UPDATE ON FINANCIAL EXPECTATIONS FOR 2011

August 02 2011

PANDORA
UNFORGETTABLE MOMENTS

DISCLAIMER

This presentation contains forward-looking statements that reflect PANDORA's expectations with respect to certain future events and potential financial performance.

Although reasonable care has been taken in the preparation of such forward looking statements, we can give no assurance that such expectations will prove to be correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors many of which are beyond PANDORA's control.

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REVENUE AND PROFITABILITY DETERIORATION DRIVEN BY FIVE KEY FACTORS

Weak sales-out figures	• Sharply impacted by cumulative price increases of 2010 and 2011 • Suboptimal price and product architecture • Consumers becoming more value conscious and some general softening in consumer spending
Weak sales-in figures	• Combination of sales-out slow down • Already high PANDORA inventory • Some trade destocking
Openings and upgrades significantly behind plan	• Significantly below plan in upgrades and openings • Poor execution on upgrades in certain markets • Fewer upgrades and openings in Q2 compared to Q1 2011
Weak sales, marketing and operational execution	• Underestimated the cumulative effect of price increases on revenue • Lacked “fitness for purpose” sales and marketing programme • Recent collections weak in sales through, too many products, poor price architecture, not enough entry point priced products
Slow to attack emerging markets	• Behind plan in emerging market roll-out • Plan not aggressive enough

ACTION PLAN TO IMPROVE CURRENT PERFORMANCE

Immediate operational actions	• No further price increases anticipated in 2011 and 2012 • Review of future collections to ensure right sizing of assortment and price points • Concrete plans in place to deliver 190 new concept stores in 2011 • Absolute focus on in-store space management in existing stores • Adjusting recommended retail prices on around 60 key items to provide better entry prices • "Fitness for purpose" sales and marketing programmes • Developing a more aggressive emerging markets programme
Interim CEO 60 day look	• Interim CEO Marcello Bottoli will head an in-depth review into the operational sales and marketing approach of the Company
Strategic review	• The Chairman and the interim CEO will lead a strategic review of the Company using external consultants, to test or confirm certain elements of our strategy • The objective would be to come back to investors towards year end with the conclusions on all of the above

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CHANGE IN FINANCIAL OUTLOOK FOR 2011

FINANCIAL OUTLOOK

Given our sharp revenue deterioration in late Q2 and the worsening of trading conditions in July, we downgrade our expectations for the current year:

- Our guidance has changed from expecting a revenue growth of no less than 30% for 2011 and an EBITDA margin of minimum 40% to revenue in 2011 in line with 2010 and EBITDA margins in the low thirties for 2011

- We expect CAPEX to amount to approximately DKK 230 million and the effective tax rate to be approximately 18%

KEY FINANCIALS Q2 2011

REVENUE GROWTH Y/Y

	Q2 2011	Q1 2011
Revenue DKK	3.6%	41.0%
Revenue LC	10.2%	37.3%

MARGINS

	Q2 2011	Q1 2011
Gross Margin	74.4%	71.6%
EBITDA Margin	36.8%	40.6%
EBIT Margin	31.6%	36.5%

CHANGE IN EBITDA AND NET PROFIT Y/Y

	Q2 2011	Q1 2011
EBITDA	(6.2%)	49.6%
Net Profit	56.1%	90.7%
Adj. Net Profit[1]	(17.7%)	90.7%

FCF AND RETURN ON INVESTED CAPITAL

	Q2 2011	Q1 2011
Cash Conversion	36.3%	92.4%
Adj. Cash Conversion[1]	68.8%	92.4%
ROIC	45.1%	47.0%

1 Adjusted for revaluation of CWE earn-out provision of DKK 296 million in Q2 2011

WEAK SALES PERFORMANCE ACROSS ALL MAJOR MARKETS

REVENUE BREAKDOWN BY GEOGRAPHY (DKKm)

	Q2-2011	Q1-2011	Q2-2010	% growth	% LC growth[1]
Americas	**724**	**782**	**623**	**16.2%**	**30.2%**
US	545	677	549	(0.7%)	12,1%
Other	179	105	74	141.9%	
Europe	**483**	**743**	**548**	**(11.9%)**	**(10.9%)**
UK	166	219	191	(13.1%)	(10,2%)
Germany	119	162	149	(20.1%)	(20,1%)
Other	198	362	208	(4.8%)	
Asia Pacific	**185**	**220**	**172**	**7.6%**	**5.2%**
Australia	134	174	157	(14.6%)	(19,9%)
Other	51	46	15	240.0%	
Total	**1,392**	**1,745**	**1,343**	**3.6%**	**10.2%**

COMMENTS

- All our four major markets US, UK, Germany and Australia representing in aggregate 69.2% of Group revenue, experienced a sharp drop-off in revenue in late Q2, resulting in negative DKK growth in Q2 2011 against Q2 2010
- Reported Q2 revenue in DKK were affected by the significant weakening of USD and GBP and the strong appreciation of AUD over the past year
- Our largest market US saw y/y growth of 12.1% in USD versus -0.7% in DKK
- Australia continued its declining trend with AUD revenue down 19.9% y/y versus a 14.6% decline in DKK
- UK revenue dropped 10.2% in GBP y/y compared to 13.1% in DKK
- Germany saw a revenue decline of 20.1% in Q2 2011 y/y

[1] Growth in local currency. Revenue in Q2 2011 is adjusted for the exchange rate development.

BOTH SALES-OUT DECLINE AND DESTOCKING IN CONCEPT STORES

LIKE FOR LIKE CONCEPT STORES – SALES-IN / SALES-OUT DEVELOPMENT

	Sales-in Q1 10 to Q1 11	Sales-in Q2 10 to Q2 11	Sales-out Q1 10 to Q1 11	Sales-out Q2 10 to Q2 11
US	33.7%	35.6%	31.6%	18.9%
UK	(7.4%)	(28.1%)	10.2%	(0.3%)
Germany	(36.7%)	(32.1%)	(18.2%)	(7.2%)
Australia	(14.1%)	(17.4%)	(12.6%)	(15.8%)

COMMENTS

- In the US, we have experienced a worsening in the balance between sales-in and sales-out in Q2 2011
- In the UK, we have seen a marked decrease in sales-in compared to sales-out in both Q1 and Q2 as retailers have returned slow moving products in exchange for fast movers
- In Germany, our sales-in has been negatively affected both by declining sales-out rates and retailer destocking
- In Australia, we have experienced a sharp decline in sales-out figures, reflecting challenging trading conditions, including discounting. Our sales-in has reflected this development in final demand

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WEAK SALES PERFORMANCE DRIVEN PRIMARILY BY OUR CHARMS AND CHARMS BRACELET BUSINESS

PRODUCT MIX (DKKm)

	Q2-2011	Q1-2011	Q2-2010	% growth
Charms	995	1,251	960	3.6%
Silver and gold charms bracelets	132	220	156	(15.4%)
Rings	89	102	75	18.7%
Other jewellery	176	172	152	15.8%
Total	**1,392**	**1,745**	**1,343**	**3.6%**

VOLUME INDEX (Q1 2010 = 100)

	Q1-2010	Q2-2010	Q3-2010	Q4-2010	Q1-2011	Q2-2011
Charms	100	100	130	159	112	89
Silver and gold charms bracelets	100	89	132	127	109	65
Rings	100	216	322	330	225	225
Other jewellery	100	76	108	138	108	70
Total	**100**	**98**	**130**	**157**	**113**	**87**

COMMENTS

- Our low revenue growth in Q2 is primarily caused by a sharp deterioration in our charms and charms bracelet business
- This sales deterioration in late Q2 has occurred across all major markets, with the US as the single largest contributor
- Key contributors to Q2's weak charms and charms bracelet sales have been our relatively high price points combined with a lack of sales campaigns and promotions as well as too few new product introductions in the entry price segment

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SIGNIFICANT SHORTFALL IN UPGRADES AND NEW ACCOUNTS

BRANDED STORES - NET OPENINGS IN H1 2011

	Net openings Q1	Net openings Q2	Actual vs Plan H1
Concept stores	30	42	62.6%
Shop-in-shops	28	25	33.8%
Gold	99	(17)	20.9%
Total branded	**157**	**50**	
Silver	84	152	76.6%
White	(469)	(218)	211.4%
Total unbranded	**(385)**	**(66)**	
Total	**(228)**	**(16)**	

