

No. 65

COMPANY ANNOUNCEMENT

6 November 2012

INTERIM REPORT FOR Q3 2012

GROUP REVENUE WAS DKK 1,794 MILLION. EBITDA MARGIN WAS 28.0%. NET PROFIT WAS DKK 380 MILLION. STOCK BALANCING CAMPAIGN LARGELY CONCLUDED. UPDATED FINANCIAL OUTLOOK

During Q3 2012 PANDORA continued to execute on the stock balancing campaign as planned. The stock balancing campaign is now largely concluded. The Group revenue in this interim report is slightly better than previously anticipated due principally to positive foreign exchange developments, but, as expected, adversely impacted by the effect from the stock balancing campaign launched in Q1 2012. Please see PANDORA's Annual report for 2011 for a full description of the stock balancing campaign.

In Q3 2012, PANDORA received returns of discontinued products with a wholesale value of DKK 86 million, and replaced DKK 127 million. In 2012 PANDORA has received returns of discontinued products of DKK 609 million, and replaced DKK 599 million.

- Group revenue increased by 14.3% in Q3 2012 to DKK 1,794 million compared to DKK 1,569 million in Q3 2011:
 - Americas increased by 21.9% (9.5% in local currency)
 - Europe increased by 13.1% (11.0% in local currency)
 - Asia Pacific decreased by 10.7% (17.3% in local currency)
 - Branded revenue as percentage of total revenue increased to 81.3% (73.6% in Q3 2011)
- Gross margin was 64.1% in Q3 2012 (73.6% in Q3 2011)
- EBITDA margin was 28.0% in Q3 2012 (34.2% in Q3 2011), EBITDA decreased by 6.2% to DKK 503 million
- EBIT margin was 25.8% in Q3 2012 (32.2% in Q3 2011), EBIT decreased by 8.5% to DKK 463 million
- Net profit increased by 11.4% to DKK 380 million in Q3 2012 (DKK 341 million in Q3 2011).
- Free cash flow was DKK -88 million in Q3 2012 (DKK 37 million in Q3 2011)

UPDATED FINANCIAL OUTLOOK FOR 2012

PANDORA expects revenue for 2012 to be above DKK 6.3 billion (from previously guided above DKK 6 billion), a gross margin in the mid 60's and EBITDA margin in the mid 20's (from previously guided low 20's).

PANDORA expects CAPEX to be around DKK 250 million (from previously guided DKK 300 million) and an effective tax rate of 18%.

PANDORA's revenue assumption is based on the expectation of approximately 200 new Concept stores in 2012. PANDORA expects to open approximately 100 (down from previously 135) new Concept stores and Shop-in-Shops in its key new markets (Italy, France, Russia and Asia) during the course of 2012. The main reason for the deviation is a more selective roll-out approach in Other Asia, as a consequence of our on-going business review of this region.

CEO Björn Gulden, said:

"I am happy to report that we continue to perform in line with our "18 months turn-around plan". Third quarter developed even a little better than we expected and we have, based on the tailwind from the currency development, decided to slightly upgrade our revenue guidance.

One of our major initiatives "The stock balancing campaign" was continued, mainly impacting the US and 3rd party distribution, during Q3 2012. We have now largely concluded the campaign and it will, as communicated earlier, be finished by end of 2012.

The other major initiative in 2012 was the realignment of price and product architecture. We already reported that the product launched in Spring Summer performed well based on Sales in to all channels and Sales out from Concept stores. I can now report that this trend is continuing and that the replenishment of these products was much higher in Q3 than it was last year.

During Q3 we also launched the Autumn part of the Autumn/Winter 2012 collection, and it is encouraging to see that both sales in to all channels and sales out from Concept stores have been materially better than last year. Additionally, the Christmas drop of the Autumn/Winter 2012 collection has been very well received by our retailers.

I am also happy to see that, even in a difficult retail environment, our major markets have all positive or improved like-for-like sales out in the Concept stores.

The year is not yet finished. We have our most important quarter to come, but we feel confident that our improved product, our lower prices and our other operational improvements will put us in the position of achieving our updated financial goals for the full year."

CONFERENCE CALL

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

The following numbers can be used by investors and analysts:

DK: +45 3272 7625

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

US: +1 631 510 7498

To help ensure that the conference begins in a timely manner, please dial in 5 minutes prior to the scheduled starting time. Participants will have to quote confirmation code 50265212 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 approximately 10,000 points of sale, including more than 800 Concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs over 6,000 people worldwide of whom 4,000 are located in Gemopolis, Thailand, where the Company manufactures its jewellery. PANDORA is publicly listed on the NASDAQ OMX Copenhagen stock exchange in Denmark. In 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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FINANCIAL HIGHLIGHTS

DKK million	2012 Q3	2011 Q3	2012 9M	2011 9M	2011 Full year
Income statement					
Revenue	1,794	1,569	4,478	4,706	6,658
Gross profit	1,150	1,155	3,026	3,440	4,860
EBITDA	503	536	1,124	1,757	2,281
Operating profit (EBIT)	463	506	989	1,583	2,058
Net financial income and expenses	1	-90	-36	166	311
Profit before tax	464	416	953	1,749	2,369
Net profit for the period	380	341	781	1,482	2,037
Balance sheet					
Total assets	8,967	8,472	8,967	8,472	8,051
Invested capital	6,632	6,313	6,632	6,313	5,923
Net working capital excluding derivatives	2,037	1,900	2,037	1,900	1,327
Shareholders' equity	5,807	4,790	5,807	4,790	5,411
Net interest-bearing debt	829	1,118	829	1,118	209
Cash flow statement					
Net cash flow from operating activities	-35	81	241	791	1,823
Net cash flow from investing activities	-55	-60	-147	-235	-364
Free cash flow	-88	37	121	740	1,670
Cash flow from financing activities	68	63	4	-1,476	-2,502
Net cash flow for the period	-22	84	98	-920	-1,043
Ratios					
Revenue growth, %	14.3%	-12.2%	-4.8%	7.7%	-0.1%
Gross profit growth, %	-0.4%	-11.8%	-12.0%	10.4%	2.9%
EBITDA growth, %	-6.2%	-33.6%	-36.0%	-3.8%	-15.0%
EBIT growth, %	-8.5%	-31.9%	-37.5%	-3.2%	-14.8%
Net profit growth, %	11.4%	-41.3%	-47.3%	18.4%	8.9%
Gross margin, %	64.1%	73.6%	67.6%	73.1%	73.0%
EBITDA margin, %	28.0%	34.2%	25.1%	37.3%	34.3%
EBIT margin, %	25.8%	32.2%	22.1%	33.6%	30.9%
Tax rate, %	18.1%	18.0%	18.0%	15.3%	14.0%
Cash conversion, %	-23.2%	10.9%	15.5%	49.9%	82.0%
Capex	70.0	60.0	171.0	139.0	269.0
Net interest-bearing debt to EBITDA *	0.5	0.4	0.5	0.4	0.1
Equity ratio, %	64.8%	56.5%	64.8%	56.5%	67.2%
ROIC, % *	22.1%	37.4%	22.1%	37.4%	34.7%
Other key figures					
Average number of employees	5,937	5,217	5,652	5,139	5,186
Dividend per share, DKK	-	-	-	-	5.5
Earnings per share, basic	2.9	2.6	6.0	11.4	15.9
Share price at end of period	79	37	79	37	54

