

INTERIM REPORT FOR Q1 2011

No. 27

COMPANY ANNOUNCEMENT

19 May 2011

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REVENUE GREW BY 41.0% DRIVEN BY GROWTH ACROSS ALL REGIONS AND JEWELLERY CATEGORIES. NET PROFIT WAS UP BY 90.7%.

- Revenue increased by 41.0% to DKK 1,745 million compared to DKK 1,238 million in Q1 2010
- Gross margin increased to 71.6% in Q1 2011 compared to an adjusted gross margin of 70.8% in Q1 2010
- EBITDA increased by 49.6% to DKK 709 million resulting in an EBITDA margin of 40.6% compared to an adjusted EBITDA margin of 42.3% in Q1 2010
- EBIT increased by 54.6% to DKK 637 million resulting in an EBIT margin of 36.5% compared to an adjusted EBIT margin of 37.3% in Q1 2010
- Net profit increased by 90.7% to DKK 515 million compared to a reported net profit of DKK 270 million in Q1 2010
- Free cash flow was DKK 476 million in Q1 2011 compared to DKK 212 million in Q1 2010

Mikkel Vendelin Olesen, PANDORA's Chief Executive Officer, said: "We experienced strong underlying growth in Q1 and implemented price increases in most markets to balance the impact of rising gold and silver prices. Our performance was based on a combination of good volume and product mix developments in existing and new stores across markets. We are particularly pleased with our continued ability to deliver superior margins in part as result of our combined hedging policy and inventory effect. We remain focused on delivering very strong growth by increasing penetration in existing markets, upgrading existing stores as well as developing new markets. Our updated financial outlook for 2011 remains unchanged."

ASSESSMENT OF MARKET CONDITION

Reaction to our price increases have varied across markets depending on timing of the price increase, the current consumer environment and the strength of the PANDORA brand in that market. Whilst the overall feedback from customers and consumers has been cautiously positive, in some markets we have seen a moderate slowdown in the immediate aftermath of price increases. In general, there is some impact on volumes in the 2- 4 months following a price increase, after which volumes gradually recover.

Performance in Americas, including our largest market - the US, and Asia continues to be in line with Q1 performance. Some European markets have seen a more moderate development with continued weakening of consumer confidence. In Germany and Australia price increases do not have effect until Q2 and we are therefore waiting to see the full impact of the price increases in these markets.

In Australia we maintain our strong market position.

Germany we see as an opportunity market, not a mature market. Our current performance is not satisfactory and we have taken steps managerially and in terms of trade and consumer interface to drive what we believe to be considerable long-term growth.

Network expansion in new markets such as Italy, Russia, China and Japan continue to be on track and we expect these markets

to contribute positively towards the group's overall performance.

Margin development is in line with year-end outlook as result of our anticipated volumes for 2011 being nearly fully hedged against gold and silver prices.

UNCHANGED FINANCIAL OUTLOOK FOR 2011

For 2011, PANDORA expects a revenue increase of no less than 30% and an EBITDA margin of minimum 40%. We also expect CAPEX to account for approximately 3% of total Group revenue and the effective tax rate to be approximately 18%.

CONFERENCE CALL

A conference call for investors and financial analysts will be held today at 11.00 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 32 72 76 25

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

US: +1 1631 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 68333533 when dialling into the conference.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and modern jewellery made from genuine materials at affordable prices. The PANDORA jewellery is sold in more than 55 countries on six continents through over 10,000 points of sale, including more than 450 PANDORA branded concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs over 5,000 people worldwide of whom 3,600 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 2010, PANDORA's total revenue was DKK 6.7 billion (approximately EUR 895 million). For more information, please visit www.pandoragroup.com

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