COMMENTS

- Net stores openings in H1 were significantly behind plan in both new and existing markets
- There was a shortfall in all categories compared to plan, except for White stores
- In Q2, we had fewer upgrades and openings of branded stores compared to Q1, primarily as result of Gold store closes and regrading
- Net openings of concept stores increased to 42 in Q2, up from 30 in Q1
- The fewer than expected upgrades can largely be attributed to poor execution in certain of our markets

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AVERAGE SALES PRICE UP SIGNIFICANTLY

AVERAGE SALES PRICES (LOCAL CURRENCIES)

	Q2-2011	Q1-2011	Index Q2 2011 vs Q1 2011	Q2-2010	Index Q2 2011 vs Q2 2010	Q4-2009	Index Q2 2011 vs Q4 2009
US	24	23	107	21	117	17	140
UK	16	17	90	14	112	13	118
Germany	17	20	86	17	99	NM[1]	NM[1]
Australia	34	27	129	28	124	27	126

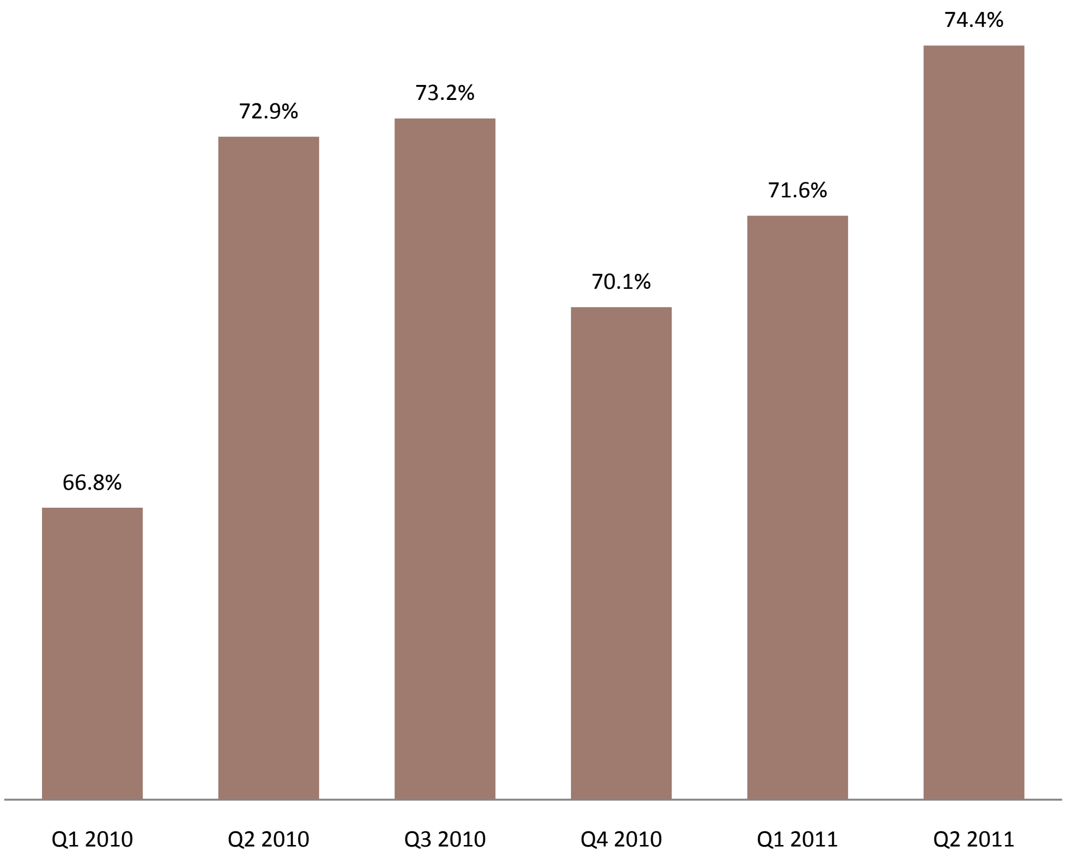
COMMENTS

- Cumulative average sales prices have increased significantly since the beginning of 2010
- The main contributor to this has been our 2010 and 2011 price increases
- It is now clear that this cumulative effect is adversely impacting our volumes. As a result, we do not anticipate putting through further price increases in 2011 and 2012

[1] NM = Not meaningful due to Germany being a 3rd party distributor up to January 1st 2010

GROSS MARGINS UP

GROSS MARGIN DEVELOPMENT



COMMENTS

- In Q2, our gross margin increased to 74.4% mainly due to price increases and gains on hedging on gold and silver prices
- Excluding hedging gains and the time lag from our inventory, the Q2 gross margin would have been approx. 65%. This is based on gold and silver prices of 1,525 US/oz and 38 US/oz respectively. Under the same assumptions, a 10% deviation in quarterly average gold and silver prices would impact our gross margin by approximately 2.5 percentage points
- The average realised price for gold was 1,349 USD/oz and 23.71 USD/oz for silver in Q2 2011. Our hedged prices for the following four quarters for gold is 1,378 USD/oz, 1,418 USD/oz, 1,482 USD/oz, 1,542 USD/oz and for silver 26.57 USD/oz, 30.15 USD/oz, 35.54 USD/oz and 34.31 USD/oz

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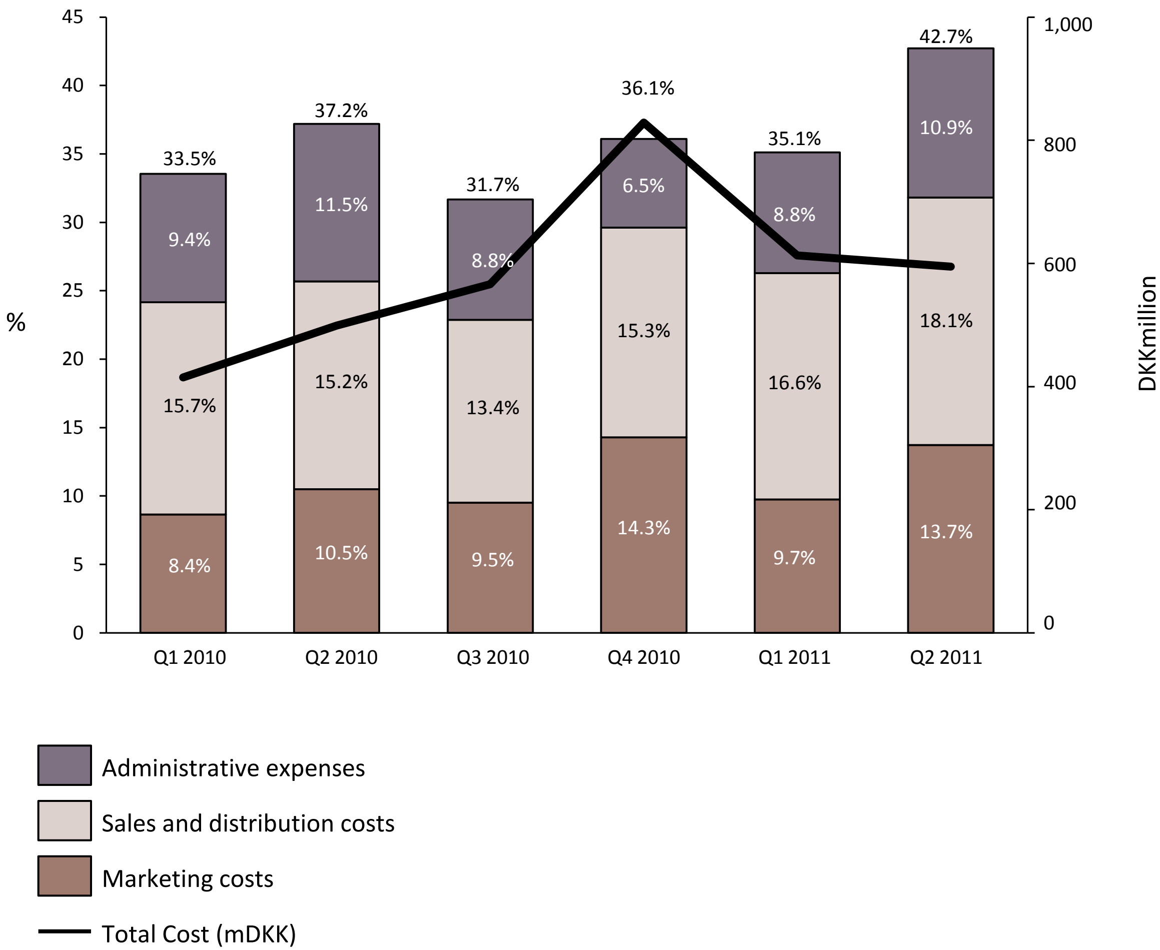
REVENUE SHORTFALL LEADS TO HIGHER OPEX PERCENTAGE