* 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.

IMPORTANT EVENTS IN Q3 2012

Initiative to improve the quality of retailers' stock

With the aim to improve the quality of the stock mix at its key retail partners, PANDORA on 21 February 2012, initiated a one-off, time limited global stock balancing campaign. The campaign is now largely concluded.

During Q3 2012 PANDORA received discontinued products with a wholesale value of DKK 86 million and, products worth DKK 127 million were replaced with new bestsellers. For 9M 2012 the numbers totalled DKK 609 million and DKK 599 million, respectively.

From an accounting perspective the stock balancing campaign has no impact on revenue, and since the revenue recognition is based on the matching principle, only products that have been both received and subsequently replaced with new products are accounted for in revenue. The value of products accounted for in Q3 2012 was DKK 127 million with a revenue impact of zero in Q3 2012. As of 30 September 2012 the impact on inventory caused by take back from the stock balancing campaign was DKK 135 million.

PANDORA retailers have welcomed the stock balancing campaign initiative and the campaign has achieved a high participation rate from retailers, both in terms of number of stores and volume. The requests for returns of discontinued products show a participation rate of approximately two-thirds amongst all points of sales in PANDORA's distribution network. Participation rates for Concept stores and Shop-in-Shops were approximately 80%.

To help evaluate against historical figures, PANDORA will, throughout 2012, provide supplemental figures relating to the stock balancing campaign where applicable. Supplemental figures should however be treated with careful consideration, as simply adding these to the reported figures may be neither representative nor meaningful, particularly due to the phasing of returns and replacements between individual quarters.

Performance of Autumn/Winter 2012 collection

As mentioned in PANDORA's Q2 2012 report, feedback from presentations to the retailers of the Autumn/Winter 2012 collection was very encouraging. The Autumn/Winter 2012 collection, of which the first drop, our Autumn part was launched in August, was very well received in stores.

Like-for-like sales-out revenue of the Autumn part has in Q3 2012 clearly improved compared to sales of last year's Autumn collection. The reduced average retail price in the Autumn 2012 collection, due to a higher proportion of silver products, was more than offset by significantly higher volumes.

The next drop in the Autumn/Winter 2012 collection, our Christmas drop, will be shipped in Q4 2012. Feedback from presentations to the retailers has been encouraging.

Board of Directors evaluation of future capital structure

As PANDORA is coming to an end of the 18 month turn-around plan initiated in August 2011, the Board of Directors has intensified its analysis of the existing capital structure and will, in Q4 2012, continue the work to define what the Board of Directors believes would be an optimal capital structure for the Company going forward including decisions on potential ways to distribute cash to the shareholders.

Conclusions from this review are expected to be communicated in connection with the release of the Company's Q4 2012 financial results in February 2013.

REVENUE DEVELOPMENT IN Q3 2012

Total revenue increased by 14.3% to DKK 1,794 million in Q3 2012 from DKK 1,569 million in Q3 2011, with Q3 2012 principally due to positive foreign exchange developments, which more than off-set the negative impact the stock balancing campaign initiated in February 2012 as well as a significant impact from a change in product mix influenced by the introduction of products with lower price points.

Excluding foreign exchange movements, revenue increased by 6.8%. The revenue development is influenced by price reductions (-3.6%), volume (15.9%), market mix (4.9%) and product mix effects (-10.4%).

The geographical distribution of revenue in Q3 2012 was 51.3% for the Americas (48.1% in Q3 2011), 39.0% for Europe (39.4% in Q3 2011) and 9.7% for Asia Pacific (12.5% in Q3 2011).

REVENUE BREAKDOWN BY GEOGRAPHY

DKK million	Q3 2012	Q3 2011	% Change	% Change in local currency	Received Q3 2012*	Replaced Q3 2012*
Americas	920	755	21.9%	9.5%	85	80
United States	711	614	15.8%		73	68
Other	209	141	48.2%		12	12
Europe	699	618	13.1%	11.0%	1	45
United Kingdom	249	222	12.2%		1	-
Germany	130	173	-24.9%		-	4
Other	320	223	43.5%		-	41
Asia Pacific	175	196	-10.7%	-17.3%	-	2
Australia	120	138	-13.0%		-	-
Other	55	58	-5.2%		-	2
Total	1,794	1,569	14.3%	6.8%	86	127

* Received means value of discontinued products returned to PANDORA in Q3 2012. Replaced means value of new products returned to retailers Q3 2012.

