No. 50
COMPANY ANNOUNCEMENT
21 February 2012

PANDORA ANNOUNCES ITS FINANCIAL RESULTS FOR 2011

GROUP REVENUE WAS DKK 6,658 MILLION. EBITDA MARGIN WAS 34.3%. NET PROFIT WAS DKK 2,037 MILLION.

- Group revenue in 2011 was DKK 6,658 million compared to DKK 6,666 million in 2010:
  - Americas increased by 7.9% (12.4% increase in local currency)
  - Europe decreased by 8.3% (7.7% decrease in local currency)
  - Asia Pacific decreased by 0.2% (4.3% decrease in local currency)

- Gross margin increased to 73.0% in 2011 (compared to a gross margin of 70.9% in 2010)

- EBITDA margin was 34.3% in 2011 (compared to an EBITDA margin of 40.3% in 2010), EBITDA decreased by 15.0% to DKK 2,281 million

- EBIT margin was 30.9% in 2011 (compared to an EBIT margin of 36.2% in 2010), EBIT decreased by 14.8% to DKK 2,058 million

- Reported net profit increased by 8.9% to DKK 2,037 million in 2011 (compared to a net profit of DKK 1.871 million in 2010). Adjusted for a revaluation of the CWE earn-out provision based on a revised outlook for PANDORA CWE, 2011 net profit decreased by 18.4% to DKK 1,526 million

- Free cash flow was DKK 1,670 million in 2011 (compared to DKK 1,388 million in 2010)

- For the financial year 2011, the Board of Directors proposes a dividend of DKK 5.50 per share, 10% above dividend paid for the financial year 2010 and in line our policy of distributing 35% of net profit in dividends

- With the goal to accelerate like-for-like sales PANDORA has initiated this week a one-off, time limited global stock balancing campaign to address low-turn stock at PANDORA retailers. PANDORA estimates the wholesale value of the campaign to be in the range from DKK 500 million up to a maximum of DKK 800 million. The campaign will encourage PANDORA retailers to exchange discontinued, merchandise for appropriately priced best-sellers, on a one-for-one basis. The campaign will be carried out primarily during Q1 and Q2 2012 but will likely generate a corresponding negative impact, due to cannibalization of forward sales, on reported numbers across the whole of 2012. The Company will report on campaign progress quarterly in 2012

FINANCIAL GUIDANCE FOR 2012

This will be a transition year for PANDORA, with many of our corrective actions being implemented. Excluding the negative impact of the one-off stock balancing campaign PANDORA expects 2012 revenue growth in mid-single digits; gross margin in the low 60's driven by the impact of commodities prices and a reduction in our selling prices; and EBITDA margin in the mid 20's. PANDORA expects CAPEX to be around DKK 300 million and an effective tax rate of 18%.

Assuming a negative impact on revenue corresponding to the maximum cap of DKK 800 million from the stock balancing campaign, PANDORA expect to report revenue above DKK 6 billion, a gross margin in the low 60's and an EBITDA margin in the low 20's. CAPEX and the effective tax rates will not be affected by the stock balancing program.

PANDORA's revenue assumption is based on the expectation of approximately 200 new Concept stores in 2012, with a particular focus in new markets. PANDORA expects to open at least 135 new Concept stores and Shop-in-Shops in our key new markets (Italy, France, Russia and Asia) during the course of 2012.

PANDORA's 2012 guidance is based on the following assumptions:

- Main commodities: Gold: 1,534 USD/oz and silver: 32.7 USD/oz.
- Main currencies: DKK/GBP: 858.7, DKK/USD: 551.1, DKK/AUD: 536.4 and DKK/THB: 17.7

Marcello Bottoli, interim CEO, said:

"Whilst we clearly consider the absolute results for 2011 to be far from satisfactory, I am pleased to report that our Q4 performance has developed according to plan and the guidance the Company provided in August 2011.

Specifically, we believe that a number of key indicators have developed positively during the last part of the year:

- *Like for like year-on-year sales-out data from PANDORA Concept stores in the 4 major markets has improved. 3 of the major markets show lower decreasing rate versus Q3 2011; the UK, Germany and Australia. In the 4th major market, the US, our sales-out performance grew by 16.6% well ahead of Q4 2010 rate driven by new consumers adopting the brand thanks to targeted promotional activities*
- *Reported sales-in figures for our key Gold and Silver bracelets grew by 12.4% against a reported total decrease in revenue of 15% in Q4 2011*
- *The pace of new doors opening in Q4 2011 accelerated with new Concept stores and Shops-in-Shop stores exceeding Q4 2010 and Q3 2011 levels by 475 and 225 stores respectively. The significant acceleration in new store openings for H2 2011 versus the early part of 2011 underlines the brand momentum and strong support we enjoy from our worldwide franchise and retail partners*

With the management and strategic reviews completed, and a positive confirmation of our strategy, we now have clear visibility of the required execution steps, beyond the actions already taken in Q3 & Q4 2011, to rebuild our growth momentum. Importantly, the management and strategic reviews have identified both short term remedial actions, as well as concrete areas of *improvement in the implementation of our strategy for long-term success. Our management team is now fully focused on executing these actions.*

During 2012, our reported numbers will be significantly impacted by the stock balancing campaign. However, we are confident that this is the right move to improve the quality of our retailers' stock and prepare the Company and its partners for future growth in outgoing years".

ANNUAL REPORT 2011 AND Q4 FINANCIAL STATEMENT
A full version of PANDORAs Annual Report 2011 has been released today and is available for download in the investor section of www.pandoragroup.com

Financial highlights for Q4 2011 are presented as an appendix to this release.

CONFERENCE CALL
A conference call for investors and financial analysts – hosted by interim CEO Marcello Bottoli 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 51451819 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 65 countries on six continents through over 10,500 points of sale, including more than 670 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs over 5,300 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 2011, 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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PANDORA
UNFORGETTABLE MOMENTS

APPENDIX – Q4 2011

FINANCIAL HIGHLIGHTS

DKK million	2011 Q4	2010 Q4	2011 Full year	2010 Full year
Income statement				
Revenue	1,952	2,297	6,658	6,666
EBITDA	524	857	2,281	2,684
Operating profit (EBIT)	475	781	2,058	2,416
Net financial income and expenses	145	-56	311	-164
Profit before tax	620	725	2,369	2,252
Net profit	555	619	2,037	1,871
Balance sheet				
Total assets	8,051	8,959	8,051	8,959
Invested capital	5,923	5,659	5,923	5,659
Net working capital excluding derivatives	1,327	1,266	1,327	1,266
Shareholders' equity	5,411	4,315	5,411	4,315
Net interest-bearing debt	209	1,102	209	1,102
Cash flow statement				
Net cash flow from operating activities	1,032	951	1,823	1,316
Net cash flow from investing activities	-129	-108	-364	-304
Free cash flow	930	917	1,670	1,388
Cash flow from financing activities	-1,026	83	-2,502	-644
Net cash flow for the period	-123	926	-1,043	368
Ratios				
Revenue growth, %	-15.0%	67.2%	-0.1%	92.6%
EBITDA growth, %	-38.9%	40.7%	-15.0%	70.7%
EBIT growth, %	-39.2%	44.4%	-14.8%	69.7%
Net profit growth, %	-10.3%	52.8%	8.9%	86.2%
EBITDA margin, %	26.8%	37.3%	34.3%	40.3%
EBIT margin, %	24.3%	34.0%	30.9%	36.2%
Cash conversion, %	167.6%	148.1%	82.0%	74.2%
Net interest-bearing debt to EBITDA *	0.1	0.4	0.1	0.4
Equity ratio, %	67.2%	48.2%	67.2%	48.2%
ROIC, % *	34.7%	42.7%	34.7%	42.7%
Other key figures				
Average number of employees	5,327	4,895	5,186	4,336
Dividend per share, DKK	0	0	5.50	5.00
Earnings per share, basic	4	5	16	15
Share price at end of period	54	336	54	336

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

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 27 in the Annual Report 2011.