COST RATIO (INCLUDING D&A)



COMMENTS

- Absolute Group OPEX in Q2 was slightly down on Q1 2011
- The cost ratio has shown a large increase in Q2 to 42.7%, up from 35.1% in Q1 2011 and 37.2% in Q2 2010
- A major driver of the increased cost ratio in Q2 versus Q1 2011 is the low revenue level recorded in Q2
- In the US, the cost ratio was 20.9% in Q2, down from 21.3% in Q2 last year
- UK is our most cost efficient organisation with a cost ratio of 18.7% in Q2, down from 22.0% a year ago
- PANDORA CWE had the highest cost ratio at 79.6% (excl. amortisation of distribution rights) in Q2, up from 41.1% in Q2 last year, driven by a significant cost increase in combination with lower revenue
- Australia has reduced its cost base over the past year, however this has not been enough to off-set declining revenues, resulting in an increased cost ratio at 43.8% in Q2 compared to 37.4% Q2 last year

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EBITDA MARGINS DOWN AS A RESULT OF SHARP REVENUE SHORTFALL

EBITDA MARGIN

	Q2 2011	Q1 2011	Q2 2011 vs Q1 2011 (% pts)	Q2 2010	Q2 2011 vs Q2 2010 (% pts)
Americas	55.9%	51.4%	4.5%	53.6%	2.3%
Europe	25.5%	44.5%	(19.0%)	42.0%	(16.5%)
Asia Pacific	33.5%	42.7%	(9.2%)	41.3%	(7.8%)
Unallocated costs[1]	(5.6%)	(6.8%)	1.2%	(6.6%)	1.0%
Group EBITDA margin	**36.8%**	**40.6%**	**(3.8%)**	**40.7%**	**(3.9%)**

COMMENTS

- In Q2 2011, the EBITDA margin was 36.8%, down from 40.6% in Q1 2011 and 40.7 % in Q2 2010
- Americas remains our most profitable region with a margin of 55.9%, an improvement compared to both Q1 2011 and Q2 2010
- Europe and Asia Pacific have experienced sharp margin contractions in Q2 2011, mainly as a result of declining revenues, and already too high OPEX
- In Europe, the margin decline is primarily related to Germany, Italy and 3rd party distributor markets.
- PANDORA CWE had negative EBITDA margin in Q2 2011
- In Asia Pacific, the margin fall is mainly caused by a declining margin in Australia

[1] Unallocated costs includes HQ costs, central marketing and administration cost in Thailand

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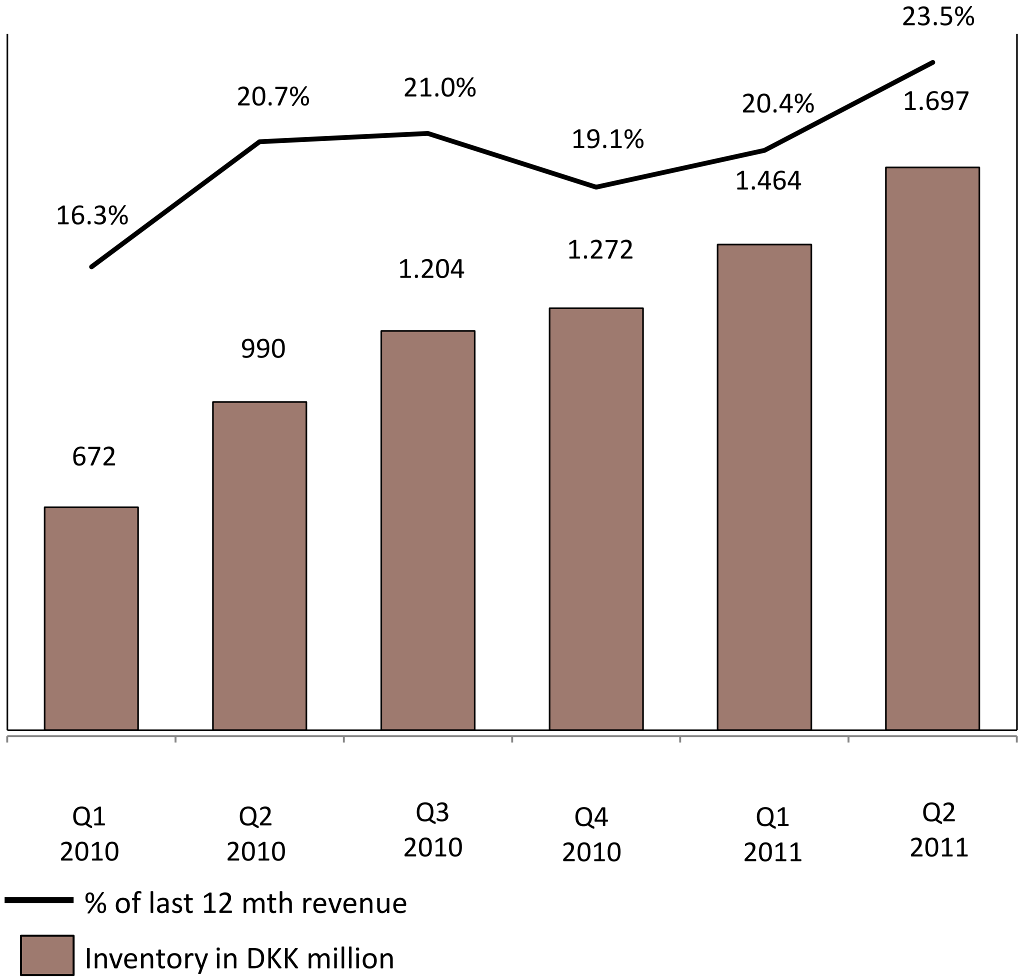
INVENTORY TOO HIGH

INVENTORY DEVELOPMENT



COMMENTS

- Inventory as a percentage of revenue increased from 20.7% in Q2 2010 and 20.4% in Q1 2011 to 23.5% in Q2 2011
- Compared to Q2 2010, the increased inventory is driven by soaring gold and silver prices and, to a lesser extent, our failure to adjust our production to the lower revenue
- The reasons behind the increased inventory percentage compared to Q1 2011 can be broken down into four factors: increased gold and silver prices, lower than expected Q2 2011 revenue, not adjusting production output accordingly, and an increase in inventory of Point of Sales materials (fixture, print, packaging), resulting from timing and delay in our store roll-out plan

