silver	1,873	1,741	1,456	132	417
White and Travel Retail	2,224	2,504	3,625	-280	-1,401
Total³	6,506	6,448	6,965	58	-459

¹ Includes 77 and 73 PANDORA-owned Concept stores at Q4 2012 and Q3 2012 respectively

² Includes 56 and 51 PANDORA-owned Shop-in-Shops at Q4 2012 and Q3 2012 respectively

³ Includes for Q4 2012 86 Concept stores, 151 Shop-in-Shops, 260 Gold, 219 Silver and 1,001 White stores respectively relating to 3rd party distributors

ASIA PACIFIC

In Asia Pacific, revenue decreased 7.2% in Q4 2012 compared to Q4 2011. Excluding currency movements, the underlying revenue in the region decreased by 13.4% year on year. Revenue development was positively impacted by strong performance in Australia but more than offset by a negative one-off effect from buying back inventory in connection with the change of distributor in Japan.

Reported revenue in Australia (accounting for 11.2% of Q4 2012 Group revenue) was up 15.7% year on year whereas revenue increased 7.9% in local currency. In Australia PANDORA experienced a positive trend in both sales-in and sales-out driven by changes to the distribution network as well as the success of new innovative products launched during 2012.

Based on Concept stores which have been operating for 12 months or more, like-for-like sales-out in Australia increased by 10.1% in Q4 2012 compared to Q4 2011.

Concept stores like-for-like sales-out	Sales-out			
	Q4 2011 to Q4 2012	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012
Australia	10.1%	-5.8%	-7.4%	-20.1%

Stores of same category open more than 12 months

In the category Other Asia Pacific, constituting 1.2% of total Group revenue, revenue was down by 67.5% in Q4 2012 compared to the same quarter last year.

PANDORA has terminated its arrangements with its former Japanese distributor, Vérité Co. Ltd. and simultaneously entered into an agreement with Bluebell Japan Limited.

The termination of the agreement with Vérité will initially lead to store closures in Japan in a transition period which had also lead PANDORA to provision for taking back inventory from Vérité Co. Ltd, worth DKK 38 million with a corresponding negative impact on the revenue line in Other Asia in Q4 2012.

Excluding this effect, Other Asia revenue decreased by 20.0% in Q4 2012 compared to Q4 2011, the decline is mainly explained by fewer store openings and weaker sales-in in Q4 2012 compared to Q4 2011.

ASIA PACIFIC	Number of PoS Q4 2012	Number of PoS Q3 2012	Number of PoS Q4 2011	Delta Q4 2012 and Q3 2012	Delta Q4 2012 and Q4 2011
Concept stores ¹	157	145	120	12	37
Shop-in-Shops ²	177	175	166	2	11
Gold	139	129	157	10	-18
Total branded	473	449	443	24	30
Total branded as % of Total	75.6%	74.8%	59.1%	0.8%	16.5%
Silver	76	75	116	1	-40
White and Travel Retail	77	76	191	1	-114
Total	626	600	750	26	-124

¹ Includes 33 and 32 PANDORA-owned Concept stores at Q4 2012 and Q3 2012 respectively

² Includes 0 and 0 PANDORA-owned Shop-in-Shops at Q4 2012 and Q3 2012 respectively

PANDORA SALES CHANNELS

Direct distribution accounted for 96.2% of revenue in Q4 2012 compared to 97.3% in Q4 2011. Branded sales in markets with direct distribution accounted for 82.3% in Q4 2012 (80.2% in Q4 2011). Concept stores accounted for 57.1% of the branded sales in Q4 2012 (59.5% in Q4 2011).

DKK million	Q4 2012	Q4 2011	Received Q4 2012*	Replaced Q4 2012*	Number of POS Q4 2012	Number of POS Q4 2011
Concept stores	982	906	-	1	809	604
Shop-in-Shops	382	390	-	4	1,114	1,036
Gold	357	227	-	1	2,034	1,612
Total Branded	1,721	1,523	-	6	3,957	3,252
Silver	186	207	-	3	2,854	2,515
White and Travel Retail	185	170	-	1	1,846	3,134
Total Unbranded	371	377	-	4	4,700	5,649
Total Direct	2,092	1,900	-	10	8,657	8,901
3rd party	82	52	-	-	1,717	1,831
Total	2,174	1,952	-	10	10,374	10,732

* Received means value of discontinued products returned to PANDORA in Q4 2012. Replaced means value of new products returned to retailers Q4 2012.