HIGHLIGHTS IN Q4

GROUP REVENUE WAS DKK 1,952 MILLION. EBITDA MARGIN WAS 26.8%. NET PROFIT WAS DKK 555 MILLION.

- Group revenue decreased by 15.0% in Q4 2011 (15.4% decrease in local currency) to DKK 1,952 million compared to DKK 2,297 million in Q4 2010:
  - Americas decreased by 11.9% (12.4% decrease in local currency)
  - Europe decreased by 18.5% (17.9% decrease in local currency)
  - Asia Pacific decreased by 14.5% (16.5% decrease in local currency)

- Gross margin increased to 72.7% in Q4 2011 (compared to a gross margin of 70.1% in Q4 2010) driven primarily by 2011 price increases and product mix

- EBITDA margin was 26.8% in Q4 2011 (compared to an EBITDA margin of 37.3% in Q4 2010), EBITDA decreased by 38.9% to DKK 524 million

- EBIT margin was 24.3% in Q4 2011 (compared to an EBIT margin of 34.0% in Q4 2010), EBIT decreased by 39.2% to DKK 475 million

- Reported net profit decreased by 10.3% to DKK 555 million in Q4 2011 (compared to a net profit of DKK 619 million in Q4 2010). Adjusted for a revaluation of the CWE earn-out provision based on a revised outlook for PANDORA CWE, Q4 2011 net profit decreased by 45.1% to DKK 340 million

- Free cash flow was DKK 930 million in Q4 2011 (compared to DKK 917 million in Q4 2010)

STRATEGIC REVIEW AND BUSINESS ASSESSMENT

As of 2 August 2011, management embarked on a thorough assessment of the issues within the business and launched a strategic review using external consultants, aimed at testing and confirming our strategy. These two extensive work streams were finalized during Q4 2011. They confirmed that although i) the fundamentals of PANDORA's strategy are sound, ii) that execution had faltered in a number of areas.

The Board of Directors and management feel confident that the current level of understanding of the Company issues as well as corrective actions and new plans, already fielded, underway or upcoming will return PANDORA to growth.

The key areas of improvement together with the relevant action plans comprise three main sections:

1. Re-setting the business short-term
   1) Improve the quality of retailers' stock
   2) Realign our price architecture and product range

2. Evolving organization and systems for future growth
   3) Improve competencies and capabilities centrally and across our markets
   4) Streamline business processes and decisions

3. Delivering our long-term growth strategy
    5) Continue upgrading and improving the quality of our store network
    6) Refine long-term product range architecture
    7) Establish a solid presence in key new markets
    8) Explore opportunities for further consolidation of our distribution network
    9) Launch online sales and CRM engines

Re-setting the business short-term

1. Improve the quality of retailers' stock

As already disclosed, a number of our retailers worldwide have had poor stock turns on certain products. After thoroughly assessing the scale of the issue, we have decided to discontinue an additional 270 slow-selling design variations (20% of total design variations). These discontinued slow-moving items include a significant proportion of high priced, gold, non-charms and bracelets design variations. In exchange we will provide our retailers with fast-selling, high stock turn products.

Our goal is to accelerate like-for-like sales growth by improving the quality of the stock mix at our key retail partners

To facilitate this PANDORA has announced and initiated today a one-off, time limited stock balancing campaign with an estimated wholesale value in the range from DKK 500 million up to a maximum of DKK 800 million. The campaign, which will be offered on retailer-friendly terms to encourage full participation, offers our partners the opportunity to replace discontinued items, including the additional 270 slow-selling designs referred to above, with appropriately priced best-sellers.

The standalone accounting effect of the swap between discontinued and best-selling items will be neutral to our revenue and gross margin; however, we do expect a negative impact on revenue from cannibalisation which will reduce our underlying revenue growth by an amount corresponding to the value of returned items (in the range from DKK 500 million up to a maximum of DKK 800 million at wholesale value).

PANDORA is also implementing improved controls to monitor stock levels at retailers. We believe that this action together with our newly created central and regional merchandising group will ensure the appropriate optimization of stock levels at retailers.

2. Realign our price architecture and product range

The price architecture of PANDORA's collections became slanted away from an Affordable Luxury position as a result of our price increases in 2010/11, thereby reducing our competitiveness, particularly at the entry price points – the historical stronghold of PANDORA. Furthermore, PANDORA's efforts to extend its price architecture upwards overestimated PANDORA's consumers' appetite for higher priced items.

Our goal is to adjust our prices to re-establish PANDORA's preeminent position in the Affordable Luxury space

Hence PANDORA announced the following actions during the week of 16 January:

- Selected price reductions, by SKU and market, particularly in the entry price ranges. The combined effect of these price adjustments will generate a negative gross margin impact of approximately 200 basis points
- The discontinuation of the high-priced *Love Pods* and *Liquid Silver* collections. A number of fast selling items from these ranges will be integrated into our regular assortment
- The introduction of the Spring/Summer 2012 collection, particularly strong in attractively priced entry point new design variations (average price point of EUR 115 versus EUR 259 for Spring/Summer 2011)

These actions will be implemented in our recommended retail prices as of Q1 2012 and will ensure our price points reflect the demand of our consumers. By the same token we have taken the opportunity to correct some structural retail price differences across our international markets improving global competitiveness.

Evolving organization and systems for future growth

3. Improve competencies and capabilities centrally and across our markets

The Company's review has highlighted the need to upgrade PANDORA's talent mix for better execution to drive the business forward.

Our goal is to evolve organisation and skill sets globally and in our markets to drive better execution of our strategy

PANDORA is a wholesale business, however the role played by our branded sales and the strategic importance of developing this channel require PANDORA to build much stronger retail thinking in order for us to work closely with our customers operationally to drive sales-out.
From an organisational standpoint we have:

- Introduced direct reporting to the CEO for all our regions to ensure faster, more direct management
- Named a new Chief Creative Officer in charge of our product design and image globally
- Created a new central and regional merchandising group, to proactively manage our short and long term product range architecture and collections development
- Created a new Western European region to manage our UK, France and Nordic businesses
- Named a new president for the key Asian region
- Named a Chief Development Officer in charge of developing the Company long-term strategy building on the findings and actions arising from the strategic review
- Announced and initiated the consolidation of all our distribution activities into three regional warehouses in North America, Europe and Thailand leading to the closure of facilities in Denmark, UK, Poland and Hong Kong in the first part of 2012
- Announced and initiated the consolidation of a large part of our European operations' back office functions into a regional shared service centre in Warsaw

4. Streamline business processes and decisions

As a result of our rapid growth and the acquisition of several large and previously independent markets with their own operating methodologies, PANDORA has and will continue the work to consolidate and standardise systems and business processes.

Our goal is the implementation of efficient standardised systems and business processes across the key areas of our businesses

We are focusing our efforts on a few strategic initiatives:

- At the front end of our business our aim is to develop systems for data collection and mining from the retail channels to optimise merchandising and planning. We will, during 2012, have a system solution in place to consolidate data on retail performance across both O&O and franchised Concept stores
- At the back end of our business we are consolidating our operations into a global ERP platform and global forecasting, demand and production planning platforms. All of the selected systems are off-the-shelf solutions by prime vendors in their fields and we aim to finalise implementation by 2013

Delivering our long-term growth strategy

5. Continue upgrading and improving the quality of our store network

Our work over the last few months confirms that PANDORA's branded stores drive significantly higher sales than unbranded ones. Therefore we will continue opening new branded stores and upgrading existing and relevant unbranded stores whilst reducing the number of less productive stores per market wherever appropriate.