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QUESTIONS AND ANSWERS

APPENDIX

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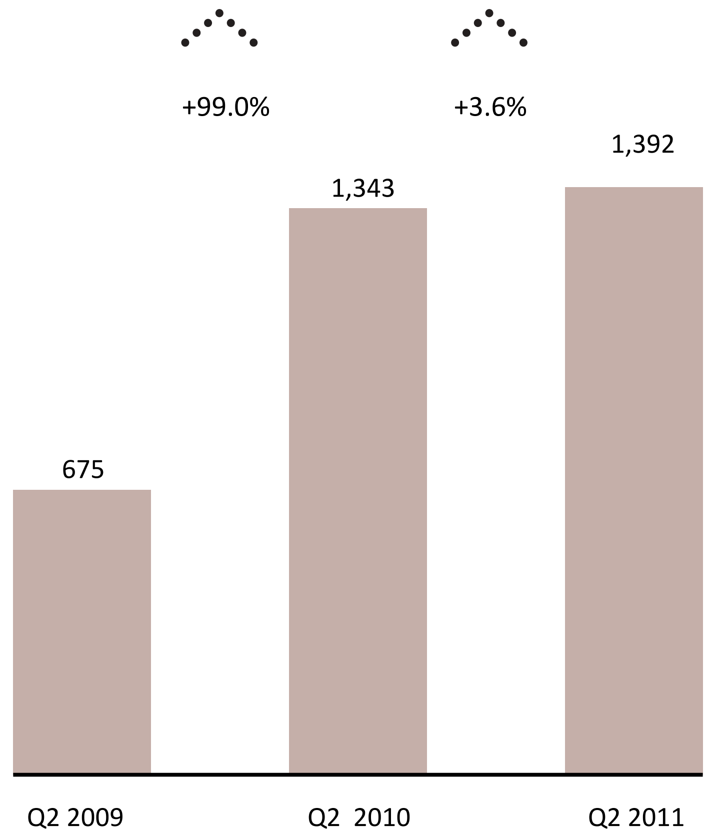
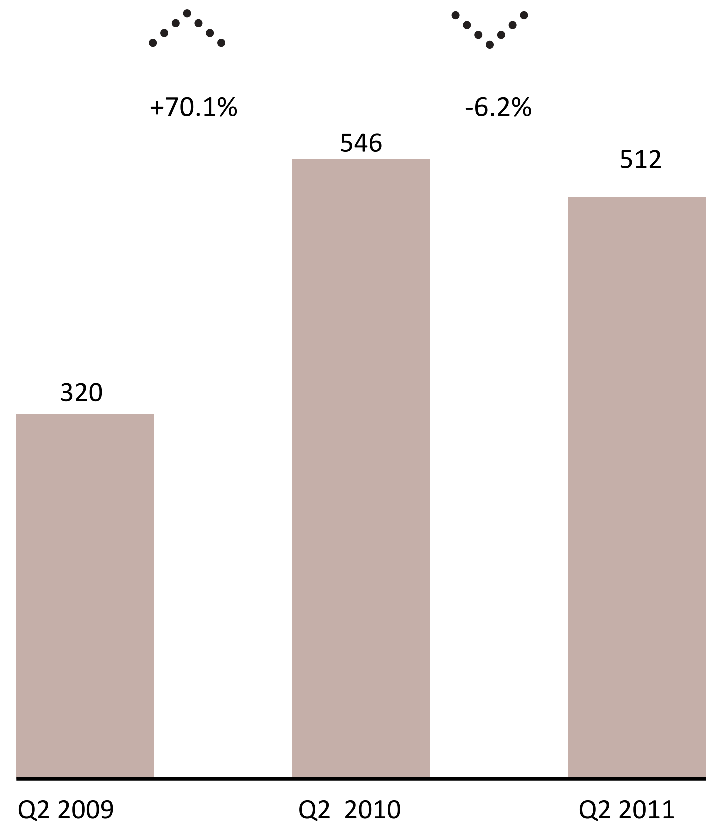
FINANCIAL DEVELOPMENT

REVENUE (DKKm)



EBITDA (DKKm)



Note: PANDORA A/S was a dormant company prior to March 2008 and consolidated financials are only available for 2008 (10 months only) and 2009. During the period shown, the group underwent structural changes including establishing direct distribution in the UK in January 2009, the acquisition of the Australian distributor in July 2009 and the acquisition of the German distributor in January 2010

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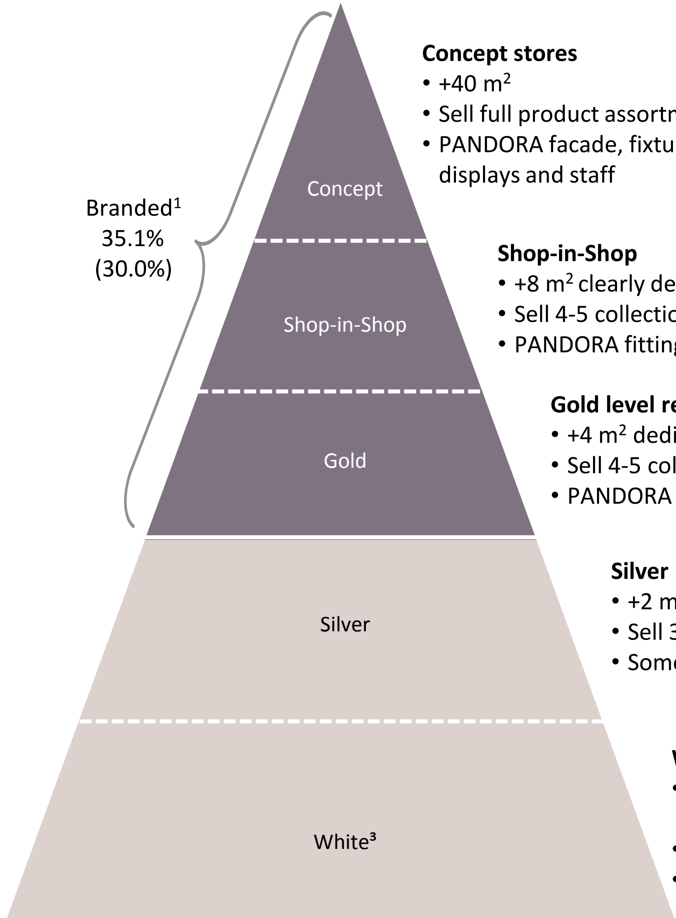
MOVING TO BRANDED DISTRIBUTION



Concept stores
- +40 m²
- Sell full product assortment
- PANDORA facade, fixtures, displays and staff

Shop-in-Shop
- +8 m² clearly defined area in store
- Sell 4-5 collections
- PANDORA fittings and displays

Gold level retailers
- +4 m² dedicated space in store
- Sell 4-5 collections
- PANDORA fittings and displays

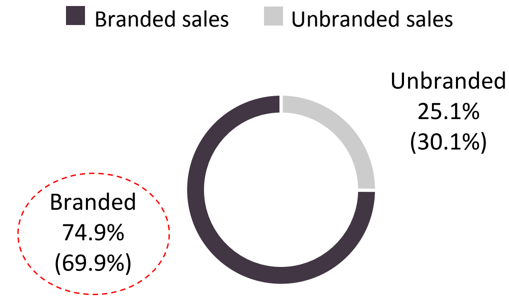
Mono-brand

Silver level retailers
- +2 m² space
- Sell 3 collections
- Some fittings and displays

White level retailers
- Window space at minimum
- Sell 1-3 collections
- Basic PANDORA displays

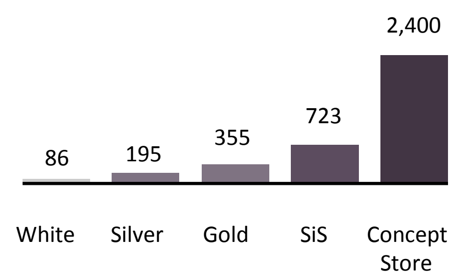
Multi-brand

REVENUE SPLIT BY CHANNEL[1]



Total DKK 1,296m

REVENUE PER POS BY CHANNEL H1 2011 (DKK'000)²



¹) Based on direct distribution only.
²) Calculated as revenue for the period divided by the average number PoS at the beginning and end of the period, excluding revenue from third party distributors and PoS served by third party distributors
³) Including travel retail

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FOCUS ON BRANDED SALES CHANNELS – CONTINUED UPGRADING OF OUR EXISTING CLIENT BASE AND OPENING OF NEW STORES

	Americas		Europe		Asia Pacific		Total	
No. of stores	Q2 2011[4]	Q2 2010[4]	Q2 2011[4]	Q2 2010[4]	Q2 2011[4]	Q2 2010[4]	Q2 2011[4]	Q2 2010[4]
Concept stores	160	90	258	135	75	37	493	262
Shop-in-Shop	346	198	535	409	130	118	1,011	725
Gold	607	625	845	681	153	159	1,605	1,465
Total branded	**1,113**	**913**	**1,638**	**1,225**	**358**	**314**	**3,109**	**2,452**
Silver	1,105	995	1,490	1,124	99	98	2,694	2,217
White	541	621	3,816	4,276	214	356	4,571	5,253
Total[5]	**2,759**	**2,529**	**6,944**	**6,625**	**671**	**768**	**10,374**	**9,922**

	Q2 2010[4] No. of stores	Q1 2011[4] No. of stores	Q2 2011[4] No. of stores	% of total	Delta Q2 2011[4] vs. Q1 2011[4]	Delta Q2 2010[4] vs. Q1 2010[4]
Concept stores[1]	262	451	493	4.8%	42	22
Shop-in-Shop[2]	725	986	1,011	9.7%	25	102
Gold	1,465	1,622	1,605	15.5%	(17)	57
Total branded	**2,452**	**3,059**	**3,109**	**30.0%**	**50**	**181**
Silver	2,217	2,542	2,694	26.0%	152	113
White[3]	5,253	4,789	4,571	44.0%	(218)	(304)
Total[5]	**9,922**	**10,390**	**10,374**	**100.0%**	**(16)**	**(10)**

[1] Includes 57, 58 and 61 PANDORA-owned Concept stores at year end 2010, Q1 2011 and Q2 2011 respectively. [2] Includes 35 , 37 and 41 PANDORA-owned shop-in-shops at year end 2010 , Q1 2011 and Q2 2011 respectively. [3] Includes airline retailing. [4] End of period. [5] Includes for Q2 2011 48 Concept stores, 140 Shop-in-Shops, 130 Gold, 313 Silver and 1,796 White stores respectively relating to 3rd party distributors.