Branded stores in direct distribution markets accounted for 45.7% of the total number of stores at the end of Q4 2012 compared to 36.5% at the end of Q4 2011.

Total number of points of sale increased by 154 in Q4 2012 compared to Q3 2012 to a total of 10,374 globally. In the same period, PANDORA added a net total of 297 branded points of sale. Of these, 72 were Concept stores, 61 were Shop-in-Shops and 164 were Gold stores.

GROUP	Number of PoS Q4 2012	Number of PoS Q3 2012	Number of PoS Q4 2011	Delta Q4 2012 and Q3 2012	Delta Q4 2012 and Q4 2011
Concept stores ¹	895	823	672	72	223
Shop-in-Shops ²	1,265	1,204	1,182	61	83
Gold	2,294	2,130	1,821	164	473
Total branded	4,454	4,157	3,675	297	779
Total branded as % of Total	42.9%	40.7%	34.2%	2.2%	8.7%
Silver	3,073	2,935	2,698	138	375
White and Travel Retail	2,847	3,128	4,359	-281	-1,512
Total³	10,374	10,220	10,732	154	-358

¹ Includes 110 and 106 PANDORA-owned Concept stores at Q4 2012 and Q3 2012 respectively

² Includes 57 and 51 PANDORA-owned Shop-in-Shops at Q4 2012 and Q3 2012 respectively

³ Includes for Q4 2012 86 Concept stores, 151 Shop-in-Shops, 260 Gold, 219 Silver and 1,001 White stores respectively relating to 3rd party distributors

PRODUCT OFFERING

In Q4 2012 revenue from Charms increased by 15.1% compared to Q4 2011. Revenue from Silver and gold charms bracelets decreased by 0.7% compared to Q4 2011. The two categories represented 84.0% of total revenue in Q4 2012 compared to 83.3% in Q4 2011.

Rings increased by 18.4%, as a result of a more commercial offering compared to last year's assortment. Rings represented 6.2% of total revenue compared to 5.8% in Q4 2011. Other Jewellery decreased by 0.5%. Other Jewellery represented 9.8% of total revenue compared to 10.9% in Q4 2011.

Product mix DKK million	2012 Q4	2011 Q4	Change Q4 vs Q4	Share of total in %	Received Q4 2012*	Replaced Q4 2012*
Charms	1,557	1,353	15.1%	71.6%	-	4
Silver and gold charms bracelets	270	272	-0.7%	12.4%	-	4
Rings	135	114	18.4%	6.2%	-	1
Other jewellery	212	213	-0.5%	9.8%	-	1
Total	2,174	1,952	11.4%	100.0%	-	10

* Received means value of discontinued products returned to PANDORA in Q4 2012. Replaced means value of new products returned to retailers Q4 2012.

The average sales price per item in Q4 2012 has decreased to DKK 132 from DKK 136 in Q4 2011 mainly driven by lower price points on new product introductions and general price reductions during 2012 partially offset by positive currency movements.

NEW MARKETS

In Q4 2012, PANDORA has succeeded in opening 30 Concept stores in PANDORA's key new markets (Italy, France, Russia and Asia), bringing net openings to 80 in 2012.

	End of Q4 2012						Total	Net Openings	Net Openings
	Russia	China	Japan	Rest of Asia	France	Italy		Q4 2012	Q3 2012
Concept stores	69	24	4	47	12	13	169	30	16
Shop-in-Shops	12	18	16	42	30	8	126	12	9
Total	81	42	20	89	42	21	295	42	25

PANDORA's strategy in Russia, China and Japan is to primarily open branded stores - mainly Concept stores and Shop-in-Shops.

PANDORA's strategy in Italy is to utilise the large and well-established network of multi-brand jewellery retailers. In Italy, the Company was selling PANDORA products through 972 points of sale (13 Concept store, 8 Shop-in-Shops, 255 Gold stores, 313 Silver stores and 383 White stores) at the end of Q4 2012.