DKK million	9M 2012	9M 2011	% Change	% Change in local currency	Received 9M 2012*	Replaced 9M 2012*
Americas	2,373	2,261	5.0%	-2.2%	343	333
United States	1,841	1,836	0.3%		284	276
Other	532	425	25.2%		59	57
Europe	1,576	1,844	-14.5%	-15.1%	213	213
United Kingdom	485	607	-20.1%		79	79
Germany	315	454	-30.6%		28	28
Other	776	783	-0.9%		106	106
Asia Pacific	529	601	-12.0%	-18.5%	53	53
Australia	375	446	-15.9%		44	44
Other	154	155	-0.6%		9	9
Total	4,478	4,706	-4.8%	-9.3%	609	599

* Received means value of discontinued products returned to PANDORA in the first 3 quarters of 2012. Replaced means value of new products returned to retailers in the first 3 quarters of 2012.

AMERICAS

Revenue in Americas, constituting 51.3% of total Group revenue, increased by 21.9% to DKK 920 million in Q3 2012 (DKK 755 million in Q3 2011). Excluding foreign exchange movements, revenue increased by 9.5% compared to Q3 2011.

In the United States revenue was up 15.8% in Q3 2012 versus Q3 2011 (2.6% in local currency). Of DKK 127 million in stock balancing replaced in Q3 2012, the United States accounted for DKK 68 million, corresponding to 9.6% of the reported revenue for Q3 2012 which may have changed retailers' purchasing patterns and thereby negatively affected the reported revenue.

Based on Concept stores, which have been operating for 12 months or more, like-for-like sales-out in the United States increased by 4.5% in Q3 2012 compared to Q3 2011.

Concept stores like-for-like* sales-out	Sales-out			
	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012	Q4 2010 to Q4 2011
US	4.5%	3.0%	6.7%	16.6%

*Stores of same category open more than 12 months.

Other Americas sales were up 48.2% in Q3 2012 versus Q3 2011 and constituted 11.6% of Group revenue, with Canada as the largest contributor growing by 58.6% in Q3 2012 compared to Q3 2011. Other markets in this region increased by 23.8% in Q3 2012 compared to the same period last year.

During Q3 2012 the number of branded stores in the Americas increased by 81 stores (versus 98 in Q3 2011) to a total of 1,505 branded stores. Of the 81 branded stores opened in Q3 2012, 23 were Concept stores. Branded stores accounted for 47.4% of the total number of stores compared to 42.4% at the end of Q3 2011.

AMERICAS	Number of PoS Q3 2012	Number of PoS Q2 2012	Number of PoS Q3 2011	Delta Q3 2012 and Q2 2012	Delta Q3 2012 and Q3 2011
Concept stores ¹	273	250	181	23	92
Shop-in-Shops ²	500	459	374	41	126
Gold	732	715	656	17	76
Total branded	1,505	1,424	1,211	81	294
Total branded as % of Total	47.4%	46.1%	42.4%	1.3%	5.0%
Silver	1,119	1,121	1,118	-2	1
White and travel retail	548	541	529	7	19
Total	3,172	3,086	2,858	86	314

¹ Includes 1 and 0 PANDORA-owned Concept stores at Q3 2012 and Q2 2012 respectively

² Includes 0 and 0 PANDORA-owned Shop-in-Shops at Q3 2012 and Q2 2012 respectively

EUROPE

Revenue in Europe, constituting 39.0% of total Group revenue, increased by 13.1% to DKK 699 million in Q3 2012 (DKK 618 million in Q3 2011) driven by the UK, Italy, Russia and France. Excluding foreign exchange movements, revenue increased by 11.0% compared to Q3 2011.

Revenue in the UK, PANDORA's largest single European market, accounting for 13.9% of Q3 2012 revenue, increased by 12.2% (flat in local currency).

Based on Concept stores, which have been operating for 12 months or more, like-for-like sales-out in the UK, increased by 0.9% in Q3 2012, compared to Q3 2011.

Concept stores like-for-like* sales-out	Sales-out			
	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012	Q4 2010 to Q4 2011
UK	0.9%	-4.0%	-15.6%	-8.9%

*Stores of same category open more than 12 months.

Revenue in Germany, PANDORA's second largest market in Europe (accounting for 7.2% of Q3 2012 Group revenue), decreased by 24.9% in Q3 2012 compared to Q3 2011.

PANDORA continues to address the over-distribution in Germany by closing a number of sub-optimally located stores particularly in the Silver- and White category in 2012. During 2012 PANDORA has closed more than 500 primarily unbranded points-of-sale.

Based on Concept stores, which have been operating for 12 months or more, like-for-like sales-out in Germany increased by 2.5% in Q3 2012 compared to Q3 2011.

Concept stores like-for-like* sales-out	Sales-out			
	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012	Q4 2010 to Q4 2011
Germany	2.5%	8.9%	-1.8%	-1.4%

*Stores of same category open more than 12 months.

In the category Other Europe revenue increased by 43.5% in Q3 2012 compared to Q3 2011, primarily driven by significant growth from Italy, Russia and France. PANDORA's third party distributor markets Greece, Spain, Portugal and Ireland continue to suffer from harsh macroeconomic trading conditions and hence continue to destock in order to optimise local inventory levels. Additionally, revenue in these countries is negatively affected in the quarter by the stock balancing campaign.

During Q3 2012 the number of branded stores in Europe increased by 237 stores (113 in Q3 2011) to a total of 2,203 branded stores, accounting for 34.2% of the total number of stores (25.6% at the end of Q3 2011). Q3 2012 has been affected by the net closure of 544 unbranded stores.

EUROPE	Number of PoS	Number of PoS	Number of PoS	Delta Q3 2012	Delta Q3 2012
	Q3 2012	Q2 2012	Q3 2011	and Q2 2012	and Q3 2011
Concept stores ¹	405	382	292	23	113
Shop-in-Shops ²	529	457	542	72	-13
Gold	1,269	1,127	917	142	352
Total branded	2,203	1,966	1,751	237	452
Total branded as % of Total	34.2%	29.1%	25.6%	5.1%	8.6%
Silver	1,741	1,844	1,441	-103	300
White and travel retail	2,504	2,945	3,640	-441	-1,136
Total³	6,448	6,755	6,832	-307	-384

¹ Includes 73 and 68 PANDORA-owned Concept stores at Q3 2012 and Q2 2012 respectively

² Includes 51 and 53 PANDORA-owned Shop-in-Shops at Q3 2012 and Q2 2012 respectively

³ Includes for Q3 2012 82 concept stores, 145 Shop-in-Shops, 262 Gold, 223 Silver and 1,057 White stores respectively relating to 3rd party distributors

ASIA PACIFIC

Revenue in Asia Pacific, constituting 9.7% of total Group revenue, decreased by 10.7% to DKK 175 million in Q3 2012 (DKK 196 million in Q3 2011). Excluding foreign exchange movements, revenue decreased by 17.3% compared to Q3 2011.