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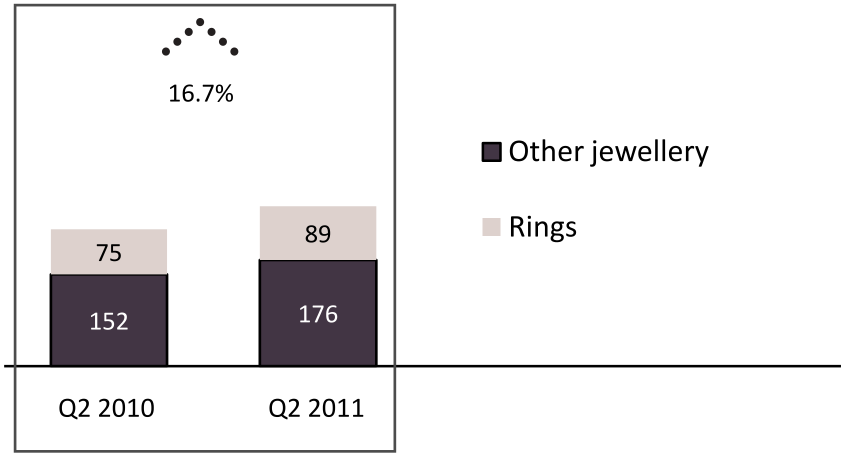
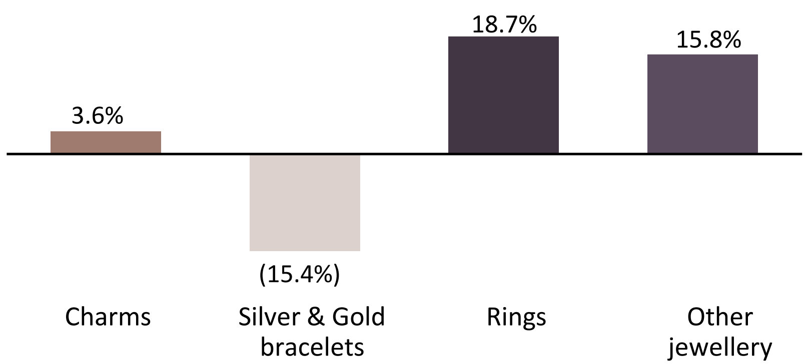
CAPITALISE ON OUR PRODUCT OFFERING

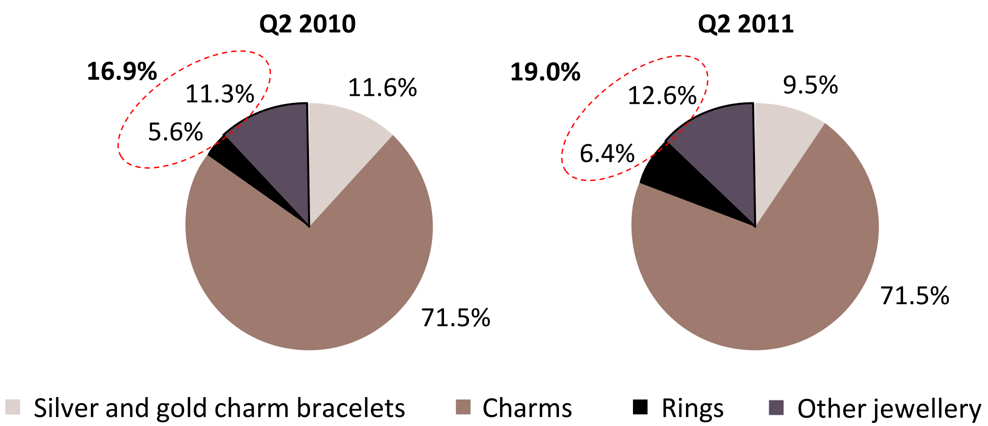
RINGS AND OTHER JEWELLERY REVENUES (DKKm)



REVENUE GROWTH BY PRODUCT TYPE Q2 2010 vs. Q2 2011



DEVELOPMENT OF REVENUE OF OTHER JEWELLERY COLLECTIONS



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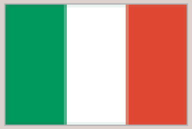
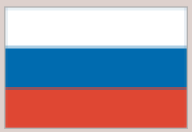
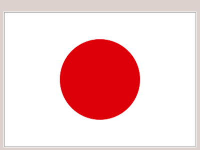
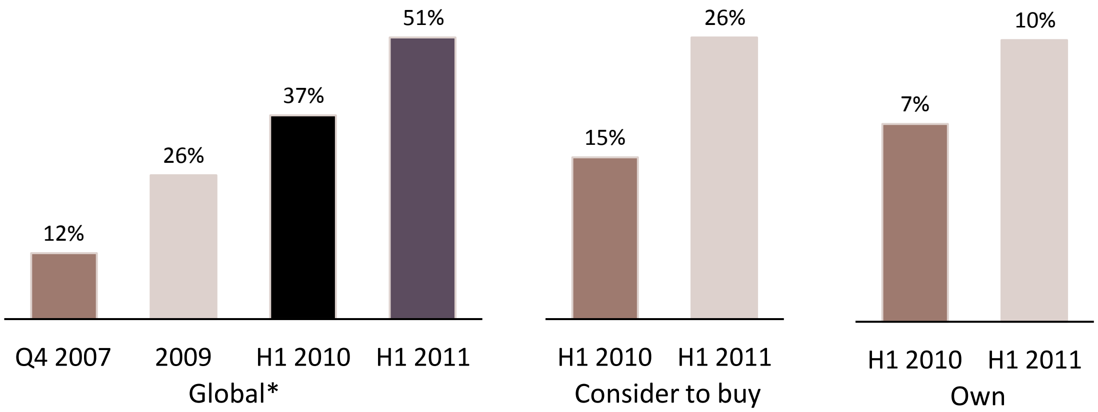
TAILORED APPROACH TO NEW MARKETS – UPDATE ON ENTRY INTO NEW MAJOR KEY MARKETS

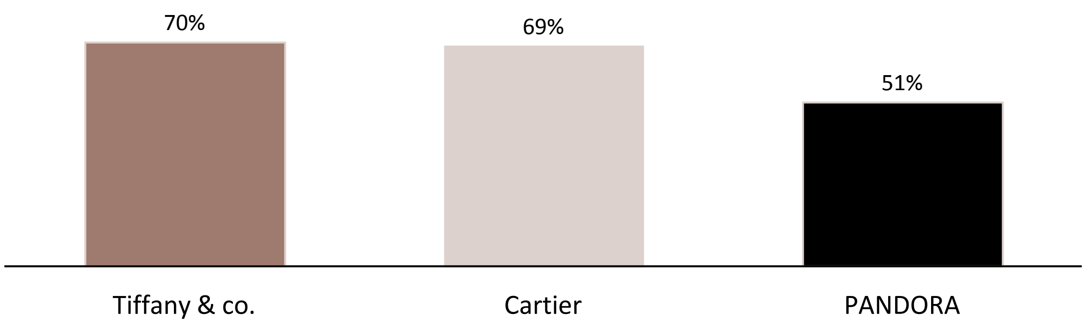
COUNTRY	ENTRY STRATEGY	UPDATE
 ITALY	• Penetrating independent, multi-brand retailers • Selected use of Concept stores and Shop-in-shops in key locations	• By the end of Q2 2011, we sell PANDORA products through 1 Concept store, 13 Shop-in-shops, 9 Gold stores, 78 Silver stores and 585 White stores. • At the end of 2011, PANDORA expects to be close to 1,000 points of sale in Italy
 RUSSIA	• Roll-out of Concept stores and Shop-in-shops via master franchise based on a cluster strategy with initial focus on Moscow and St. Petersburg	• 6 Concept stores were opened in 2010 and 7 Concept stores and 1 Shop-in-shop in H1 2011. • At the end of 2011, PANDORA expects to have more than 30 branded stores in Russia. Our strategy in Russia is to open branded stores only – primarily concept stores and shop-in-shops
 CHINA	• Roll-out of concept stores and Shop-in-shops • Roll out into China via third-party distributors	• Expansion into China and other surrounding Asian countries • Expansion into China will initially focus around key cities such as Beijing, Shanghai, Guangzhou and Hangzhou and PANDORA now has 3 Concept stores and 2 Shop-in-shops. • At the end of 2011, PANDORA expects to have more than 15 branded stores in China on key locations. Our strategy in China is to open branded stores only
 JAPAN	• Entry via third-party distributor • Roll-out of primarily Concept stores and Shop-in-shops	• Commercial presence was established during first half of 2011, with a key city strategy anchoring the initial PANDORA stores in Tokyo, Osaka and Kobe. PANDORA now has 1 Concept store and 2 Shop-in-shops. • At the end of 2011, PANDORA expects to have more than 15 branded stores in Japan. Our strategy in Japan is to open branded stores only