Our strategy in France is to upgrade the quality of our distribution network since we took over the distribution in France from our former 3rd party distributor on 1 July 2011, with a particular emphasis on department store Shop-in-Shops and Concept stores. In France, the Company was selling PANDORA products through 298 points of sale (12 Concept stores, 30 Shop-in-Shops, 13 Gold store, 136 Silver stores and 107 White stores) at the end of Q4 2012.

GROSS PROFIT AND GROSS MARGIN

Gross Margin Development				
2012	2012	2012	2012	2011
Q4	Q3	Q2	Q1	Q4
64.5%	64.1%	67.9%	71.6%	72.7%

Gross profit was DKK 1,403 million in Q4 2012 compared to DKK 1,420 million in Q4 2011, resulting in a gross margin of 64.5% in Q4 2012 compared to 72.7% in Q4 2011.

The average realised price for gold was 1,690 USD/oz and 31.62 USD/oz for silver in Q4 2012.

Compared with Q4 2011 the Q4 2012 gross margin was negatively impacted by increasing raw material prices (-7.1 percentage point), price changes (-1.1 percentage point), product and market mix (1.3 percentage point) and currencies (-1.3 percentage point). Product and market mix includes approximately a one percentage point negative impact on gross margin due to the expiration of the suspension of certain import duties of goods manufactured in Thailand under the U.S. Generalized System of Preferences program.

Compared with Q3 2012, the Q4 2012 gross margin increase is explained by increasing raw material prices (-1.4 percentage point), price changes (0.0 percentage point), product and market mix (-1.6 percentage point) and currencies (3.4 percentage point).

It is PANDORA's policy to hedge 100%, 80%, 60% and 40% of expected gold and silver consumption in the following four quarters. Our hedged prices for the following four quarters for gold are 1,677

USD/oz, 1,646 USD/oz, 1,753 USD/oz, 1,730 USD/oz and for silver 33.16 USD/oz, 30.78 USD/oz, 32.64 USD/oz and 31.94 USD/oz. However, current inventory means a delayed impact of these hedge prices on our cost of goods sold. The combined effect of the time lag from inventory and the 12-month rolling hedges effectively means that PANDORA is already hedged into H2 2013.

Excluding our hedging and the time lag effect from our inventory, the underlying gross margin would have been approximately 65.0% based on average gold (1,718 USD/oz) and silver (32.57 USD/oz) market prices in Q4 2012. Under the same assumptions, a 10% deviation in quarterly average gold and silver prices would impact our gross margin by approximately +/- 2-3 percentage points.

DISTRIBUTION EXPENSES

Distribution expenses were DKK 686 million in Q4 2012 compared to DKK 699 million in Q4 2011, representing 31.5% of revenue in Q4 2012 compared to 35.8% in Q4 2011.

Sales and distribution expenses increased to DKK 393 million in Q4 2012 from DKK 307 million in Q4 2011, representing 18.1% of revenue in Q4 2012 compared to 15.7% Q4 2011. The increase is mainly caused by entry into new markets as well as an increase in PANDORA-owned Concept stores and Shop-in-Shops in Q4 2012 compared to Q4 2011 (167 and 136, respectively).

Marketing expenses decreased to DKK 293 million in Q4 2012 from DKK 392 million in Q4 2011, corresponding to 13.4% of revenue in Q4 2012, compared to an unusually high level of 20.1% in Q4 2011.

ADMINISTRATIVE EXPENSES

Administrative expenses amounted to DKK 231 million in Q4 2012 versus DKK 246 million Q4 2011, representing 10.6% of revenue in Q4 2012, down from 12.6% of Q4 2011 revenue.

COST RATIOS

Cost Ratio (Including depreciations & amortisations*)

DKK million	2012	2012	2012	2012	2011
	Q4	Q3	Q2	Q1	Q4
Sales and distribution expenses	18.1%	16.0%	23.4%	20.1%	15.7%
Marketing expenses	13.4%	10.6%	13.6%	11.9%	20.1%
Administrative expenses	10.6%	11.7%	17.2%	14.9%	12.6%
Total Cost	42.1%	38.3%	54.2%	46.9%	48.4%

* Including gains/losses from sales of assets

Please note that the cost ratios for 2012 are affected by the negative impact on revenue from the stock balancing campaign.