Our goal is to drive higher sales per store by constantly upgrading the quality of our product presentation to consumers

Specific projects underpinning our strategic intent include:

- Implementing new more effective, zoning and traffic flows to improve the shopping experience and drive higher revenue. Roll out will begin in Q2 2012
- Implementing new visual merchandising guidelines and display materials, focusing on PANDORA's unique "create & combine" concept as well as "touch and feel" presentations. Roll out will begin in Q2 2012
- Implementing a new evolutionary store concept allowing for a more inclusive and simpler shopping experience. In market testing of the new store concept will start in Q3 2012 and roll out will begin at the end of 2012 in parallel with the retro-fitting of existing stores

6. Refine long-term product range architecture

Our work over the last few months confirmed that returning to and maintaining an innovative offer of appropriately priced new products is crucial to PANDORA's long-term sustained growth.

Our goal is to continue growing revenue per customer by offering innovative products that consumers want and can afford

PANDORA has therefore created a new central and regional merchandising organisation, responsible for:

- Clustering our markets in groups according to different levels of maturity, leading to different product offerings and different category focus by market
- Interpreting market and consumer needs and results
- Developing and maintaining a successful product architecture
- Leading innovative research and development projects working closely with our design and communication groups
- Trading up consumers to higher revenue units and effectively managing the growth of our non-charms and bracelet business

To support this PANDORA has opened a new product development centre in Thailand where approximately 50 designers and technical personnel will develop exciting new product offerings in conjunction with our Copenhagen design team.

Initial results of this work will be visible for H2 2012, as part of the upcoming Fall/Winter 2012 collection which will include new innovative products and marketing campaigns.

7. Establish a solid presence in key new markets
Whilst our four main markets represent the majority of our business today, an important part of PANDORA's future growth will largely depend on its ability to establish a solid presence in key new markets.

Our goal is to establish a successful business in key new markets across Europe and Asia, with a particular focus on Italy, France, Russia, China and Japan

PANDORA's performance to date in these markets, confirms our appeal to consumers worldwide. But our opening programmes have not been ambitious enough. As of H2 2011 we significantly stepped up our focus on new store openings. This new pace will be sustained in 2012.

8. Explore opportunities for further consolidation of our distribution network
PANDORA will explore opportunities for further integration of the distributors' network.

Our goal is to ensure, over an appropriate time horizon, stronger control over the execution of our strategic plan in new markets

The exact pace and sequencing will depend on the speed and quality of our development in those markets, the relationships with our local partners and our capability to ensure a seamless and value enhancing forward integration. This process may include partial steps such as joint ventures with our local partners to create win-win business.

9. Launch online sales and CRM engines
Our work during the last few months has confirmed a large business opportunity for PANDORA in both e-commerce and with a strong Customer Relationship Marketing programme.

Our goal is to offer transactional capabilities on-line whilst developing an effective CRM program focused on generating stronger on-line and in-store sales to our loyal PANDORA Club customers

Two specific work streams have already been initiated in Q4 2011 which will lead to

- An outsourced e-commerce site being launched in a test market by Q4 2012
- A test CRM program being introduced by Q4 2012

OTHER IMPORTANT EVENTS IN Q4

PANDORA appoints new CEO and new Deputy Chairman

On 19 December 2011, PANDORA announced, that Björn Gulden (46) will become CEO of PANDORA effective 1 March 2012. The Board reviewed a list of high calibre international candidates for the CEO position and decided that Björn's exceptional business track record and personal skills will be instrumental in managing the future development and growth of the company. Björn is the former Managing Director of the Deichmann Group as well as President and CEO of the wholly owned retail chains Rack Room Shoes and Off Broadway Shoes in the US. Deichmann Group, headquartered in Essen, Germany, is currently present in 25 countries with 3,000 local shops and employs approximately 30,000 people. The Company sells more than 150 million pairs of shoes per year and has around EUR 4 billion in sales. Rack Room Shoes and Off Broadway Shoes have 450 stores and USD 850 million in sales. Prior to his positions with Deichmann Group, Rack Room Shoes and Off Broadway Shoes, Björn was Senior Vice President of apparel and accessories at Adidas and was part of the management group that took Adidas public in 1995.

The Board also announced that, as of 1 March 2012, Marcello Bottoli will become Deputy Chairman of PANDORA Board of Directors in order for the Company to utilise the learning's Marcello has acquired in his role as interim CEO since 2 August 2011.

Reprimand from NASDAQ OMX

On 22 December 2011 the NASDAQ OMX Copenhagen issued a reprimand to PANDORA for not complying with Section 3.3.1 in its Rules for issuers of shares. The reprimand states that PANDORA should have informed the market earlier than its Company Announcement No. 30 issued on 2 August 2011 that it would not meet its earlier forecast of 30% revenue growth for the full year. 2 August 2011 was the day on which PANDORA announced a change to its financial expectations for the full year and released its condensed financial report for the second quarter 2011 two weeks ahead of the 16 August 2011 scheduled date.

EVENTS AFTER THE BALANCE SHEET DATE

Notice from the Danish FSA

On 10 January 2012, the Danish Financial Supervisory Authority (FSA) issued a notice to PANDORA stating that the Company should have informed the market earlier than its Company Announcement No. 30, issued on 2 August 2011, stating that it would not meet its earlier forecast of 30% revenue growth for the full year. Consistent with the Danish regulation, the Danish FSA has handed over the matter to the police for further investigation.

As previously communicated PANDORA continues to believe that:

- it acted properly during a swift and unexpected downturn in sales by making a timely and precise announcement adjusting its annual forecast in light of new information and based on an analysis of the changing market dynamics in July 2011,
- it has at all times been in full compliance with all relevant rules and regulations for issuers of shares.

PANDORA appoints Chief Development Officer

On 30 January 2012 PANDORA announced that Sten Daugaard (54) had agreed to join the Company and become Chief Development Officer and member of the Executive Board of PANDORA.

Sten Daugaard, who was Chief Financial Officer of The Lego Group until the end of 2011, stepped down as member of the Board of Directors at PANDORA when he took up this new position.

In his new role, Sten Daugaard will be responsible for Corporate Strategy & Development building on the findings and actions arising from the strategic review, which was initiated by the Board in August 2011.

REVENUE DEVELOPMENT IN Q4 2011

Total revenue decreased by 15.0% to DKK 1,952 million in Q4 2011 from DKK 2,297 million in Q4 2010. Revenue was negatively impacted by weak performance in particular by 3rd party distributors in Greece, Spain, Portugal and Ireland as well as early Fall deliveries in Q3 2011 in the US and a weak performance in Australia, while early Christmas deliveries in the UK and Germany in Q3 2010 had a positive year-on-year comparison impact in Q4 2011 versus Q4 2010. Excluding foreign exchange movements, revenue decreased by 15.4% consisting of price increases (+15.5%), volume (-22.7%) and mix effects (-8.2%).

Q4 2011 revenue, when adjusted for early shipments of our Fall collection in Q3 2011 in the US and, inversely, early Christmas deliveries in the UK and Germany in Q3 2010, Q4 2011 showed an adjusted revenue decrease of 12%, an improvement versus Q3 2011 results which was down 16% adjusting for the same effects.

Due to increasing raw material prices, PANDORA implemented price increases in all markets during H1 2011 on top of price increases implemented in H1 2010. These price increases had a significant negative impact on our volumes in 2011.

Revenue per average point of sale decreased to approximately DKK 185 thousand in Q4 2011 from approximately DKK 219 thousand in Q4 2010 (calculated based on the average of the points of sale at the beginning and end of the period), representing a decrease of 15.5%.