BUILD A GLOBAL BRAND – OUR BRAND AWARENESS IS GROWING RAPIDLY IN OUR TARGET GROUP (WOMEN AGED 25-49)

AIDED BRAND AWARENESS, CONSIDER TO BUY AND PENETRATION



AIDED BRAND AWARENESS IN KEY MARKETS H1 2011[1]



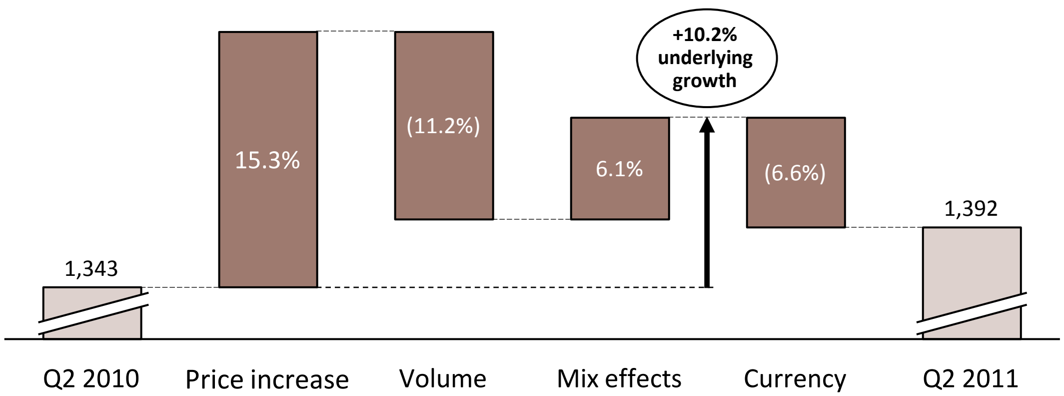
COMMENTS

- Create a differentiated and segmented marketing strategy that takes into account the size and maturity of each individual market
- Increase the aided and unaided awareness of the PANDORA Brand, utilizing our physical presence, media investments and social media.
- Continue to strengthen and align the PANDORA brand values
- Convert awareness into transaction, and browsers into buyers
- Loyalty - create long lasting relationships with our customers and deepen this relationship. Primarily driven by digital relationships (e.g. social media, PANDORA Club)

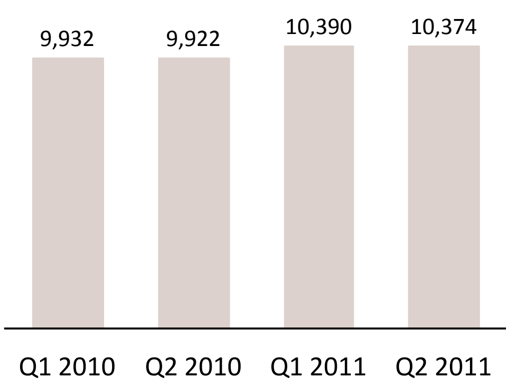
Note: Based on brand tracking analysis carried out by Gfk (2007 and 2009) and IUM (2010 and 2011) among women aged 25-49. Between 1,000 and 2,000 web interviews per country.
*8 markets 2007 - 2010 = US, UK, Germany, Australia, Spain, Portugal, Netherlands & Denmark. 20 markets 2011 = 8 markets + Canada, Ireland (incl. Northern Ireland), Austria, Belgium, Switzerland, France, Poland, Italy, Russia (only Moscow and St. Petersburg), New Zealand, Sweden and Norway.
1) 20 markets 2011 = 8 markets + Canada, Ireland (incl. Northern Ireland), Austria, Belgium, Switzerland, France, Poland, Italy, Russia (only Moscow and St. Petersburg), New Zealand, Sweden and Norway.

REVENUE DEVELOPMENT IN Q2 2011

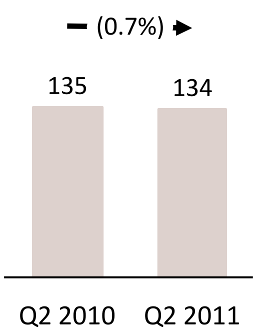
REVENUE (DKKm)



PoS (END OF PERIOD)



REVENUE[1] PER PoS



COMMENTS

- Revenue growth of 3.6% in Q2 2011 compared to Q2 2010.
- Excluding FX movements, the underlying revenue growth was 10.2% of which; 15.3% was due to price increases, -11.2% was due to volume and 6.1% was due to mix effects

[1] Revenue per PoS in DKK '000s; Ratios calculated based on the average of PoS between the beginning and the end of the period

PANDORA UNFORGETTABLE MOMENTS

AMERICAS AND EUROPE TOGETHER CONSTITUTE MORE THAN 86% OF TOTAL REVENUE

REVENUE BREAKDOWN BY GEOGRAPHY (DKKm)

	Q2-2010	% of total	Q2-2011	% of total	% growth	% LC growth[1]	2009	2010	% of total	% growth
Americas	**623**	**46.4%**	**724**	**52.1%**	**16.2%**	**30.2%**	**1,558**	**2,914**	**43.7%**	**87.0%**
US	549	40.9%	545	39.2%	(0.7%)		1,459	2,518	37.8%	72.6%
Other	74	5.5%	179	12.9%	141.9%		99	396	5.9%	300.0%
Europe	**548**	**40.8%**	**483**	**34.6%**	**(11.9%)**	**(10.9%)**	**1,207**	**2,859**	**42.9%**	**136.9%**
UK	191	14.2%	166	11.9%	(13.1%)		472	995	14.9%	110.8%
Germany	149	11.1%	119	8.5%	(20.1%)		348	679	10.2%	95.1%
Other	208	15.5%	198	14.2%	(4.8%)		387	1,185	17.8%	206.2%
Asia Pacific	**172**	**12.8%**	**185**	**13.3%**	**7.6%**	**5.2%**	**696**	**893**	**13.4%**	**28.3%**
Australia	157	11.7%	134	9.6%	(14.6%)		649	786	11.8%	21.1%
Other	15	1.1%	51	3.7%	240.0%		47	107	1.6%	127.7%
Total	**1,343**	**100.0%**	**1,392**	**100.0%**	**3.6%**	**10.2%**	**3,461**	**6,666**	**100.0%**	**92.6%**

[1] Growth in local currency. Revenue in Q2 2011 is adjusted for the exchange rate development.