EBITDA

EBITDA for Q4 2012 increased by 1.9% to DKK 534 million resulting in an EBITDA margin of 24.6%, down from 26.8% in Q4 2011.

Regional EBITDA margins for Q4 2012 before allocation of central costs were 36.0% in Americas (46.1% in Q4 2011), 26.8% in Europe (34.9% in Q4 2011) and 31.2% in Asia Pacific (33.4% in Q4 2011). Unallocated costs decreased to minus 6.8% in Q4 2012 compared to minus 12.9% in Q4 2011.

EBITDA margins in all regions are significantly affected by the lower gross margin reported in Q4 2012. The Americas region EBITDA margin is lower than last year, additionally affected by the expiration of the suspension of certain import duties of goods manufactured in Thailand under the U.S. Generalized System of Preferences program. The margin decrease in Europe is furthermore affected by the costs related to the development of direct operations in Italy and France. The decrease in EBITDA margin in Asia Pacific is impacted by the provision for inventory take back in Japan which is only partially offset by an increase in revenue in Australia.

EBITDA Margin	2012	2011	Q4 2012 vs
	Q4	Q4	Q4 2011 (% pts)
Americas	36.0%	46.1%	-10.1%
Europe	26.8%	34.9%	-8.1%
Asia Pacific	31.2%	33.4%	-2.2%
Unallocated costs	-6.8%	-12.9%	6.1%
Group EBITDA margin	24.6%	26.8%	-2.2%

EBIT

EBIT for Q4 2012 increased to DKK 486 million – an increase of 2.3% compared to the same quarter 2011, resulting in an EBIT margin of 22.4% for Q4 2012 versus 24.3% in Q4 2011.

NET FINANCIAL INCOME AND EXPENSES

Net financial income amounted to DKK 40 million in Q4 2012 against net financial income of DKK 145 million in Q4 2011.

Financial income is positively affected by DKK 51 million from adjustment of the CWE earn-out provision based on the revised outlook for PANDORA CWE. While the Italian market has developed positively compared to expectations, Germany, although showing positive signs, has not developed fully in accordance with expectations which impact the forecasted value of the earn-out liability related to CWE. Following this adjustment the balance sheet no longer includes a provision for the CWE earn-out.

INCOME TAX EXPENSES

Income tax expenses were DKK 105 million in Q4 2012, implying an effective tax rate of 20.0% for Q4 2012 compared to 10.5% for Q4 2011.

NET PROFIT

Net profit in Q4 2012 decreased by 24.1% to DKK 421 million from DKK 555 million in Q4 2011. Excluding the CWE earn-out provision adjustment, Q4 2012 net profit increased by 8.8% to DKK 370 million (compared to an adjusted net profit of DKK 340 million in Q4 2011).

LIQUIDITY AND CAPITAL RESOURCES

In Q4 2012, PANDORA generated free cash flow of DKK 1,030 million corresponding to a cash conversion of 244.7% compared to 167.6% in Q4 2011. The increase in cash conversion is driven by an improvement in our cash flow, primarily due to a reduction in inventory levels in Q4 2012.

Operating working capital (defined as inventory and accounts receivables less accounts payables) at the end of Q4 2012 was 30.7% of preceding twelve months revenue compared to 33.4% at the end of Q4 2011 and 42.5% at the end of Q3 2012.

Inventory decreased significantly to DKK 1,318 million at the end of Q4 2012 from DKK 1,609 million at the end of Q3 2012 and decreased by DKK 604 million versus Q3 2012. The significant decrease in inventory level from Q3 2012 to Q4 2012 can be explained by improved inventory management and remelting of obsolete inventory from the 2012 stock balancing campaign totalling DKK 135 million, which have countered the soaring gold and silver prices (increased approximately 20%).

Inventory Development	2012	2012	2012	2012	2011
	Q4	Q3	Q2	Q1	Q4
Inventory (DKK million)	1,318	1,922	1,925	1,668	1,609
% of last 12 mth revenue	19.8%	29.9%	31.0%	26.3%	24.2%

Trade receivables decreased to DKK 940 million in Q4 2012 (14.1% of preceding 12 month revenue) from DKK 982 million in Q3 2012 (15.3% of preceding 12 month revenue) due to seasonal effects and extended terms on Christmas orders in Q3 2012.