Reported revenue in Australia was down by 13.0% in Q3 2012 compared to the same period last year whereas revenue decreased by 24.0% in local currency.

Based on Concept stores, which have been operating for 12 months or more, like-for-like sales-out in Australia decreased by 5.8% in Q3 2012 compared to Q3 2011.

Concept stores like-for-like* sales-out	Sales-out			
	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012	Q4 2010 to Q4 2011
Australia	-5.8%	-7.4%	-20.1%	-15.5%

*Stores of same category open more than 12 months.

In the category Other Asia Pacific, constituting 3.1% of total Group revenue, revenue was down by 5.2% in Q3 2012 compared to the same quarter last year. The negative development is mainly explained by decreasing revenue in Other Asia.

ASIA PACIFIC	Number of PoS	Number of PoS	Number of PoS	Delta Q3 2012	Delta Q3 2012
	Q3 2012	Q2 2012	Q3 2011	and Q2 2012	and Q3 2011
Concept stores ¹	145	134	95	11	50
Shop-in-Shops ²	175	174	145	1	30
Gold	129	134	155	-5	-26
Total branded	449	442	395	7	54
Total branded as % of Total	74.8%	73.4%	55.6%	1.4%	19.2%
Silver	75	78	113	-3	-38
White and travel retail	76	82	202	-6	-126
Total	600	602	710	-2	-110

¹ Includes 32 and 34 PANDORA-owned Concept stores at Q3 2012 and Q2 2012 respectively

² Includes 0 and 0 PANDORA-owned Shop-in-Shops at Q3 2012 and Q2 2012 respectively

PANDORA SALES CHANNELS

Direct distribution accounted for 97.9% of revenue in Q3 2012 compared to 96.4% in Q3 2011. Branded sales in markets with direct distribution accounted for 83.0% in Q3 2012 (76.3% in Q3 2011). Concept stores accounted for 61.8% of the branded sales in Q3 2012 (38.1% in Q3 2011).

	Q3 2012	Q3 2011	Received Q3 2012*	Replaced Q3 2012*	Number of POS Q3 2012	Number of POS Q3 2011
DKK million						
Concept stores	901	440	18	9	741	518
SiS	309	371	28	28	1,059	918
Gold	249	344	27	59	1,868	1,543
Total Branded	1,459	1,155	73	96	3,668	2,979
Silver	185	235	13	-11	2,712	2,492
White and travel retail	113	123	-	3	2,071	3,143
Total Unbranded	298	358	13	-8	4,783	5,635
Total Direct	1,757	1,513	86	88	8,451	8,614
3rd party	37	56	-	39	1,769	1,786
Total	1,794	1,569	86	127	10,220	10,400

* Received means value of discontinued products returned to PANDORA in Q3 2012. Replaced means value of new products returned to retailers Q3 2012.

Total number of points of sale decreased by 223 in Q3 2012 to a total of 10,220 globally. At the same time, PANDORA added a net total of 325 branded points of sale. Of these, 57 were Concept stores, 114 were Shop-in-Shops and 154 Gold stores.

Branded stores in direct distribution markets accounted for 43.4% of the total number of stores at the end of Q3 2012 compared to 34.6% at the end of Q3 2011.

GROUP	Number of PoS Q3 2012	Number of PoS Q2 2012	Number of PoS Q3 2011	Delta Q3 2012 and Q2 2012	Delta Q3 2012 and Q3 2011
Concept stores ¹	823	766	568	57	255
Shop-in-Shops ²	1,204	1,090	1,061	114	143
Gold	2,130	1,976	1,728	154	402
Total branded	4,157	3,832	3,357	325	800
Total branded as % of Total	40.7%	36.7%	32.3%	4.0%	8.4%
Silver	2,935	3,043	2,672	-108	263
White and travel retail	3,128	3,568	4,371	-440	-1,243
Total³	10,220	10,443	10,400	-223	-180

¹ Includes 106 and 102 PANDORA-owned Concept stores at Q3 2012 and Q2 2012 respectively

² Includes 51 and 53 PANDORA-owned shop-in-shops at Q3 2012 and Q2 2012 respectively

³ Includes for Q3 2012 82 concept stores, 145 Shop-in-Shops, 262 Gold, 223 Silver and 1,057 White stores respectively relating to 3rd party distributors

PRODUCT OFFERING

The stock balancing campaign has impacted the revenue distribution between product categories, particularly as the categories Rings and Other Jewellery have been significantly affected by returned SKUs. This has led to a comparably positive effect into the categories Charms and Silver and gold charms bracelets.

In Q3 2012 revenue from Charms increased by 28.8% compared to Q3 2011. Revenue from Silver and gold charms bracelets increased by 42.6% compared to Q3 2011. The two categories represented 87.5% of total revenue in Q3 2012 (76.6% in Q3 2011).

Rings increased by 37.5% and represented 7.4% of total revenue in Q3 2012 (compared to 6.1% in Q3 2011). Other Jewellery decreased by 66.4% in Q3 2012 and represented 5.1% of total revenue (17.3% in Q3 2011).

Rings and Other Jewellery together represented 12.5% of total revenue in Q3 2012 (23.4% in Q3 2011).

Product mix DKK million	2012 Q3	2011 Q3	Change Q3 vs Q3	Share of total in %	Received Q3 2012*	Replaced Q3 2012*
Charms	1,340	1,040	28.8%	74.6%	29	94
Silver and gold charms bracelets	231	162	42.6%	12.9%	-	19
Rings	132	96	37.5%	7.4%	1	6
Other jewellery	91	271	-66.4%	5.1%	56	8
Total	1,794	1,569	14.3%	100.0%	86	127

* Received means value of discontinued products returned to PANDORA in Q3 2012. Replaced means value of new products returned to retailers Q3 2012.