PANDORA
UNFORGETTABLE MOMENTS

GROSS MARGIN

GROSS PROFIT (DKKm) AND GROSS MARGIN (%)

	Q2 2010	Q2 2011	2009	2010
Gross Profit	979	1,035	2,471	4,725
Gross Margin %	72.9%	74.4%	71.4%	70.9%
Adjustments				
Unrealised losses/(gains) on Commodity Derivatives			(20)	
Reversal of Internal Profit on Inventory from Australia			66	
Reversal of Internal Profit on Inventory from former Dutch Distributor			8	
IPO Salary bonus production				10
Reversal of Internal Profit on Inventory from CWE				50
Adj. Gross Profit	979	1,035	2,525	4,785
Adj. Gross Margin	**72.9%**	**74.4%**	**73.0%**	**71.8%**

COMMENTS

- Gross profit was DKK 1,035 million in Q2 2011 compared to DKK 979 million in Q2 2010, resulting in a gross margin of 74.4% in Q2 2011 compared to 72.9% in Q2 2010
- The gross margin was positively affected by global price increases and negatively affected by increasing raw material prices

PANDORA
UNFORGETTABLE MOMENTS

EBITDA MARGIN

EBITDA , EBIT (DKKm) AND MARGIN (%)

	Q2 2010	Q2 2011	2009	2010
Gross margin				
% of revenue	72.9%	74.4%	71.4%	70.9%
DKKm	979	1,035	2,471	4,725
Distribution costs				
% of revenue	25.7%	31.9%	21.5%	26.1%
DKKm	345	443	743	1,733
Of which marketing costs				
% of Revenue	10.5%	13.7%	8.3%	11.1%
DKKm	141	191	288	743
Administrative costs				
% of revenue	11.5%	10.9%	8.8%	8.6%
DKKm	154	152	304	576
EBIT				
% of revenue	35.7%	31.6%	41.1%	36.2%
DKKm	480	440	1,424	2,416
D&A[1]	66	72	148	268
EBITDA	546	512	1,572	2,684
% of revenue	40.7%	36.8%	45.4%	40.3%
Adj. EBITDA[2]	546	512	1,673	2,825
% of revenue	40.7%	36.8%	48.3%	42.4%

COMMENTS

- Distribution expenses increased to DKK 443 million in Q2 2011 from DKK 345 million in Q2 2010, representing 31.9% of revenue in Q2 2011 compared to 25.7% in Q2 2010. Finally, in Q2 2011, marketing costs amounted to DKK 191 million corresponding to 13.7% of revenue, compared to 10.5% in Q2 2010
- As in Q2 2010, distribution costs in Q2 2011 were negatively affected by DKK 46 million from amortisation of acquired distribution rights in PANDORA CWE. These distribution rights were fully amortised by 30 June 2011
- Administrative expenses amounted to DKK 152 million in Q2 2011 versus DKK 154 million Q2 2010, representing 10.9% down from 11.5% of Q2 2011 and Q2 2010 revenue, respectively

1 Reflecting adjustments to gross margin illustrated on the previous page + DKK 81m relating to one-off IPO salary bonus in 2009
2 Including gains/losses from sale of assets

EBITDA MARGINS ACROSS GEOGRAPHICAL REGIONS

EBITDA BY GEOGRAPHY (DKKm)

	Q2 2010	% of total	Q2 2011	% of total	2009	% of total	2010	% of total
Americas	334	61.2%	405	79.1%	792	50.4%	1,479	55.1%
Europe	230	42.1%	123	24.0%	642	40.8%	1,282	47.8%
Asia Pacific	71	13.0%	62	12.1%	404	25.7%	402	15.0%
Unallocated costs[1]	(89)	(16.3%)	(78)	(15.2%)	(266)	(16.9%)	(479)	(17.9%)
Total	**546**	**100.0%**	**512**	**100.0%**	**1,572**	**100.0%**	**2,684**	**100.0%**

EBITDA MARGIN BY GEOGRAPHY (%)

	Q2 2010	Q2 2011	Change (% pts)	2009	2010	Change (% pts)
Americas	53.6%	55.9%	2.3%	50.8%	50.8%	0.0%
Europe	42.0%	25.5%	(16.5%)	53.2%	44.8%	NM
Asia Pacific	41.3%	33.5%	(7.8%)	58.0%	45.0%	NM
Unallocated costs[1]	(6.6%)	(5.6%)	1.0%	(7.7%)	(7.2%)	0.5%
Group EBITDA margin	**40.7%**	**36.8%**	**(3.9%)**	**45.4%**	**40.3%**	**NM**

[1] Unallocated costs includes HQ costs, central marketing and administration costs in Thailand

PANDORA
UNFORGETTABLE MOMENTS

NET INTEREST, INCOME TAX AND MINORITY INTERESTS

INTEREST, TAX AND MINORITIES (DKKm)

DKKm	Q2 2010	Q2 2011	2009	2010
EBIT	480	**440**	**1,424**	**2,416**
Financial expenses	(8)	(56)	(279)	(218)
Financial income	17	321	44	54
Profit before tax ***Adjusted Profit before tax***	**489**	**705** ***409***	**1,189**	**2,252**
Income tax expenses	(88)	(79)	(184)	(381)
Effective tax rate *Adjusted Effective tax rate*	18.0%	11.2% *19.3%*	15.5%	16.9%
Group net profit ***Adjusted Group net profit***	**401**	**626** ***330***	**1,005**	**1,871**
Minority interests	-	-	(35)	(25)
Net profit attributable to shareholders ***Adjusted Net profit attributable to shareholders***	**401**	**626** ***330***	**970**	**1,846**

COMMENTS

- Net profit in Q2 2011 increased by 56.1% to DKK 626 million from DKK 401 million in Q2 2010. Adjusted for the CWE earn-out revaluation, net profit in Q2 2011 decreased with 17.7% to DKK 330 million compared with Q2 2010
- The Q2 2011 tax rate of 11.2% is based on expected tax rate for 2011
- Full year tax rate expected to be 18%

WORKING CAPITAL

WORKING CAPITAL

DKKm	Q2 2010	Q1 2011	Q2 2011
Inventory	990	1,464	1,697
Trade receivables	555	678	630
Trade payables	152	221	175
Operating working capital	**1,393**	**1,921**	**2,152**
% of revenue[1]	*29.1%*	*26.8%*	*29.8%*
Other receivables	271	639	362
Tax receivables	50	72	70
Provisions[4]	133	89	125
Income tax payable	244	474	545
Other payables	257	408	373
Net working capital before derivatives	**1,080**	**1,661**	**1,541**
% of revenue[1]	*22.6%*	*23.2%*	*21.3%*
Derivatives	(23)	(369)	(79)
Net working capital after derivatives	**1,057**	**1,292**	**1,462**
% of revenue[1]	*22.1%*	*18.0%*	*20.2%*
Free cash flow	**229**	**476**	**227**
Cash conversion[2]	**57.1%**	**92.4%**	**36.3%**
Adjusted cash conversion[2]	***57.1%***	***92.4%***	***68.8%***
ROIC[3]	**31.2%**	**47.0%**	**45.1%**

COMMENTS

- Operating working capital (defined as inventory and accounts receivables less accounts payables) at the end of Q2 2011 was 29.8% of preceding twelve months revenue compared to 29.1% at the end of Q2 2010. The increase is driven by increased inventory offset by significantly improved performance on account receivables.
- Inventory increased to DKK 1,697 million at the end of Q2 2011 from DKK 990 million at the end of Q2 2010. The increased inventory percentage can be explained by soaring gold and silver prices and, to a lesser extent, our failure to adjust our production to the lower than expected revenue
- In Q2 2011, PANDORA generated a free cash flow of DKK 227 million corresponding to a cash conversion of 36.3% (adjusted for CWE earn-out 68.8%) compared to 57.1% in Q2 2010

[1] % of revenue in relation to last twelve months' revenue. DKK 7,222m for the period ended 30 June 2011
[2] Calculated as free cash flow / net profit
[3] Calculated as last 12 months' EBIT / Invested capital (at end of period)
[4] Excluding earn-out

INCOME STATEMENT

(DKKm)	FY 2010	Q2 2010	Q2 2011
Revenue	**6,666**	**1,343**	**1,392**
Cost of sales	1,941	364	357
% of sales	*29.1%*	*27.1%*	*25.6%*
Gross profit	**4,725**	**979**	**1,035**
% margin	*70.9%*	*72.9%*	*74.4%*
Distribution costs	1,733	345	443
% of sales	*26.1%*	*25.7%*	*31.9%*
Administrative expenses	576	154	152
% of sales	*8.6%*	*11.5%*	*10.9%*
Operating profit	**2,416**	**480**	**440**
% margin	*36.2%*	*35.7%*	*31.6%*
EBITDA	**2,684**	**546**	**512**
% margin	*40.3%*	*40.7%*	*36.8%*
Financial income	54	17	321
Financial expenses	(218)	(8)	(56)
Profit before tax	**2,252**	**489**	**705**
Adjusted Profit before tax	***2,252***	***489***	***409***
Income tax expense	381	88	79
Effective tax rate	*16.9%*	*18.0%*	*11.2%*
Net profit	**1,871**	**401**	**626**
% margin	*28.1%*	*29.9%*	*45.0%*
Adjusted net profit	***1,871***	***401***	***330***
Adjusted % margin	*28.1%*	*29.9%*	*23.7%*