In Q4 2012, PANDORA invested a total of DKK 67 million in property, plant and equipment, approximately 3.1% of revenue. The increase in investments in Q4 2012 was related to our factory in Thailand moving forward investments in the Innovation & Design Centre at PANDORAs production facilities in Gemopolis, Thailand.

Total interest-bearing debt was DKK 158 million at the end of Q4 2012 (compared to DKK 385 million at the end of Q4 2011).

Cash and short-term deposits amounted to DKK 341 million at the end of Q4 2012 (compared to DKK 176 million at the end of Q4 2011).

Net interest-bearing debt at the end of Q4 2012 was DKK -183 million corresponding to -0.1 LTM EBITDA (compared to DKK 209 million at the end of Q4 2011 corresponding to 0.1 LTM EBITDA).

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have reviewed and approved the interim report of PANDORA A/S for the period 1 January – 31 December 2012.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the PANDORA Group's assets, liabilities and financial position at 31 December 2012, and of the results of the PANDORA Group's operations and cash flow for the period 1 January – 31 December 2012.

Further, in our opinion the Management's review (p. 1-17) gives a true and fair review of the development in the Group's operations and financial matters, the result of the PANDORA Group for the period and the financial position as a whole, and describes the significant risks and uncertainties pertaining to the Group.

Copenhagen, 26 February 2013

EXECUTIVE BOARD

Björn Gulden
Chief Executive Officer

Henrik Holmark
Chief Financial Officer

Sten Daugaard
Chief Development Officer

BOARD OF DIRECTORS

Allan Leighton
Chairman

Marcello V. Bottoli

Andrea Alvey

Anders Boyer-Søgaard

Christian Frigast

Torben Ballegaard Sørensen

Nikolaj Vejlsgaard

Ronica Wang

CONSOLIDATED INCOME STATEMENT

DKK million	Notes	2012 Q4	2011 Q4	2012 Full year	2011 Full year
Revenue	3	2,174	1,952	6,652	6,658
Cost of sales		-771	-532	-2,223	-1,798
Gross profit		1,403	1,420	4,429	4,860
Distribution expenses		-686	-699	-2,084	-2,053
Administrative expenses		-231	-246	-870	-749
Operating profit		486	475	1,475	2,058
Financial income		60	270	132	660
Financial expenses		-20	-125	-128	-349
Profit before tax		526	620	1,479	2,369
Income tax expenses		-105	-65	-277	-332
Net profit for the period		421	555	1,202	2,037

Attributable to:

Equity holders of PANDORA A/S	421	555	1,202	2,037
Net profit for the period	421	555	1,202	2,037

Earnings per share

Profit for the period attributable to ordinary equity holders of the parent, basic	3.2	4.3	9.2	15.7
Profit for the period attributable to ordinary equity holders of the parent, diluted	3.2	4.3	9.2	15.7

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

DKK million	2012 Q4	2011 Q4	2012 Full year	2011 Full year
Net profit for the period	421	555	1,202	2,037
Exchange differences on translation of foreign subsidiaries	-72	259	-65	247
Value adjustment of hedging instruments	-111	-192	203	-551
Income tax on other comprehensive income	-12	13	-18	13
Other comprehensive income, net of tax	-195	80	120	-291
Total comprehensive income for the period	226	635	1,322	1,746
Attributable to:				
Equity holders of PANDORA A/S	226	635	1,322	1,746
Total comprehensive income for the period	226	635	1,322	1,746