The development in average sales price (ASP) per item in Q3 2012 was virtually flat at DKK 133 from DKK 134 in Q3 2011. Note that, compared to Q3 2011, the Q3 2012 ASP is positively affected by currency and negatively affected by price reductions and the stock balancing campaign.

NEW MARKETS

In Q3 2012, PANDORA opened net 171 Concept stores and Shop-in-Shops, globally, of which 25 have been opened in PANDORA's key new markets (Italy, France, Russia and Asia), bringing net openings to 81 in 2012 year-to-date. For the full year 2012, PANDORA expects to open approximately 100 (previously 135) Concept stores and Shop-in-Shops in new markets. The main reason for the deviation is a more selective store roll-out approach in Other Asia, as a consequence of our on-going business review of this region.

Number of stores - new markets	End of Q3 2012						Total	Net Openings Q3 2012	Net Openings Q2 2012
	Russia	China	Japan	Rest of Asia	France	Italy			
Concept stores	53	22	4	46	8	6	139	16	27
SiS	8	17	15	39	27	8	114	9	14
Total	61	39	19	85	35	14	253	25	41

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

PANDORA's strategy in Italy is to utilise the large and well-established network of multi-brand jewellery retailers.

In Italy, the Company was selling PANDORA products through 954 points of sale (6 Concept stores, 8 Shop-in-Shops, 145 Gold stores, 257 Silver stores and 538 White stores) at the end of Q3 2012.

PANDORA's strategy in France is to upgrade the quality of our distribution network, with a particular emphasis on department store Shop-in-Shops and Concept stores. In France, the Company was selling PANDORA products through 279 points of sale (8 Concept stores, 27 Shop-in-Shops, 13 Gold stores, 118 Silver stores and 113 White stores) at the end of Q3 2012.

REVENUE BY DISTRIBUTION

Direct distribution accounted for 97.9% of revenue in Q3 2012 compared to 96.4% in Q3 2011.

Distribution	DKK million	Number of PoS	DKK million	Number of PoS
	Revenue Q3 2012	end Q3 2012	Revenue Q3 2011*	end Q3 2011
Direct distribution	1,757	8,451	1,513	8,614
Third party distribution	37	1,769	56	1,786
Total	1,794	10,220	1,569	10,400

GROSS PROFIT AND GROSS MARGIN

Gross Margin Development

	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3
	64.1%	67.9%	71.6%	72.7%	73.6%

Gross profit was DKK 1,150 million in Q3 2012 compared to DKK 1,155 million in Q3 2011, resulting in a gross margin of 64.1% in Q3 2012 (73.6% in Q3 2011).

The average realized price for gold was 1,707 USD/oz and 33.67 USD/oz for silver in Q3 2012.

Compared with Q3 2011 the Q3 2012 gross margin was negatively impacted by increasing raw material prices (-7.4%), price changes (-1.0%), product and market mix (-0.0%) and currencies (-1.1%).

Compared with Q2 2012, the Q3 2012 gross margin decline is explained by increasing raw material prices (-2.0%), price changes (0.0%), product and market mix (-2.1%) and currencies (0.3%). Product and market mix includes a one percentage point negative impact on gross margin, due to the expiration of the suspension of certain import duties of goods manufactured in Thailand under the U.S. Generalized System of Preferences program.

PANDORA is fully hedged for the remainder of 2012. It is PANDORA's policy to hedge 100%, 80%, 60% and 40% of expected gold and silver consumption in the following four quarters respectively. Our hedged prices for the following four quarters for gold are 1,667 USD/oz, 1,677 USD/oz, 1,617

USD/oz, 1,772 USD/oz and for silver 31.53 USD/oz, 33.19 USD/oz, 29.88 USD/oz and 32.30 USD/oz.

Excluding PANDORA's hedging and the time lag effect from PANDORA's inventory, the underlying gross margin would have been approximately 67% based on average gold (1,654 USD/oz) and silver (29.94 USD/oz) market prices in Q3 2012. Using the same assumptions, a 10% deviation in quarterly average gold and silver prices would have impacted PANDORA's gross margin by approximately 2 percentage points.

DISTRIBUTION EXPENSES

Distribution expenses increased to DKK 477 million in Q3 2012 (DKK 452 million in Q3 2011), representing 26.6% of revenue in Q3 2012 (28.8% in Q3 2011). Q3 2011 includes amortisation of French distribution rights of DKK 7 million.

Sales and distribution costs were DKK 287 million in Q3 2012 (DKK 232 million in Q3 2011), representing 16.0% of revenue in Q3 2012 (14.8% Q3 2011). The increase is mainly caused by an increase in owned and operated Concept stores and Shop-in-Shops in Q3 2012 compared to Q3 2011 (30 and 16 stores respectively) as well as entry into new markets.

Marketing costs were DKK 190 million in Q3 2012 (DKK 220 million in Q3 2011), corresponding to 10.6% of revenue in Q3 2012 (14.0% in Q3 2011).

ADMINISTRATIVE EXPENSES

Administrative expenses amounted to DKK 210 million in Q3 2012 (DKK 197 million in Q3 2011), representing 11.7% of revenue in Q3 2012 (12.6% in Q3 2011).

The increase in administrative costs is mainly related to an increased headcount in new markets and at the head office. Furthermore, PANDORA has integrated two additional markets onto its global ERP system in Q3 2012.

COST RATIOS

Cost Ratio (Including depreciations & amortisations*)

DKK million	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3
Sales and distribution costs	16.0%	23.4%	20.1%	15.7%	14.8%
Marketing costs	10.6%	13.6%	11.9%	20.1%	14.0%
Administrative expenses	11.7%	17.2%	14.9%	12.6%	12.6%
Total Cost	38.3%	54.2%	46.9%	48.4%	41.4%

* Including gains/losses from sales of assets

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

EBITDA

EBITDA for Q3 2012 decreased by 6.2% to DKK 503 million resulting in an EBITDA margin of 28.0%, down from 34.2% in Q3 2011. In Q3 2012 the EBITDA margin was negatively impacted by the on-going stock balancing campaign in 2012, reduction in gross margin as well as start-up costs in connection with building up sales and distribution infrastructure in new growth markets.