PANDORA
UNFORGETTABLE MOMENTS

SEGMENT INFORMATION

DKKm	FY 2010	Q2 2010	Q2 2011
Revenue			
Americas	**2,914**	**623**	**724**
United States	2,518	549	545
Other	396	74	179
Europe	**2,859**	**548**	**483**
United Kingdom	995	191	166
Germany	679	149	119
Other	1,185	208	198
Asia Pacific	**893**	**172**	**185**
Australia	786	157	134
Other	107	15	51
Total	**6,666**	**1,343**	**1,392**
EBITDA			
Americas	1,479	334	405
Europe[2]	1,282	230	123
Asia Pacific	402	71	62
Unallocated costs	(479)	(89)	(78)
Total	**2,684**	**546**	**512**

PANDORA
UNFORGETTABLE MOMENTS

BALANCE SHEET

(DKKm)	FY 2010	Q2 2010	Q2 2011
Non-current assets			
PP&E	374	291	365
Intangibles	4,451	4,537	4,290
Other	174	129	236
Non-current assets	**4,999**	**4,957**	**4,891**
Current assets			
Inventory	1,272	990	1,697
Other (excl. cash)	1,464	876	1,062
Current assets (excl. cash)	**2,736**	**1,866**	**2,759**
Total assets (excl. cash)	**7,735**	**6,823**	**7,650**
Current liabilities			
Trade payables	245	152	175
Accruals & other payables	837	501	918
Other (excl. debt)	76	113	112
Current liabilities (excl. debt)	**1,158**	**766**	**1,205**
Non-current liabilities			
Deferred tax liability	606	621	589
Other (excl. debt)	536	20	265
Non-current liabilities (excl. debt)	**1,142**	**641**	**854**
Net assets (excl. net debt)	**5,435**	**5,416**	**5,591**

PANDORA
UNFORGETTABLE MOMENTS

CASH FLOW STATEMENT

(DKKm)	FY 2010	Q2 2010	Q2 2011
Net cash flows from operating activities	1,316	260	255
Net cash flows used in investing activities	(304)	(122)	(40)
Net cash flows from financing activities	(644)	(263)	(592)
Net increase in cash and cash equivalents	**368**	**(125)**	**(377)**

PANDORA
UNFORGETTABLE MOMENTS

QUARTERLY KEY FINANCIALS

DKKm	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010	Q1 2011	Q2 2011
Income statement												
Revenue	587	675	825	1,374	3,461	1,238	1,343	1,788	2,297	6,666	1,745	1,392
Gross Profit	454	458	546	1,013	2,471	827	979	1,309	1,610	4,725	1,250	1,035
EBITDA	334	320	309	609	1,572	474	546	807	857	2,684	709	512
Operating profit (EBIT)	323	309	251	541	1,424	412	480	743	781	2,416	637	440
Net financial income and expenses	(69)	(32)	(68)	(66)	(235)	(83)	9	(34)	(56)	(164)	(9)	265
Profit before tax	254	277	183	475	1,189	329	489	709	725	2,252	628	705
Net profit	215	232	153	405	1,005	270	401	581	619	1,871	515	626
Balance sheet												
Total assets	4,525	4,691	5,250	5,816	5,816	6,373	7,001	7,727	8,959	8,959	8,335	7,854
Invested capital	3,156	3,070	3,588	3,799	3,799	4,871	5,393	5,737	5,659	5,659	5,618	5,764
Net working capital[1]	247	229	430	520	520	680	1,057	1,514	1,266	1,266	1,292	1,462
Shareholders' equity	724	899	1,175	1,648	1,648	1,512	2,997	3,391	4,315	4,315	4,740	4,439
Net borrowings	2,432	2,171	2,413	2,151	2,151	2,060	1,950	2,021	1,102	1,102	705	1,144
Net borrowings excl. subordinated loan from parent company	1,105	804	1,046	751	751	2,060	1,950	2,021	1,102	1,102	705	1,144
Cash flow												
Cash inflow from operating activities	260	296	142	368	1,066	56	260	49	951	1,316	455	255
Cash outflow from investing activities	(12)	(14)	(123)	(58)	(207)	(29)	(122)	(45)	(108)	(304)	(135)	(40)
Free cash flow	289	339	142	374	1,144	212	229	30	917	1,388	476	227
Cash outflow/inflow from financing activities	(100)	(57)	(74)	(112)	(343)	(600)	(263)	136	83	(644)	(947)	(592)
Net increase in cash and cash equivalents	148	225	(55)	198	516	(573)	(125)	140	926	368	(627)	(377)

[1] Net of derivatives

PANDORA
UNFORGETTABLE MOMENTS

QUARTERLY SEGMENT INFORMATION

DKKm	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010	Q1 2011	Q2 2011
Product information												
Silver and gold charms bracelets	104	87	128	204	523	153	156	235	242	786	220	132
Charms	432	526	611	968	2,537	899	960	1,184	1,587	4,630	1,251	995
Rings	14	21	30	45	110	41	75	146	158	420	102	89
Other jewelry	37	41	56	157	291	145	152	223	310	830	172	176
Revenue	**587**	**675**	**825**	**1,374**	**3,461**	**1,238**	**1,343**	**1,788**	**2,297**	**6,666**	**1,745**	**1,392**
Geographical information												
USA	279	304	351	525	1,459	505	549	644	820	2,518	677	545
Australia[1]	93	108	148	300	649	166	157	171	292	786	174	134
United Kingdom	65	88	106	213	472	151	191	333	320	995	219	166
Germany[2]	60	78	85	125	348	155	149	184	191	679	162	119
Other countries[3]	90	97	135	211	533	261	297	456	674	1,688	513	428
Revenue	**587**	**675**	**825**	**1,374**	**3,461**	**1,238**	**1,343**	**1,788**	**2,297**	**6,666**	**1,745**	**1,392**

[1] 2008 and H1-2009 revenue include revenue relating to products purchased by Ad Astra Holdings Pty Ltd., our former independent Australia distributor, for sale in New Zealand and the Fiji Islands prior to our acquisition of a 60% stake in Ad Astra Holdings Pty Ltd. in July 2009. Upon our shift to direct distribution through this acquisition, sales in these countries are accounted for as Asia Pacific—Other (included in “Other Countries” on this page)

[2] 2008 and 2009 revenue include revenue relating to products purchased by our former independent distributor for sale in Austria and Switzerland prior to the formation of PANDORA Jewelry CWE in Jan-2010. Upon our shift to direct distribution through the formation of PANDORA Jewelry CWE, sales in these countries are accounted for as Europe—Other (included in “Other Countries” on this page)

[3] PANDORA A/S’ country of domicile is Denmark, which is included in “Other Countries”

PANDORA
UNFORGETTABLE MOMENTS

QUARTERLY SEGMENT INFORMATION (CONTINUED)

DKKm	Q1 2009	Q2 2009	Q3 2009	Q4 2009	2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010	Q1 2011	Q2 2011
Revenue												
Americas	294	325	376	563	1,558	564	623	725	1,002	2,914	782	724
Europe[1]	200	242	297	468	1,207	490	548	865	956	2,859	743	483
Asia Pacific[2]	93	108	152	343	696	184	172	198	339	893	220	185
Total	**587**	**675**	**825**	**1,374**	**3,461**	**1,238**	**1,343**	**1,788**	**2,297**	**6,666**	**1,745**	**1,392**
EBITDA												
Americas	171	177	172	272	792	290	334	385	470	1,479	402	405
Europe[1]	133	123	123	263	642	186	230	462	404	1,282	331	123
Asia Pacific[2]	65	64	71	204	404	89	71	86	156	402	94	62
Unallocated costs	(35)	(44)	(57)	(130)	(266)	(91)	(89)	(126)	(173)	(479)	(118)	(78)
Total	**334**	**320**	**309**	**609**	**1,572**	**474**	**546**	**807**	**857**	**2,684**	**709**	**512**

[1] 2008 and 2009 revenue include revenue relating to products purchased by our former independent distributor in CWE
[2] 2008 and H1-2009 revenue include revenue relating to products purchased by our former independent Australia distributor

PANDORA
UNFORGETTABLE MOMENTS