CONSOLIDATED BALANCE SHEET

DKK million	2012 31 December	2011 31 December
ASSETS		
Non-current assets		
Goodwill	1,922	1,928
Brand	1,053	1,053
Distribution network	331	336
Distribution rights	1,045	1,064
Other intangible assets	136	95
Property, plant and equipment	472	429
Deferred tax assets	190	209
Other non-current financial assets	26	34
Total non-current assets	5,175	5,148
Current assets		
Inventories	1,318	1,609
Trade receivables	940	900
Other receivables	502	177
Tax receivables	138	41
Cash and short-term deposits	341	176
Total current assets	3,239	2,903
Total assets	8,414	8,051
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	130	130
Share premium	1,248	1,248
Treasury shares	-38	-38
Foreign currency translation reserve	703	768
Hedge reserve	-51	-236
Other reserves	-	88
Proposed dividend	715	715
Retained earnings	3,331	2,736
Total shareholders' equity	6,038	5,411
Non-current liabilities		
Interest-bearing loans and borrowings	151	375
Provisions	7	64
Deferred tax liabilities	552	552
Other non-current liabilities	2	2
Total non-current liabilities	712	993
Current liabilities		
Interest-bearing loans and borrowings	7	10
Provisions	463	230
Trade payables	219	288
Income tax payables	283	344
Other payables	692	775
Total current liabilities	1,664	1,647
Total liabilities	2,376	2,640
Total equity and liabilities	8,414	8,051

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1 January - 31 December

DKK million	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Hedge reserve	Other reserves	Proposed dividend	Retained earnings	Total equity
Shareholders' equity at 1 January 2012	130	1,248	-38	768	-236	88	715	2,736	5,411
<i>Comprehensive income</i>									
Net profit for the period								1,202	1,202
Exchange differences on translation of foreign subsidiaries				-65					-65
Value adjustment of hedging instruments					203				203
Income tax on other comprehensive income					-18				-18
Other comprehensive income, net of tax				-65	185				120
Total comprehensive income for the period				-65	185			1,202	1,322
Transfer to retained earnings						-88		88	-
Sharebased payments								20	20
Dividend paid							-715		-715
Proposed dividend							715	-715	-
Shareholders' equity at 31 December 2012	130	1,248	-38	703	-51	-	715	3,331	6,038
Shareholders' equity at 1 January 2011	130	1,248	-38	521	302	88	650	1,414	4,315
<i>Comprehensive income</i>									
Net profit for the period								2,037	2,037
Exchange differences on translation of foreign subsidiaries				247					247
Value adjustment of hedging instruments					-551				-551
Income tax on other comprehensive income					13				13
Other comprehensive income, net of tax				247	-538				-291
Total comprehensive income for the period				247	-538			2,037	1,746
Dividend paid							-650		-650
Proposed dividend							715	-715	-
Shareholders' equity at 31 December 2011	130	1,248	-38	768	-236	88	715	2,736	5,411

CONSOLIDATED CASH FLOW STATEMENT

DKK million	2012 Q4	2011 Q4	2012 Full year	2011 Full year
Profit before tax	526	620	1,479	2,369
Financial income	-60	-270	-132	-660
Financial expenses	20	125	128	349
Amortisation/depreciation	44	49	180	221
Options	4	-14	20	-
Change in inventories	580	428	302	-310
Change in receivables	-65	154	-368	15
Change in trade payables	47	103	-67	43
Change in other liabilities	268	254	289	270
	1,364	1,449	1,831	2,297
Other non-cash adjustments	14	-38	-21	50
Interest etc. received	1	1	4	4
Interest etc. paid	-17	-28	-47	-99
Income tax paid	-264	-352	-428	-429
Cash flow from operating activities	1,098	1,032	1,339	1,823
Acquisition of subsidiaries, net of cash acquired	-	-	-	-116
Purchase of intangible assets	-38	-81	-109	-119
Purchase of property, plant and equipment	-67	-49	-167	-150
Change in other non-current assets	6	-6	9	-5
Proceeds from sale of property, plant and equipment	15	7	36	26
Cash flow from investing activities	-84	-129	-231	-364
Dividend paid	-	-	-715	-650
Dividend paid to non-controlling interests	-	-	-	-13
Proceeds from borrowings	-718	-1,025	3	537
Repayment of borrowings	-229	-1	-231	-2,376
Cash flow from financing activities	-947	-1,026	-943	-2,502
Net cash flow for the period	67	-123	165	-1,043
Cash and short-term deposits				
Cash and short-term deposits at beginning of period	276	292	176	1,224
Net exchange rate adjustment	-2	7	-	-5
Net cash flow for the period	67	-123	165	-1,043
Cash and short-term deposits at end of period	341	176	341	176
Unutilised credit facilities inclusive cash and cash equivalents	2,898	2,492	2,898	2,492

The above cannot be derived directly from the income statement and the balance sheet.