Regional EBITDA margins for Q3 2012 before allocation of central costs were 42.7% in Americas (53.8% in Q3 2011), 34.3% in Europe (30.3% in Q3 2011) and 19.4% in Asia Pacific (36.7% in Q3 2011). Unallocated costs were 9.1% in Q3 2012 compared to 8.2% in Q3 2011.

The Americas region EBITDA margin remained above Group average, despite the significant impact from the on-going stock balancing campaign. The margin increase in Europe was primarily driven by increased revenue in Other Europe, particularly Russia, Italy and France, as well as the UK. The decrease in EBITDA margin in Asia Pacific was primarily due to the decrease in revenue in Australia, and start-up costs related to the development of new markets in Asia.

EBITDA Margin	2012 Q3	2011 Q3	Q3 2012 vs Q3 2011 (% pts)
Americas	42.7%	53.8%	-11.1%
Europe	34.3%	30.3%	4.0%
Asia Pacific	19.4%	36.7%	-17.3%
Unallocated costs	-9.1%	-8.2%	-0.9%
Group EBITDA margin	28.0%	34.2%	-6.2%

EBIT

EBIT for Q3 2012 decreased to DKK 463 million – a decrease of 8.5% compared to the same quarter in 2011, resulting in an EBIT margin of 25.8% for Q3 2012 (32.2% in Q3 2011).

NET FINANCIAL INCOME AND EXPENSES

Net financial income amounted to DKK 1 million in Q3 2012 (DKK -90 million in Q3 2011).

Financial expenses of DKK 4 million in Q3 2012 mainly consist of interest and other non-cash adjustments impacted by DKK 2 million in earn-out amortisation. Financial income of DKK 5 million in Q3 2012 is impacted by unrealised foreign exchange rate movements. Q3 2011 was significantly impacted by an unrealized loss of DKK 93 million on foreign exchange movements, mainly due to the strong appreciation of the USD during the quarter.

INCOME TAX EXPENSES

Income tax expenses were DKK 84 million in Q3 2012, implying an effective tax rate of 18.1% for Q3 2012 compared to 18.0% for Q3 2011.

NET PROFIT

Net profit in Q3 2012 increased by 11.4% to DKK 380 million (DKK 341 million in Q3 2011).

LIQUIDITY AND CAPITAL RESOURCES

The free cash flow, cash conversion and the operating working capital ratio for Q3 2012 is impacted by the stock balancing campaign.

In Q3 2012, PANDORA generated a free cash flow of DKK -88 million corresponding to a cash conversion of -23.2% compared to DKK 37million (10.9%) in Q3 2011. The decrease in free cash flow is affected by the lower EBITDA result for Q3 2012. The increase in trade receivables following the strong sales in Q3 2012 is offset by improved inventory management.

Operating working capital (defined as inventory and accounts receivables less accounts payables) at the end of Q3 2012 was 42.5% of the preceding twelve months revenue compared to 39.5% at the end of Q3 2011 and 36.8% at the end of Q2 2012.

Inventory at the end of Q3 2012 reflects improved inventory management which, however, is offset by increased commodity prices as well as a temporary increase from products returned under the stock balancing campaign, that await re-melting.

Inventory at the end of Q3 2012 decreased by DKK 42 million to DKK 1,922 million compared to Q3 2011, corresponding to a decrease of 2.1%. In the same period gold and silver prices increased inventory by approximately 34%. The stock balancing campaign increased inventory by DKK 135 million, awaiting re-melt. During Q3 2012, products relating to the stock balancing campaign totalling a value of DKK 65 million were re-melted.

Inventory at the end of Q3 2012 decreased by DKK 3 million compared to Q2 2012, corresponding to a decrease of 0.2%. In the same period gold and silver prices affected inventory with an increase of approximately 7%, whereas inventory related to the stock balancing campaign was reduced by DKK 45 million.

Inventory Development	2012	2012	2012	2011	2011
	Q3	Q2	Q1	Q4	Q3
Inventory (DKKm)	1,922	1,925	1,668	1,609	1,964
% of last 12 mth revenue	29.9%	31.0%	26.3%	24.2%	28.0%

Trade receivables decreased by DKK 2 million to DKK 982 million in Q3 2012 (15.3% of preceding 12 month revenue) compared to DKK 984 million in Q3 2011 (14.1% of preceding 12 month revenue).

In Q3 2012, PANDORA invested a total of DKK 47 million in property, plant and equipment, corresponding to approximately 2.6% of revenue.

Cash and short-term deposits amounted to DKK 276 million at the end of Q3 2012 (DKK 292 million at the end of Q3 2011).

Total interest-bearing debt was DKK 1,105 million at the end of Q3 2012 (DKK 1,410 million at the end of Q3 2011).

Net interest-bearing debt at the end of Q3 2012 was DKK 829 million corresponding to 0.5 LTM EBITDA compared to DKK 1,118 million at the end of Q3 2011 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 – 30 September 2012.

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

In our opinion, the interim report gives a true and fair view of the PANDORA Group's assets, liabilities and financial position at 30 September 2012, and of the results of the PANDORA Group's operations and cash flow for the period 1 January – 30 September 2012.