In 2011 full year revenue per average Concept store was DKK 4,883 thousand (DKK 6,270 thousand 2010), per Shop-in-Shop DKK 1,483 thousand (DKK 1,995 thousand 2010), per Gold store DKK 715 thousand (DKK 982 thousand 2010), per Silver store DKK 379 thousand (DKK 461 thousand 2010) and per White store DKK 178 thousand (DKK 198 thousand 2010).

The geographical distribution of revenue in Q4 2011 was 45.2% for the Americas (43.6% in Q4 2010), 39.9% for Europe (41.6% in Q4 2010) and 14.9% for Asia Pacific (14.8% in Q4 2010).

REVENUE BREAKDOWN BY GEOGRAPHY

DKK million	Q4 2011	Q4 2010	% Growth	% Growth in local currency
Americas	**883**	**1,002**	**-11.9%**	**-12.4%**
United States	701	820	-14.5%	
Other	182	182	0.0%	
Europe	**779**	**956**	**-18.5%**	**-17.9%**
United Kingdom	344	320	7.5%	
Germany	184	191	-3.7%	
Other	251	445	-43.6%	
Asia Pacific	**290**	**339**	**-14.5%**	**-16.5%**
Australia	210	292	-28.1%	
Other	80	47	70.2%	
Total	**1,952**	**2,297**	**-15.0%**	**-15.4%**

AMERICAS

Revenue in Americas decreased by 11.9% to DKK 883 million in Q4 2011 from DKK 1,002 million in Q4 2010. Excluding foreign exchange movements, the underlying revenue decrease was 12.4% compared to Q4 2010.

In the United States revenue was down 14.5% in Q4 2011 versus Q4 2010 (a decrease of 14.8% measured in local currency) caused by Fall releases of approximately USD 50 million being shipped in Q3 2011 which in 2010 was split between Q3 and Q4. Adjusting for the early Fall deliveries in Q3 2011 to the US of DKK 265 million which could be equally distributed between Q3 2011 and Q4 2011, US would have experienced a growth of 1.6% in Q4 2011 compared to Q4 2010.

Based on Concept stores, which have been operating for 12 months or more, like for like sales-out in the US increased by 16.6% in Q4 2011 compared to Q4 2010. We believe that this very positive development in like-for-like sell out was largely due to the success of new marketing campaigns, which attracted new customers to PANDORA as well as better communication of our Affordable Luxury position in the market.

Concept stores like for like* sales-out	Sales-out			
	Q4 2010 to Q4 2011	Q3 2010 to Q3 2011	Q2 2010 to Q2 2011	Q1 2010 to Q1 2011
US	16.6%	11.3%	18.9%	31.6%

*Stores of same category open more than 12 months

Other Americas sales, both in reported and local currencies, were flat year-on-year and now constitute 9.3% of Group revenue, with Canada as the largest contributor.

During Q4 2011 the number of branded stores in the Americas increased by 137 stores (versus 2 branded stores in Q4 2010 and 98 branded stores in Q3) to a total of 1,348 stores. Branded stores accounted for 44.7% of the total number of stores compared to 42.4% at the end of Q3 2011.

AMERICAS	Number of PoS Q4 2011	Number of PoS Q3 2011	Number of PoS Q4 2010	Delta Q4 2011 and Q4 2010	Delta Q4 2011 and Q3 2011
Concept stores[1]	212	181	136	76	31
Shop-in-Shops[2]	431	374	301	130	57
Gold	705	656	583	122	49
Total branded	**1,348**	**1,211**	**1,020**	**328**	**137**
Total branded as % of Total	**44.7%**	**42.4%**	**38.2%**	**6.5%**	**2.3%**
Silver	1,126	1,118	1,110	16	8
White and travel retail	543	529	543	0	14
Total	**3,017**	**2,858**	**2,673**	**344**	**159**

[1] Includes 0 and 0 PANDORA-operated Concept stores at Q4 2011 and Q3 2011 respectively

[2] Includes 0 and 0 PANDORA-operated Shop-in-Shops at Q4 2011 and Q3 2011 respectively

EUROPE

In Europe PANDORA experienced a decrease in revenue of 18.5% (a decrease of 17.9% in local currency) in Q4 2011 versus Q4 2010, mainly driven by weak sales-in to 3rd party distributors in Greece, Spain, Portugal and Ireland.

Revenue in the UK, our largest single European market (accounting for 17.6% of Q4 2011 revenues) increased by 7.5% (8.1% measured in local currency) mainly driven by new store openings and upgrades. Adjusting for the early Christmas deliveries in Q3 2010 to the UK of approximately DKK 80-100 million and if equally distributing these between Q3 2010 and Q4 2010, UK would have posted a decrease of approximately 6% in Q4 2011 compared to Q4 2010.

Based on Concept stores which have been operating for 12 months or more, like for like sales-out in the UK decreased by 8.9% in Q4 2011 compared to Q4 2010.

Concept stores like for like* sales-out	**Sales-out**			
	Q4 2010 to Q4 2011	**Q3 2010 to Q3 2011**	**Q2 2010 to Q2 2011**	**Q1 2010 to Q1 2011**
UK	-8.9%	-10.0%	-0.3%	10.2%

*Stores of same category open more than 12 months

Revenue in Germany PANDORA´s second largest market in Europe (accounting for 9.4% of Q4 2011 Group revenue) decreased 3.7% in Q4 2011 compared to Q4 2010. Adjusting for the early Christmas deliveries in Q3 2010 to Germany of approximately DKK 70 million and if equally distributing these between Q3 2010 and Q4 2010, Germany would have posted a decrease of approximately 19% in Q4 2011 compared to Q4 2010.

Based on Concept stores, which have been operating for 12 months or more, like for like sales-out in Germany, decreased by 1.4% in Q4 2011 compared to Q4 2010.

Concept stores like for like* sales-out	**Sales-out**			
	Q4 2010 to Q4 2011	**Q3 2010 to Q3 2011**	**Q2 2010 to Q2 2011**	**Q1 2010 to Q1 2011**
Germany	-1.4%	-11.5%	-7.2%	-18.2%

*Stores of same category open more than 12 months

In spite of the recent positive development of sell out numbers in Germany, we still believe that our German business has a number of issues that need to be addressed in order to return to steady and structural growth and this will take the majority of 2012.

The category Other Europe decreased by 43.6% in Q4 2011 compared to Q4 2010, negatively affected by our 3rd party distributors in Greece, Spain, Portugal and Ireland, which continued to be adversely impacted by tough macroeconomic trading conditions, resulting in retailers destocking. This negative trend was partially countered by double-digit growth rates in Central Eastern Europe (mainly Russia, Ukraine and Poland), albeit from low levels.

During Q4 2011 the number of branded stores in Europe increased by 133 stores to a total of 1,884 stores, accounting for 27.0% of the total number of stores compared to 25.6% at the end of Q3 2011.

EUROPE	Number of PoS Q4 2011	Number of PoS Q3 2011	Number of PoS Q4 2010	Delta Q4 2011 and Q4 2010	Delta Q4 2011 and Q3 2011
Concept stores[1]	340	292	219	121	48
Shop-in-Shops[2]	585	542	528	57	43
Gold	959	917	776	183	42
Total branded	**1,884**	**1,751**	**1,523**	**361**	**133**
Total branded as % of Total	**27.0%**	**25.6%**	**21.3%**	**5.7%**	**1.4%**
Silver	1,456	1,441	1,238	218	15
White and travel retail	3,625	3,640	4,378	-753	-15
Total[3]	**6,965**	**6,832**	**7,139**	**-174**	**133**

[1] Includes 57 and 47 PANDORA-operated Concept stores at Q4 2011 and Q3 2011 respectively

[2] Includes 45 and 35 PANDORA-operated Shop-in-Shops at Q4 2011 and Q3 2011 respectively

[3] Includes for Q4 2011 68 Concept stores, 146 Shop-in-Shops, 209 Gold, 183 Silver and 1,225 White stores respectively relating to 3rd party distributors

ASIA PACIFIC

In Asia Pacific, revenue decreased 14.5% in Q4 2011 compared to Q4 2010. Excluding currency movements, the underlying revenue in the region decreased by 16.5% year on year. The revenue development was negatively impacted by continued weak performance in Australia offset by very strong growth in Asia, particularly in Japan, Malaysia and China, albeit from low levels.