NOTES

NOTE 1 – Significant accounting estimates and judgements

In preparing the consolidated financial statements, management makes various accounting estimates and assumptions, which form the basis of presentation, recognition and measurement of PANDORAs assets and liabilities.

All significant accounting estimates and judgements are consistent with the description in the Annual Report for 2012. We refer to the description in note 1 of the consolidated financial statement in PANDORAs Annual Report for 2012.

NOTE 2 – Seasonality of operations

Due to the seasonal nature of the jewellery business, higher revenue are historically realised in the second half of the year.

NOTE 3 - Operating segment information

PANDORAs activities are segmented on the basis of geographical areas in accordance with management's reporting structure. In determining the reporting segments, a number of operating segments have been aggregated. All segments derive their revenues from the types of products shown in the product information provided below.

Management monitors the segment profit of the operating segments separately for the purpose of making decisions about resource allocation and performance management. Segment profit is measured consistently with the operating profit in the consolidated financial statements before non-current assets are amortised/depreciated (EBITDA).

NOTE 3 - Operating segment information

Q4 2012

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	939	966	269	-	2,174
Segment profit (EBITDA)	338	259	84	-147	534
Adjustments:					
Amortisation/depreciation					-44
Gain/loss from sale of non-current assets					-4
Consolidated operating profit					486

Q4 2011

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	883	779	290	-	1,952
Segment profit (EBITDA)	407	272	97	-252	524
Adjustments:					
Amortisation/depreciation					-49
Gain/loss from sale of non-current assets					-
Consolidated operating profit					475

Full year 2012

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	3,312	2,542	798	-	6,652
Segment profit (EBITDA)	1,415	595	191	-543	1,658
Adjustments:					
Amortisation/depreciation					-180
Gain/loss from sale of non-current assets					-3
Consolidated operating profit					1,475

Full year 2011

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	3,144	2,623	891	-	6,658
Segment profit (EBITDA)	1,620	913	325	-577	2,281
Adjustments:					
Amortisation/depreciation					-221
Gain/loss from sale of non-current assets					-2
Consolidated operating profit					2,058

NOTE 3 - Operating segment information, continued

Product information:

Revenue from external customers

DKK million	2012 Q4	2011 Q4	2012 Full year	2011 Full year
Charms	1,557	1,353	4,958	4,639
Silver and gold charms bracelets	270	272	846	786
Rings	135	114	427	401
Other jewellery	212	213	421	832
Revenue	2,174	1,952	6,652	6,658

Geographical information:

Revenue from external customers

DKK million	2012 Q4	2011 Q4	2012 Full year	2011 Full year
United States	738	701	2,579	2,537
Australia	243	210	618	656
United Kingdom	384	344	869	951
Germany	154	184	469	638
Other countries	655	513	2,117	1,876
Revenue	2,174	1,952	6,652	6,658

NOTE 4 - Contingent liabilities

PANDORA is a party to a number of minor legal proceedings, which are not expected to influence PANDORA's future earnings.

NOTE 5 – Related party transactions

Related parties of PANDORA with a controlling interest are the principal shareholder Prometheus Invest ApS (50.49% interest) and the ultimate parent, Axcel III K/S 2 (32.34% interest).

Related parties further comprise Axcel III K/S 2's other portfolio enterprises, as they are subject to the same controlling interests. There have not been any transactions with Axcel III K/S 2 or its portfolio enterprises during 2012 and 2011.

Related parties of PANDORA with significant interests include the Board of Directors and the Executive Board of the companies and their close family members. Furthermore, related parties include companies in which the aforementioned persons have control or significant interest. Except for compensation and benefits received as a result of the membership of the Board of Directors, employment with PANDORA or shareholdings in PANDORA, PANDORA has not undertaken any significant transactions with the Board of Directors and Executive Management. We refer to the description in note 23 of the consolidated financial statement in PANDORA's Annual Report for 2012.

There have been no other transactions than dividends between PANDORA and Prometheus Invest ApS during 2012 and 2011.