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

Copenhagen, 6 November 2012

EXECUTIVE BOARD

Björn Gulden
Chief Executive Officer

Henrik Holmark
Chief Financial Officer

Sten Daugaard
Chief Development Officer

BOARD OF DIRECTORS

Allan Leighton
Chairman

Marcello V. Bottoli

Andrea Alvey

Anders Boyer-Søgaard

Christian Frigast

Torben Ballegaard Sørensen

Nikolaj Vejlsgaard

Ronica Wang

CONSOLIDATED INCOME STATEMENT

DKK million	Notes	2012 Q3	2011 Q3	2012 9M	2011 9M	2011 Full year
Revenue	3	1,794	1,569	4,478	4,706	6,658
Cost of sales		-644	-414	-1,452	-1,266	-1,798
Gross profit		1,150	1,155	3,026	3,440	4,860
Distribution expenses		-477	-452	-1,398	-1,354	-2,053
Administrative expenses		-210	-197	-639	-503	-749
Operating profit		463	506	989	1,583	2,058
Financial income		5	22	72	390	642
Financial expenses		-4	-112	-108	-224	-331
Profit before tax		464	416	953	1,749	2,369
Income tax expenses		-84	-75	-172	-267	-332
Net profit for the period		380	341	781	1,482	2,037

Attributable to:

Equity holders of PANDORA A/S	380	341	781	1,482	2,037
Net profit for the period	380	341	781	1,482	2,037

Earnings per share

Profit for the period attributable to ordinary equity holders of the parent, basic	2.9	2.6	6.0	11.4	15.9
Profit for the period attributable to ordinary equity holders of the parent, diluted	2.9	2.6	6.0	11.4	15.7

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

DKK million	2012 Q3	2011 Q3	2012 9M	2011 9M	2011 Full year
Net profit for the period	380	341	781	1,482	2,037
Exchange differences on translation of foreign subsidiaries	-69	244	7	-12	247
Value adjustment of hedging instruments	273	-243	314	-359	-551
Income tax on other comprehensive income	-5	4	-6	0	13
Other comprehensive income, net of tax	199	5	315	-371	-291
Total comprehensive income for the period	579	346	1,096	1,111	1,746

Attributable to:

Equity holders of PANDORA A/S	579	346	1,096	1,111	1,746
Total comprehensive income for the period	579	346	1,096	1,111	1,746

CONSOLIDATED BALANCE SHEET

DKK million	2012 30 September	2011 30 September	2011 31 December
ASSETS			
Non-current assets			
Goodwill	1,939	1,874	1,928
Brand	1,053	1,052	1,053
Distribution network	313	343	336
Distribution rights	1,059	1,036	1,064
Other intangible assets	122	67	95
Property, plant and equipment	457	392	429
Deferred tax assets	261	187	209
Other non-current financial assets	32	27	34
Total non-current assets	5,236	4,978	5,148
Current assets			
Inventories	1,922	1,964	1,609
Trade receivables	982	984	900
Other receivables	505	206	177
Tax receivables	46	48	41
Cash and short-term deposits	276	292	176
Total current assets	3,731	3,494	2,903
Total assets	8,967	8,472	8,051
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	130	130	130
Share premium	1,248	1,248	1,248
Treasury shares	-38	-38	-38
Foreign currency translation reserve	775	509	768
Hedge reserve	72	-57	-236
Other reserves	103	102	88
Proposed dividend	0	0	715
Retained earnings	3,517	2,896	2,736
Total shareholders' equity	5,807	4,790	5,411
Non-current liabilities			
Interest-bearing loans and borrowings	1,057	1,410	375
Provisions	97	277	64
Deferred tax liabilities	641	565	552
Other non-current liabilities	0	7	2
Total non-current liabilities	1,795	2,259	993
Current liabilities			
Interest-bearing loans and borrowings	48	0	10
Provisions	243	137	230
Trade payables	174	179	288
Income tax payables	324	618	344
Other payables	576	489	775
Current liabilities	1,365	1,423	1,647
Total liabilities	3,160	3,682	2,640
Total equity and liabilities	8,967	8,472	8,051

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1 January - 30 September

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	Total equity
Shareholders' equity at 1 January 2012	130	1,248	-38	768	-236	88	715	2,736	5,411	5,411
<i>Comprehensive income</i>										
Net profit for the period								781	781	781
Exchange differences on translation of foreign subsidiaries				7					7	7
Value adjustment of hedging instruments					314				314	314
Income tax on other comprehensive income					-6				-6	-6
Other comprehensive income, net of tax				7	308	0			315	315
Total comprehensive income for the period				7	308	0		781	1,096	1,096
Sharebased payments							15		15	15
Dividend paid							-715		-715	-715
Shareholders' equity at 30 September 2012	130	1,248	-38	775	72	103	0	3,517	5,807	5,807
Shareholders' equity at 1 January 2011	130	1,248	-38	521	302	88	650	1,414	4,315	4,315
<i>Comprehensive income</i>										
Net profit for the period								1,482	1,482	1,482
Exchange differences on translation of foreign subsidiaries				-12					-12	-12
Value adjustment of hedging instruments					-359				-359	-359
Income tax on other comprehensive income					0				0	0
Other comprehensive income, net of tax				-12	-359	0			-371	-371
Total comprehensive income for the period				-12	-359	0		1,482	1,111	1,111
Sharebased payments							14		14	14
Paid dividend							-650		-650	-650
Shareholders' equity at 30 September 2011	130	1,248	-38	509	-57	102	0	2,896	4,790	4,790

CONSOLIDATED CASH FLOW STATEMENT

DKK million	2012 Q3	2011 Q3	2012 9M	2011 9M	2011 Full year
Profit before tax	464	416	953	1,749	2,369
Financial income	-5	-22	-72	-390	-642
Financial expenses	4	112	108	224	331
Amortisation/depreciation	42	29	136	172	221
Options	6	5	16	14	0
Change in inventories	-14	-201	-278	-738	-310
Change in receivables	-535	-318	-303	-139	15
Change in trade payables	-12	2	-114	-60	43
Change in other liabilities	86	53	21	16	270
	36	76	467	848	2,297
Other non-cash adjustments	-4	39	-35	88	50
Interest etc. received	1	0	3	3	4
Interest etc. paid	-3	-16	-30	-71	-99
Income tax paid	-65	-18	-164	-77	-429
Cash flow from operating activities	-35	81	241	791	1,823
Acquisition of subsidiaries, net of cash acquired	0	0	0	-116	-116
Purchase of intangible assets	-23	-20	-71	-38	-119
Purchase of property, plant and equipment	-47	-40	-100	-101	-150
Change in other non-current assets	8	-5	3	1	-5
Proceeds from sale of property, plant and equipment	7	5	21	19	26
Cash flow from investing activities	-55	-60	-147	-235	-364
Dividend paid	0	0	-715	-650	-650
Dividend paid to non-controlling interests	0	0	0	-13	-13
Proceeds from borrowings	69	63	721	1,562	537
Repayment of borrowings	-1	0	-2	-2,375	-2,376
Cash flow from financing activities	68	63	4	-1,476	-2,502
Net cash flow for the period	-22	84	98	-920	-1,043
Cash and short-term deposits					
Cash and short-term deposits at beginning of period	299	204	176	1,224	1,224
Net exchange rate adjustment	-1	4	2	-12	-5
Net cash flow for the period	-22	84	98	-920	-1,043
Cash and short-term deposits at end of period	276	292	276	292	176
Unutilised credit facilities inclusive cash and cash equivalents	1,876	1,750	1,876	1,750	2,492