Trading conditions in Australia continue to be highly challenging for PANDORA. Reported revenue was down 28.1% year on year whereas revenue decreased 29.6% in local currency. The weak performance is mainly due to the abundance of our brand in unbranded sales channels in Australia.

Based on Concept stores which have been operating for 12 months or more, like-for-like sales-out in Australia decreased by 15.5% in Q4 2011 compared to Q4 2010.

Concept stores like for like* sales-out	Sales-out			
	Q4 2010 to Q4 2011	Q3 2010 to Q3 2011	Q2 2010 to Q2 2011	Q1 2010 to Q1 2011
Australia	-15.5%	-16.8%	-15.8%	-12.6%

*Stores of same category open more than 12 months

Early January 2012, PANDORA announced a restructuring program of our distribution platform in Australia leading to the closure of 100 White and Silver doors (approximately 40% of our unbranded distribution in Australia) and the opening of new Concept stores. From a product standpoint, the focus for PANDORA Australia, one of our most developed markets, will increasingly be on growing the Other Jewellery category.

In Asia, our business grew strongly on the back of an accelerated new store opening program initiated in Q3 2011.

ASIA PACIFIC	Number of PoS Q4 2011	Number of PoS Q3 2011	Number of PoS Q4 2010	Delta Q4 2011 and Q4 2010	Delta Q4 2011 and Q3 2011
Concept stores[1]	120	95	66	54	25
Shop-in-Shops[2]	166	145	129	37	21
Gold	157	155	164	-7	2
Total branded	**443**	**395**	**359**	**84**	**48**
Total branded as % of Total	**59.1%**	**55.6%**	**44.5%**	**14.6%**	**3.5%**
Silver	116	113	110	6	3
White and travel retail	191	202	337	-146	-11
Total	**750**	**710**	**806**	**-56**	**40**

[1] Includes 33 and 29 PANDORA-operated Concept stores at Q4 2011 and Q3 2011 respectively

[2] Includes 1 and 0 PANDORA-operated Shop-in-Shops at Q4 2011 and Q3 2011 respectively

PANDORA SALES CHANNELS

In Q4 2011, PANDORA added a net total of 318 branded points of sale. Of these, 104 were Concept stores, 121 were Shop-in-Shops and 93 were Gold stores.

The percentage of revenue from branded sales, within our direct distribution markets, was 80.2% in Q4 2011 compared to 74.2% in Q4 2010.

Branded stores in direct distribution markets accounted for 36.5% of the total number of stores at the end of Q4 2011 compared to 32.7% at the end of Q4 2010.

The total number of points of sale increased by 332 in Q4 2011 to a total of 10,732 globally.

GROUP	Number of PoS Q4 2011	Number of PoS Q3 2011	Number of PoS Q4 2010	Delta Q4 2011 and Q4 2010	Delta Q4 2011 and Q3 2011
Concept stores[1]	672	568	421	251	104
Shop-in-Shops[2]	1,182	1,061	958	224	121
Gold	1,821	1,728	1,523	298	93
Total branded	**3,675**	**3,357**	**2,902**	**773**	**318**
Total branded as % of Total	**34.2%**	**32.3%**	**27.3%**	**6.9%**	**1.9%**
Silver	2,698	2,672	2,458	240	26
White and travel retail	4,359	4,371	5,258	-899	-12
Total[3]	**10,732**	**10,400**	**10,618**	**114**	**332**

[1] Includes 90 and 76 PANDORA-operated Concept stores at Q4 2011 and Q3 2011 respectively

[2] Includes 46 and 35 PANDORA-operated Shop-in-Shops at Q4 2011 and Q3 2011 respectively

[3] Includes for Q4 2011 68 Concept stores, 146 Shop-in-Shops, 209 Gold, 183 Silver and 1,225 White stores respectively relating to 3rd party distributors

PRODUCT OFFERING

In Q4 2011 revenue from Charms decreased by 14.7% compared to Q4 2010. Revenue from Silver and gold charms bracelets increased by 12.4% compared to Q4 2010. The two categories represented 83.3% of total revenue in Q4 2011 compared to 79.6% in Q4 2010.

Total bracelet sales, including Silver and gold charms bracelets as well as other bracelets (the latter included in the reporting segment Other Jewellery), increased 14.8% between Q4 2011 and Q4 2010, from DKK 338 million to DKK 388 million reflecting our focus and efforts to recruit new consumers to the brand through various activities around a successful “My First PANDORA” promotional concept in most of our major markets during the quarter.

Rings decreased by 27.8%, based on a difficult comparable from the effect of the launch of the Ring Upon Ring Campaign in H2 2010. Rings represented 5.8% of total revenue compared to 6.9% in Q4 2010. Other Jewellery decreased by 31.3% based on a difficult comparable from the effect of the launch of watches in Q4 2010 and very high sales of earrings in H2 2010. Other Jewellery represented 10.9% of total revenue compared to 13.5% in Q4 2010.

Rings and Other Jewellery together represented 16.7% of total revenue compared to 20.4% in Q4 2010.

Product mix	**2011**	**2010**	**Growth**	**Share of**
DKK million	**Q4**	**Q4**	**Q4 vs Q4**	**total in %**
Charms	1,353	1,587	-14.7%	69.3%
Silver and gold charms bracelets	272	242	12.4%	13.9%
Rings	114	158	-27.8%	5.8%
Other jewellery	213	310	-31.3%	10.9%
Total	**1,952**	**2,297**	**-15.0%**	**100.0%**

The average sales price per item in Q4 2011 has increased to DKK 136 from DKK 124 in Q4 2010 mainly driven by the 2011 price increases.

NEW MARKETS

In 2011, PANDORA has succeeded in opening 251 Concept stores globally on the back of significant acceleration in this area in H2 2011. Russia, China, Japan and the Rest of Asia together accounted for 60 new Concept stores.

Store openings - New Markets	**End of Q4 2011**							
						Openings	**Openings**	**Openings**
	Russia	**China**	**Japan**	**Rest of Asia**	**Total**	**Q4 2011**	**Q3 2011**	**H1 2011**
Concept stores	30	12	5	37	**84**	24	23	13
SiS	11	9	11	28	**59**	29	14	3
Total	**41**	**21**	**16**	**65**	**143**	**53**	**37**	**16**

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

Our strategy in Italy is to utilise and upgrade over time the highest quality segment of the large and well-established network of multi-brand jewellery retailers. In Italy, the Company was selling

PANDORA products through 921 points of sale (1 Concept store, 13 Shop-in-Shops, 11 Gold stores, 84 Silver stores and 812 White stores) at the end of Q4 2011.

Our strategy in France is to upgrade the quality of our distribution network since we took over the operations 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 228 points of sale (4 Concept store, 11 Shop-in-Shops, 1 Gold store, 17 Silver stores and 195 White stores) at the end of Q4 2011.

REVENUE BY DISTRIBUTION

Direct distribution accounted for 97.3% of revenue in Q4 2011 compared to 87.9% in Q4 2010.

Distribution	**DKK million Revenue Q4 2011**	**Number of PoS end Q4 2011**	**DKK million Revenue Q4 2010**	**Number of PoS end Q4 2010**
Direct distribution	1,900	8,901	2,019	8,054
Third party distribution	52	1,831	278	2,564
Total	**1,952**	**10,732**	**2,297**	**10,618**

Q4 2011 revenue decreased by 15.0% compared to Q4 2010 with direct distribution declining only 5.9% and 3rd party accounting for the remaining decrease. The significant reduction in 3rd party revenue from distributors in Greece, Spain, Portugal and Ireland, is, as previously mentioned, caused by continued tough macroeconomic trading conditions combined with retailers destocking.