NOTE 6 – Accounting policies

The present unaudited interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' and accounting policies set out in the Annual Report 2011 of PANDORA. Furthermore, the interim financial report and Management's review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies. PANDORA has adopted all new, amended or revised accounting standards and interpretations ('IFRS') endorsed by the EU effective for the accounting period beginning on 1 January 2012. These IFRSs have not had any significant impact on the Group's interim financial report.

QUARTERLY OVERVIEW

QUARTERLY OVERVIEW

DKK million	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
Income statement					
Revenue	2,174	1,794	1,260	1,424	1,952
Gross Profit	1,403	1,150	856	1,020	1,420
EBITDA	534	503	220	401	524
Operating profit (EBIT)	486	463	173	353	475
Net financial income and expenses	40	1	-96	59	145
Profit before tax	526	464	77	412	620
Net profit	421	380	63	338	555
Balance sheet					
Total assets	8,414	8,967	8,358	8,129	8,051
Invested capital	5,900	6,632	6,220	5,938	5,923
Net working capital	1,277	2,037	1,630	1,400	1,327
Shareholders' equity	6,038	5,807	5,223	5,070	5,411
Net interest-bearing debt	-183	829	737	746	209
Cash flow statement					
Net Cash Flow from operating activities	1,098	-35	139	137	1,032
Net Cash Flow from investing activities	-84	-55	-70	-22	-129
Free Cash Flow	1,030	-88	91	118	930
Cash Flow from financing activities	-947	68	-5	-59	-1,026
Net Cash Flow for the period	67	-22	64	56	-123
Ratios					
Revenue growth, %	11.4%	14.3%	-9.5%	-18.4%	-15.0%
Gross profit growth, %	-1.2%	-0.4%	-17.3%	-18.4%	-11.8%
EBITDA growth, %	1.9%	-6.2%	-57.0%	-43.4%	-38.9%
EBIT growth, %	2.3%	-8.5%	-60.7%	-44.6%	-39.2%
Net profit growth, %	-24.1%	11.4%	-89.9%	-34.4%	-10.3%
Gross margin, %	64.5%	64.1%	67.9%	71.6%	72.7%
EBITDA margin, %	24.6%	28.0%	17.5%	28.2%	26.8%
EBIT margin, %	22.4%	25.8%	13.7%	24.8%	24.3%
Effective tax rate, %	20.0%	18.1%	18.2%	18.0%	10.5%
Cash conversion, %	244.7%	-23.2%	144.4%	34.9%	167.6%
Capex	105	70	80	21	130
Net interest-bearing debt to EBITDA *	-0.1	0.5	0.4	0.4	0.1
Equity ratio, %	71.8%	64.8%	62.5%	62.4%	67.2%
ROIC, % *	25.0%	22.1%	24.2%	29.9%	34.7%

* Ratio is based on 12 months rolling EBITDA and EBIT respectively.

Disclaimer

Certain statements in this company announcement constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and our anticipated or planned financial and operational performance. The words “targets,” “believes,” “expects,” “aims,” “intends,” “plans,” “seeks,” “will,” “may,” “might,” “anticipates,” “would,” “could,” “should,” “continues,” “estimate” or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements include, among other things, statements addressing matters such as our future results of operations; our financial condition; our working capital, cash flows and capital expenditures; and our business strategy, plans and objectives for future operations and events, including those relating to our ongoing operational and strategic reviews, expansion into new markets, future product launches, points of sale and production facilities; and

Although we believe that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: global and local economic conditions; changes in market trends and end-consumer preferences; fluctuations in the prices of raw materials, currency exchange rates, and interest rates; our plans or objectives for future operations or products, including our ability to introduce new jewellery and non-jewellery products; our ability to expand in existing and new markets and risks associated with doing business globally and, in particular, in emerging markets; competition from local, national and international companies in the United States, Australia, Germany, the United Kingdom and other markets in which we operate; the protection and strengthening of our intellectual property, including patents and trademarks; the future adequacy of our current warehousing, logistics and information technology operations; changes in Danish, E.U., Thai or other laws and regulation or any interpretation thereof, applicable to our business; increases to our effective tax rate or other harm to our business as a result of governmental review of our transfer pricing policies, conflicting taxation claims or changes in tax laws; and other factors referenced in this company announcement.

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, our actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

We do not intend, and do not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law or the rules of NASDAQ OMX Copenhagen. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this company announcement.