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

NOTES

NOTE 1 – Significant accounting estimates and judgements

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

Q3 2012

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	920	699	175	-	1,794
Segment profit (EBITDA)	393	240	34	-164	503
Adjustments:					
Amortisation/depreciation					-42
Gain/loss from sale of non-current assets					2
Consolidated operating profit					463

Q3 2011

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	755	618	196	-	1,569
Segment profit (EBITDA)	406	187	72	-129	536
Adjustments:					
Amortisation/depreciation					-29
Gain/loss from sale of non-current assets					-1
Consolidated operating profit					506

9M 2012

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	2,373	1,576	529	-	4,478
Segment profit (EBITDA)	1,077	336	107	-396	1,124
Adjustments:					
Amortisation/depreciation					-136
Gain/loss from sale of non-current assets					1
Consolidated operating profit					989

9M 2011

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	2,261	1,844	601	-	4,706
Segment profit (EBITDA)	1,213	641	228	-325	1,757
Adjustments:					
Amortisation/depreciation					-172
Gain/loss from sale of non-current assets					-2
Consolidated operating profit					1,583

NOTE 3 - Operating segment information, continued

Product information:

Revenue from external customers

DKK million	2012	2011	2012	2011
	Q3	Q3	9M	9M
Charms	1,340	1,040	3,401	3,286
Silver and gold charms bracelets	231	162	576	514
Rings	132	96	292	287
Other jewellery	91	271	209	619
Revenue	1,794	1,569	4,478	4,706

Geographical information:

Revenue from external customers

DKK million	2012	2011	2012	2011
	Q3	Q3	9M	9M
United States	711	614	1,841	1,836
Australia	120	138	375	446
United Kingdom	249	222	485	607
Germany	130	173	315	454
Other countries	584	422	1,462	1,363
Revenue	1,794	1,569	4,478	4,706

NOTE 4 - Contingent liabilities

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

NOTE 5 – Related party transactions

Related parties of PANDORA with a controlling interest are the principal shareholder Prometheus Invest ApS (50% interest) and the ultimate parent, Axcel III K/S (30% interest).

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

Related parties of PANDORA with significant interests include the Board of Directors and the Executive Management of the companies and their close family members. Furthermore, related parties include companies in which the aforementioned persons have control or significant interest. Except for compensation and benefits received as a result of the membership of the Board of Directors, employment with PANDORA or shareholdings in PANDORA, PANDORA has not undertaken any significant transactions with the Board of Directors and Executive Management. We refer to the description in note 25 of the consolidated financial statement in PANDORA's Annual Report for 2011.

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

DKK million	Prometheus Invest ApS	
	30 September 2012	30 September 2011
Balance sheet:		
Payables	-	-11
Total	-	-11

NOTE 6 – Accounting policies

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

QUARTERLY OVERVIEW

DKK million	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3
Income statement					
Revenue	1,794	1,260	1,424	1,952	1,569
Gross profit	1,150	856	1,020	1,420	1,155
EBITDA	503	220	401	524	536
Operating profit (EBIT)	463	173	353	475	506
Net financial income and expenses	1	-96	59	145	-90
Profit before tax	464	77	412	620	416
Net profit	380	63	338	555	341
Balance sheet					
Total assets	8,967	8,358	8,129	8,051	8,472
Invested capital	6,632	6,220	5,938	5,923	6,313
Net working capital	2,037	1,630	1,400	1,327	1,900
Shareholders' equity	5,807	5,223	5,070	5,411	4,790
Net interest-bearing debt	829	737	746	209	1,118
Cash flow statement					
Net cash flow from operating activities	-35	139	137	1,032	81
Net cash flow from investing activities	-55	-70	-22	-129	-60
Free cash flow	-88	91	118	930	37
Cash flow from financing activities	68	-5	-59	-1,026	63
Net cash flow for the period	-22	64	56	-123	84
Ratios					
Revenue growth, %	14.3%	-9.5%	-18.4%	-15.0%	-12.2%
Gross profit growth, %	-0.4%	-17.3%	-18.4%	-11.8%	-11.8%
EBITDA growth, %	-6.2%	-57.0%	-43.4%	-38.9%	-33.6%
EBIT growth, %	-8.5%	-60.7%	-44.6%	-39.2%	-31.9%
Net profit growth, %	11.4%	-89.9%	-34.4%	-10.3%	-41.3%
Gross margin, %	64.1%	67.9%	71.6%	72.7%	73.6%
EBITDA margin, %	28.0%	17.5%	28.2%	26.8%	34.2%
EBIT margin, %	25.8%	13.7%	24.8%	24.3%	32.2%
Tax rate, %	18.1%	18.2%	18.0%	10.5%	18.0%
Cash conversion, %	-23.2%	144.4%	34.9%	167.6%	10.9%
Capex	70.0	80.0	21.0	130.0	60.0
Net interest-bearing debt to EBITDA *	0.5	0.4	0.4	0.1	0.4
Equity ratio, %	64.8%	62.5%	62.4%	67.2%	56.5%
ROIC, % *	22.1%	24.2%	29.9%	34.7%	37.4%

* 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.

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.