GROSS PROFIT AND GROSS MARGIN

Gross Margin Development

2011 Q4	**2011 Q3**	**2011 Q2**	**2011 Q1**	**2010 Q4**	**2010 Q3**
72.7%	73.6%	74.4%	71.6%	70.1%	73.2%

Gross profit was DKK 1,420 million in Q4 2011 compared to DKK 1,610 million in Q4 2010, resulting in a gross margin of 72.7% in Q4 2011 compared to 70.1% in Q4 2010.

The gross margin was positively affected by global price increases and mix changes, but negatively affected by increasing raw material prices. It is our policy to hedge 100%, 80%, 60% and 40% of expected gold and silver consumption in the following four quarters. 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 our inventory and our 12-month rolling hedges effectively means that we are already hedged to a large extent in 2012.

Excluding our hedging and the time lag effect from our inventory, the underlying gross margin would have been approximately 68% based on average gold (1,685 USD/oz) and silver (32 USD/oz) market prices in Q4 2011. 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 realized price for gold was 1,491 USD/oz and 30.54 USD/oz for silver in Q4 2011. Our hedged prices for the following four quarters for gold are 1,513 USD/oz, 1,589 USD/oz, 1,724 USD/oz, 1,724 USD/oz and for silver 35.16 USD/oz, 35.75 USD/oz, 35.88 USD/oz and 30.85 USD/oz.

DISTRIBUTION EXPENSES

Distribution expenses were largely flat with DKK 699 million in Q4 2011 compared to DKK 680 million in Q4 2010, representing 35.8% of revenue in Q4 2011 compared to 29.6% in Q4 2010.

Sales and distribution costs decreased to DKK 307 million in Q4 2011 from DKK 352 million in Q4 2010, representing 15.7% of revenue in Q4 2011 compared to 15.3% Q4 2010. The comparable was positively affected by DKK 46 million from amortisation of acquired distribution rights in Pandora CWE. These distributions rights were fully amortised by 30 June 2011. The Q4 2011 figure is also affected by our expansion in new markets and the enhancing our sales and distribution infrastructure centrally in Copenhagen.

Marketing costs increased to DKK 392 million in Q4 2011 from DKK 328 million in Q4 2010, corresponding to 20.1% of revenue in Q4 2011, compared to 14.3% in Q4 2010, driven by significant high levels of investment in marketing

ADMINISTRATIVE EXPENSES

Administrative expenses amounted to DKK 246 million in Q4 2011 versus DKK 149 million Q4 2010, representing 12.6% up from 6.5% of Q4 2011 and Q4 2010 revenue, respectively.

The increase in administrative costs is mainly related to the use of external consultants, increased personnel headcount as well as investment in IT infrastructure.

COST RATIOS

Cost Ratio (Including depreciations & amortisations*)

DKK million	**2011 Q4**	**2011 Q3**	**2011 Q2**	**2011 Q1**	**2010 Q4**	**2010 Q3**
Sales and distribution costs	15.7%	14.8%	18.1%	16.6%	15.3%	13.4%
Marketing costs	20.1%	14.0%	13.7%	9.7%	14.3%	9.5%
Administrative expenses	12.6%	12.6%	10.9%	8.8%	6.5%	8.8%
Total Cost	**48.4%**	**41.4%**	**42.7%**	**35.1%**	**36.1%**	**31.7%**

* Including gains/losses from sales of assets

Please note that historical sales and distribution costs, up to and including Q2 2011, are negatively affected by DKK 46 million per quarter from amortisation of acquired distribution rights in PANDORA CWE.

EBITDA

EBITDA for Q4 2011 decreased by 38.9% to DKK 524 million resulting in an EBITDA margin of 26.8%, down from 37.3% in Q4 2010.

Regional EBITDA margins for Q4 2011 before allocation of central costs were 46.1% in Americas (46.9% in Q4 2010), 34.9% in Europe (42.3% in Q4 2010) and 33.4% in Asia Pacific (46.0% in Q4 2010). Unallocated costs increased to minus 12.9% in Q4 2011 compared to minus 7.5% in Q4 2010.

The Americas region EBITDA margin remains high and in line with last year. The margin decrease in

Europe is mainly affected by lower revenue from 3rd party distribution; and to the development of direct operations in Italy and France. The decrease in EBITDA margin in Asia Pacific is primarily due to the decrease in revenue in Australia.

EBITDA Margin	**2011 Q4**	**2010 Q4**	**Q4 2011 vs Q4 2010 (% pts)**
Americas	46.1%	46.9%	-0.8%
Europe	34.9%	42.3%	-7.4%
Asia Pacific	33.4%	46.0%	-12.6%
Unallocated costs	-12.9%	-7.5%	-5.4%
Group EBITDA margin	**26.8%**	**37.3%**	**-10.5%**

EBIT

EBIT for Q4 2011 decreased to DKK 475 million – a decrease of 39.2% compared to the same quarter 2010, resulting in an EBIT margin of 24.3% for Q4 2011 versus 34.0% in Q4 2010.

NET FINANCIAL INCOME AND EXPENSES

Net financial income amounted to DKK 145 million in Q4 2011 including financial expenses of DKK 107 million in Q4 2011. Financial income is positively affected by DKK 215 million from revaluation of the CWE earn-out provision based on revised outlook for PANDORA CWE. The remaining liability of DKK 51 million is included in provisions under non-current liabilities.

INCOME TAX EXPENSES

Income tax expenses were DKK 65 million in Q4 2011, implying an effective tax rate of 10.5% for Q4 2011 compared to 14.6% for Q4 2010.

NET PROFIT

Net profit in Q4 2011 decreased by 10.3% to DKK 555 million from DKK 619 million in Q4 2010. Adjusted for a revaluation of the CWE earn-out provision based on revised outlook for PANDORA CWE, Q4 2011 net profit decreased by 45.1% to DKK 340 million.

LIQUIDITY AND CAPITAL RESOURCES

In Q4 2011, PANDORA generated free cash flow of DKK 930 million corresponding to a cash conversion of 167.6% compared to 148.1% in Q4 2010. The increase in our cash conversion is driven by an improvement in our cash flow

, primarily due to a reduction in our inventory as well as receivables levels in Q4 2011.

Operating working capital (defined as inventory and accounts receivables less accounts payables) at the end of Q4 2011 was 33.4% of preceding twelve months revenue compared to 27.9% at the end of Q4 2010 and 39.5% at the end of Q3 2011.

Inventory increased to DKK 1,609 million at the end of Q4 2011 from DKK 1,272 million at the end of Q4 2010 but decreased by DKK 355 million versus Q3 2011. The increase in inventory levels of 26.5% from Q4 2010 to Q4 2011 can be explained by soaring gold and silver prices (approximately +20%), a delayed effect of adjusting our production to the lower than expected revenue (approximately +15%) and a decrease caused by remelting of obsolete inventory (approximately -10%).

Inventory to COGS ratio	**2011 Q4**	**2011 Q3**	**2011 Q2**	**2011 Q1**	**2010 Q4**	**2010 Q3**	**2010 Q2**	**2010 Q1**
Inventory (DKKm)	1,609	1,964	1,697	1,464	1,272	1,204	990	672
% of last 12 mth revenue	24.2%	28.0%	23.5%	20.4%	19.1%	21.0%	20.7%	16.3%

Trade receivables decreased to DKK 900 million in Q4 2011 (13.5% of preceding 12 month revenue) from DKK 984 million in Q3 2011 (14.1% of preceding 12 month revenue) due to seasonal effects and extended terms on Christmas orders in Q3 2011.

In Q4 2011, PANDORA invested a total of DKK 49 million in property, plant and equipment, approximately 2.5% of revenue.

Total interest-bearing debt was DKK 385 million at the end of Q4 2011 (compared to DKK 2,326 million at the end of Q4 2010).

Cash and short-term deposits amounted to DKK 176 million at the end of Q4 2011 (compared to DKK 1,224 million at the end of Q4 2010).

Net interest-bearing debt at the end of Q4 2011 was DKK 209 million corresponding to 0.1 LTM EBITDA (compared to DKK 1,102 million at the end of Q4 2010 corresponding to 0.4 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 2011.

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 2011, and of the results of the PANDORA Group’s operations and cash flow for the period 1 January – 31 December 2011.

Further, in our opinion the management's review (p. 1-22) 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, 21 February 2012

EXECUTIVE BOARD

Marcello V. Bottoli Interim Chief Executive Officer	Sten Daugaard Chief Development Officer	Henrik Holmark Chief Financial Officer

BOARD OF DIRECTORS

Allan Leighton Chairman	Torben Ballegaard Sørensen
Andrea Alvey	Marcello V. Bottoli
Christian Frigast	Erik D. Jensen
Nikolaj Vejlsgaard	

CONSOLIDATED INCOME STATEMENT

DKK million	Notes	2011 Q4	2010 Q4	2011 Full year	2010 Full year
Revenue	3	1,952	2,297	6,658	6,666
Cost of sales		-532	-687	-1,798	-1,941
Gross profit		**1,420**	**1,610**	**4,860**	**4,725**
Distribution expenses		-699	-680	-2,053	-1,733
Administrative expenses		-246	-149	-749	-576
Operating profit		**475**	**781**	**2,058**	**2,416**
Financial income		252	16	642	54
Financial expenses		-107	-72	-331	-218
Profit before tax		**620**	**725**	**2,369**	**2,252**
Income tax expenses		-65	-106	-332	-381
Net profit for the period		**555**	**619**	**2,037**	**1,871**
Attributable to:					
Equity holders of PANDORA A/S		555	619	2,037	1,846
Non-controlling interests		0	0	0	25
Net profit for the period		**555**	**619**	**2,037**	**1,871**
Earnings per share					
Profit for the period attributable to ordinary equity holders of the parent, basic		4	5	16	15
Profit for the period attributable to ordinary equity holders of the parent, diluted		4	5	16	15

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

DKK million	2011 Q4	2010 Q4	2011 Full year	2010 Full year
Net profit for the period	555	619	2,037	1,871
Exchange differences on translation of foreign subsidiaries	259	180	247	402
Value adjustment of hedging instruments	-192	148	-551	299
Income tax on other comprehensive income	13	22	13	3
Other comprehensive income, net of tax	**80**	**350**	**-291**	**704**
Total comprehensive income for the period	**635**	**969**	**1,746**	**2,575**
Attributable to:				
Equity holders of PANDORA A/S	635	970	1,746	2,519
Non-controlling interests	0	-1	0	56
Total comprehensive income for the period	**635**	**969**	**1,746**	**2,575**

CONSOLIDATED BALANCE SHEET

DKK million	2011 31 December	2010 31 December
ASSETS		
Non-current assets		
Goodwill	1,928	1,905
Brand	1,053	1,052
Distribution network	336	366
Distribution rights	1,064	1,128
Other intangible assets	95	39
Property, plant and equipment	429	374
Deferred tax assets	209	107
Other non-current financial assets	34	28
Total non-current assets	**5,148**	**4,999**
Current assets		
Inventories	1,609	1,272
Trade receivables	900	834
Other receivables	177	533
Tax receivables	41	97
Cash and short-term deposits	176	1,224
Total current assets	**2,903**	**3,960**
Total assets	**8,051**	**8,959**
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	130	130
Share premium	1,248	1,248
Treasury shares	-38	-38
Foreign currency translation reserve	768	521
Hedge reserve	-236	302
Other reserves	88	88
Proposed dividend	715	650
Retained earnings	2,736	1,414
Equity attributable to equity holders of the parent company	**5,411**	**4,315**
Total shareholders' equity	**5,411**	**4,315**
Non-current liabilities		
Interest-bearing loans and borrowings	375	-
Provisions	64	536
Deferred tax liabilities	552	606
Other non-current liabilities	2	18
Total non-current liabilities	**993**	**1,160**
Current liabilities		
Interest-bearing loans and borrowings	10	2,326
Provisions	230	76
Trade payables	288	245
Income tax payables	344	351
Other payables	775	486
Current liabilities	**1,647**	**3,484**
Total liabilities	**2,640**	**4,644**
Total equity and liabilities	**8,051**	**8,959**

PANDORA
UNFORGETTABLE MOMENTS

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	Attributable to equity holders of the parent	Non-controlling interests	Total equity
Shareholders' equity at 1 January 2011	130	1,248	-38	521	302	88	650	1,414	4,315	0	4,315
Comprehensive income											
Net profit for the period								2,037	2,037	0	2,037
Exchange differences on translation of foreign subsidiaries				247					247	0	247
Value adjustment of hedging instruments					-551				-551		-551
Income tax on other comprehensive income					13				13		13
Other comprehensive income, net of tax				247	-538	0			-291	0	-291
Total comprehensive income for the period				247	-538	0		2,037	1,746	0	1,746
Proposed and declared dividend							715	-715	0		0
Dividend paid							-650	0	-650		-650
Shareholders' equity at 31 December 2011	**130**	**1,248**	**-38**	**768**	**-236**	**88**	**715**	**2,736**	**5,411**	**0**	**5,411**
Shareholders' equity at 1 January 2010	1	0	0	164	0	11	0	1,276	1,452	197	1,649
Reclassification *				-14				21	7	-7	0
Comprehensive income											
Net profit for the period								1,846	1,846	25	1,871
Exchange differences on translation of foreign subsidiaries				371					371	31	402
Value adjustment of hedging instruments					299				299		299
Income tax on other comprehensive income					3				3		3
Other comprehensive income, net of tax				371	302	0			673	31	704
Total comprehensive income for the period				371	302	0		1,846	2,519	56	2,575
Sharebased payments						6			6		6
Capital increase	125	675							800		800
Capital increase , Initial Public Offering	3	573							576		576
Capital increase, bonus shares and warrants	1					-1			0		0
Proposed and declared dividend							1,650	-1,650	0		0
Paid dividend							-1,000		-1,000		-1,000
Capital infusion						74			74		74
Non-controlling interests arising on business combination									0	820	820
Minority shareholder with put-option reclassified to provisions									0	-410	-410
Remeasurement of put-option									0	-39	-39
Dividend paid to non-controlling interests									0	-53	-53
Acquisition of non-controlling interests								-79	-79	-564	-643
Purchase of treasury shares			-40						-40		-40
Disposal of treasury shares			2			-2			0		0
Shareholders' equity at 31 December 2010	**130**	**1,248**	**-38**	**521**	**302**	**88**	**650**	**1,414**	**4,315**	**0**	**4,315**

* Non-controlling interests part of depreciation of distribution right including tax effect and foreign currency translation reserve of 31 December 2009.

CONSOLIDATED CASH FLOW STATEMENT

DKK million	2011 Q4	2010 Q4	2011 Full year	2010 Full year
Profit before tax	620	725	2,369	2,252
Financial income	-252	-16	-642	-54
Financial expenses	107	72	331	218
Amortisation/depreciation	49	73	221	265
Options	-14	0	0	6
Change in inventories	428	-20	-310	-665
Change in receivables	154	240	15	-308
Change in trade payables	103	-36	43	37
Change in other liabilities	254	250	270	192
	1,449	1,288	2,297	1,943
Other non-cash adjustments	-38	-92	50	31
Interest received	1	5	4	17
Interest paid	-28	-60	-99	-299
Income tax paid	-352	-190	-429	-376
Cash flow from operating activities	**1,032**	**951**	**1,823**	**1,316**
Acquisition of subsidiaries, net of cash acquired	0	-102	-116	-94
Purchase of intangible assets	-81	-52	-119	-52
Purchase of property, plant and equipment	-49	-103	-150	-210
Investment in receivable	0	83	0	0
Change in other non-current assets	-6	17	-5	3
Proceeds from sale of property, plant and equipment	7	49	26	49
Cash flow from investing activities	**-129**	**-108**	**-364**	**-304**
Capital increase including share premium net of transaction costs	0	651	0	651
Dividend paid	0	0	-650	-200
Dividend paid to non-controlling interests	0	0	-13	-40
Purchase and disposal of treasury shares	0	-38	0	-38
Acquisition of non-controlling interests	0	-593	0	-593
Proceeds from borrowings	-1,025	1,792	537	2,775
Repayment of borrowings	-1	-1,729	-2,376	-3,199
Cash flow from financing activities	**-1,026**	**83**	**-2,502**	**-644**
Net cash flow for the period	**-123**	**926**	**-1,043**	**368**
Cash and short-term deposits				
Cash and short-term deposits at beginning of period	292	302	1,224	824
Net exchange rate adjustment	7	-4	-5	32
Net cash flow for the period	-123	926	-1,043	368
Cash and short-term deposits at end of period	**176**	**1,224**	**176**	**1,224**
Unutilised credit facilities inclusive cash and cash equivalents	2,492	1,382	2,492	1,382

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 PANDORA's assets and liabilities.

All significant accounting estimates and judgements are consistent with the description in the Annual Report for 2011. We refer to the description in note 1 of the consolidated financial statement in PANDORA's Annual Report for 2011.

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
PANDORA's 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, continued

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**

Q4 2010

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	1,002	956	339	-	2,297
Segment profit (EBITDA)	470	404	156	-173	857
Adjustments:					
Amortisation/depreciation					-73
Gain/loss from sale of non-current assets					-3
Consolidated operating profit					**781**

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**

Full year 2010

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	2,914	2,859	893	-	6,666
Segment profit (EBITDA)	1,479	1,282	402	-479	2,684
Adjustments:					
Amortisation/depreciation					-265
Gain/loss from sale of non-current assets					-3
Consolidated operating profit					**2,416**

NOTE 3 - Operating segment information, continued

Product information:

Revenue from external customers

DKK million	2011 Q4	2010 Q4	2011 Full year	2010 Full year
Charms	1,353	1,587	4,639	4,630
Silver and gold charms bracelets	272	242	786	786
Rings	114	158	401	420
Other jewellery	213	310	832	830
Revenue	**1,952**	**2,297**	**6,658**	**6,666**

Geographical information:

Revenue from external customers

DKK million	2011 Q4	2010 Q4	2011 Full year	2010 Full year
United States	701	820	2,537	2,518
Australia	210	292	656	786
United Kingdom	344	320	951	995
Germany	184	191	638	679
Other countries	513	674	1,876	1,688
Revenue	**1,952**	**2,297**	**6,658**	**6,666**

NOTE 4 – Business combinations

Acquisition of the German distributor

On 5 January 2010, the Group formed PANDORA Jewelry Central Western Europe A/S together with the former German distributor. We refer to the description in note 3 of the consolidated financial statement in PANDORA's Annual Report for 2011.

NOTE 5 - Contingent liabilities

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

NOTE 6 – Related party transactions

Related parties of PANDORA with a controlling interest are the principal shareholder Prometheus Invest ApS (57% interest) and the ultimate parent, Axcel III K/S 2 (32% 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 these other entities during 2011 and 2010.

Related parties of PANDORA with significant interests include the Board of Directors and the Executive Management of the companies and their 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 25 of the consolidated financial statement in PANDORA's Annual Report for 2011.

Transactions with Prometheus Invest ApS

In February 2010, PANDORA completed a refinancing through borrowing DKK 2,200 million under a new senior facility agreement. The proceeds were used to repay existing credit facilities, to repay the subordinated loan from the parent company, Prometheus Invest ApS, to pay related fees and expenses and to pay DKK 113 million of declared dividend to Prometheus Invest ApS.

NOTE 6 – Related party transactions, continued

The table below provides other transactions which were entered into with related parties:

	Prometheus Invest ApS			
	2011	2010	2011	2010
DKK million	Q4	Q4	Full year	Full year
Income statement:				
Financial expenses	-	-	-	25
Total	**-**	**-**	**-**	**25**

	Prometheus Invest ApS	
	31 December	31 December
DKK million	2011	2010
Balance sheet:		
Equity (capital infusion)	-	74
Payables	-	9
Total	**-**	**83**

NOTE 7 – 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 ('IFRSs') endorsed by the EU effective for the accounting period beginning on 1 January 2011. These IFRSs have not had any significant impact on the Group's interim financial report.

PANDORA
UNFORGETTABLE MOMENTS

QUARTERLY OVERVIEW

QUARTERLY OVERVIEW

DKK million	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1
Income statement								
Revenue	1,952	1,569	1,392	1,745	2,297	1,788	1,343	1,238
EBITDA	524	536	512	709	857	807	546	474
Operating profit (EBIT)	475	506	440	637	781	743	480	412
Net financial income and expenses	145	-90	265	-9	-56	-34	9	-83
Profit before tax	620	416	705	628	725	709	489	329
Net profit	555	341	626	515	619	581	401	270
Balance sheet								
Total assets	8,051	8,472	7,854	8,335	8,959	7,727	7,001	6,373
Invested capital	5,923	6,313	5,764	5,618	5,659	5,738	5,393	4,871
Net working capital	1,327	1,900	1,462	1,292	1,266	1,515	1,057	680
Shareholders' equity	5,411	4,790	4,439	4,740	4,315	3,392	2,997	1,512
Net interest-bearing debt	209	1,118	1,144	705	1,102	2,021	1,950	2,060
Cash flow statement								
Net cash flow from operating activities	1,032	81	255	455	951	49	260	56
Net cash flow from investing activities	-129	-60	-40	-135	-108	-45	-122	-29
Free cash flow	930	37	227	476	917	30	229	212
Cash flow from financing activities	-1,026	63	-592	-947	83	136	-263	-600
Net cash flow for the period	-123	84	-377	-627	926	140	-125	-573
Ratios								
Revenue growth, %	-15.0%	-12.2%	3.6%	41.0%	67.2%	116.7%	99.0%	110.9%
EBITDA growth, %	-38.9%	-33.6%	-6.2%	49.6%	40.7%	161.2%	70.6%	41.9%
EBIT growth, %	-39.2%	-31.9%	-8.3%	54.6%	44.4%	196.0%	55.3%	27.6%
Net profit growth, %	-10.3%	-41.3%	56.1%	90.7%	52.8%	279.7%	72.8%	25.6%
EBITDA margin, %	26.8%	34.2%	36.8%	40.6%	37.3%	45.1%	40.7%	38.3%
EBIT margin, %	24.3%	32.2%	31.6%	36.5%	34.0%	41.6%	35.7%	33.3%
Cash conversion, %	167.6%	10.9%	36.3%	92.4%	148.1%	5.2%	57.1%	78.5%
Net interest-bearing debt to EBITDA *	0.1	0.4	0.4	0.2	0.4	0.8	1.0	1.2
Equity ratio, %	67.2%	56.5%	56.5%	56.9%	48.2%	43.9%	42.8%	23.7%
ROIC, % *	34.7%	37.4%	45.1%	47.0%	42.7%	37.9%	31.2%	31.1%

* 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 jewelry and non-jewelry 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.