

No. 86

COMPANY ANNOUNCEMENT

14 May 2013

INTERIM REPORT FOR Q1 2013

GROUP REVENUE WAS DKK 2,002 MILLION. EBITDA MARGIN WAS 32.1%. NET PROFIT WAS DKK 438 MILLION. FREE CASH FLOW WAS DKK 406 MILLION.

- Group revenue in Q1 2013 was DKK 2,002 million, an increase of 40.6% compared to Q1 2012:
 - Americas increased by 38.0% (38.6% increase in local currency)
 - Europe increased by 50.4% (50.6% increase in local currency)
 - Asia Pacific increased by 26.1% (27.7% increase in local currency)
- Gross margin decreased, as expected, to 65.6% in Q1 2013 (compared to a gross margin of 71.6% in Q1 2012)
- EBITDA increased by 60.3% to DKK 643 million for the quarter, corresponding to an EBITDA margin of 32.1% (compared to an EBITDA margin of 28.2% in Q1 2012)
- EBIT was DKK 599 million for the quarter, an increase of 69.7% and corresponding to an EBIT margin of 29.9%, compared to an EBIT margin of 24.8% in Q1 2012
- Net profit for the quarter increased by 29.6% to DKK 438 million (compared to a net profit of DKK 338 million in Q1 2012)
- Free cash flow was DKK 406 million in Q1 2013 (compared to DKK 118 million in Q1 2012)
- During Q1 2013 PANDORA bought back 398,153 shares corresponding to DKK 61 million as part of the on-going DKK 700 million share buyback programme

UNCHANGED FINANCIAL GUIDANCE FOR 2013

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

PANDORA expects CAPEX to be around DKK 300 million, excluding the one-off payment of DKK 190 million related to the purchase of IP rights from Trollbeads A/S in Q1 2013.

The effective tax rate is expected to be approximately 19%.

During 2013 PANDORA expects to open approximately 150 Concept stores.

CEO Bjørn Gulden, said:

“Although it is still early in the year, we have had a strong start. Revenue and earnings increased across all regions, positively impacted by the delivery of the Valentine’s Day collection in Q1 2013, instead of, as historically, in the fourth quarter. Even more importantly, our sales-out in Concept stores has also strengthened with double digit growth in our four major markets. Some of this increase is due to the fact that Easter was in Q1 this year compared to Q2 last year, but we believe most of it is due to better products, improved marketing and better execution in the stores.”

CONFERENCE CALL

A conference call for investors and financial analysts will be held today at 10.00 CET and can be accessed online at www.pandoragroup.com. The presentation for the call will be available on the website one hour before the call.

The following numbers can be used by investors and analysts:

DK: +45 3272 8018

UK (International): +44 (0) 1452 555 131

US: +1 866 682 8490

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 42950353 when dialling into the conference.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and modern jewellery made from genuine materials at affordable prices. PANDORA jewellery is sold in more than 70 countries on six continents through approximately 10,200 points of sale, including approximately 900 Concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs over 6,200 people worldwide of whom 4,200 are located in Gemopolis, Thailand, where the company manufactures its jewellery. PANDORA is publicly listed on the NASDAQ OMX Copenhagen stock exchange in Denmark. In 2012, PANDORA's total revenue was DKK 6.7 billion (approximately EUR 900 million). For more information, please visit www.pandoragroup.com.

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FINANCIAL HIGHLIGHTS

DKK million	2013 Q1	2012 Q1	2012 Full year
Income statement			
Revenue	2,002	1,424	6,652
Gross profit	1,314	1,020	4,429
EBITDA	643	401	1,658
Operating profit (EBIT)	599	353	1,475
Net financial income and expenses	-58	59	4
Profit before tax	541	412	1,479
Net profit	438	338	1,202
Balance sheet			
Total assets	8,574	8,129	8,414
Invested capital	6,141	5,938	5,900
Net working capital excluding derivatives	1,243	1,400	1,277
Shareholders' equity	5,891	5,070	6,038
Net interest-bearing debt	192	746	-183
Cash flow statement			
Cash flow from operating activities	645	137	1,339
Cash flow from investing activities	-247	-22	-231
Free cash flow	406	118	1,151
Cash flow from financing activities	-519	-59	-943
Net cash flow for the period	-121	56	165
Ratios			
Revenue growth, %	40.6%	-18.4%	-0.1%
Gross profit growth, %	28.8%	-18.4%	-8.9%
EBITDA growth, %	60.3%	-43.4%	-27.3%
EBIT growth, %	69.7%	-44.6%	-28.3%
Net profit growth, %	29.6%	-34.4%	-41.0%
Gross margin, %	65.6%	71.6%	66.6%
EBITDA margin, %	32.1%	28.2%	24.9%
EBIT margin, %	29.9%	24.8%	22.2%
Tax rate, %	19.0%	18.0%	18.7%
Cash conversion, %	92.7%	34.9%	95.8%
CAPEX	246	21	276
Net interest-bearing debt to EBITDA *	0.1	0.4	-0.1
Equity ratio, %	68.7%	62.4%	71.8%
ROIC, % *	28.0%	29.9%	25.0%
Other key figures			
Average number of employees	6,156	5,391	6,054
Dividend per share, DKK	-	-	5.50
Earnings per share, basic	3.4	2.6	9.2
Earnings per share, diluted	3.4	2.6	9.2
Share price at end of period	160.0	65.0	124.5

* 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". Refer to note 25 in the Annual Report 2012.

IMPORTANT EVENTS IN Q1 2013

SHARE BUYBACK PROGRAMME FOR 2013

In connection with the Annual report 2012, PANDORA launched a share buyback programme under which PANDORA expects to buy back own shares of up to DKK 700 million. The programme will end no later than 31 December 2013. The programme is being implemented in accordance with the provisions of the European Commission's regulation no. 2273/2003 of 22 December 2003 ("safe harbour"). Majority shareholder Prometheus Invest ApS participates on a pro-rata basis to secure that the free float share is not reduced.

On a weekly basis PANDORA issue an announcement in respect of transactions made under the programme. As of 31 March 2013, a total of 398,153 shares had been bought back, corresponding to a transaction value of DKK 61 million and an average purchase price of DKK 153.21. As of 31 March 2013, PANDORA owns a total of 581,078 treasury shares, corresponding to 0.45% of the share capital.

PANDORA may also use the shares purchased under the Programme to meet potential obligations arising from employee share option programmes. Deducting existing treasury shares (581,078), the net obligation at 31 March 2013 was 1,010,295 shares. As of 31 March 2013, the total potential obligation amounted to 1,591,373 shares compared to 1,108,123 at 31 December 2012, due to the annual allocation of the Company's employee share option programme.

NEW AGREEMENT WITH TROLLBEADS

On 15 March 2013, PANDORA entered into an agreement with Trollbeads related to design of glass charms. Previously, Trollbeads had granted IP rights to glass charm designs to PANDORA under a long-term royalty agreement.

According to the new agreement, PANDORA has purchased all IP rights to such designs, from Trollbeads for an amount of DKK 190 million in a one-off payment. The total amount was paid in Q1 2013 and will be capitalised on the balance sheet and amortised until end 2030.

EVENTS AFTER THE BALANCE SHEET DATE

NEW CHIEF EXECUTIVE OFFICER

On 18 April 2013, PANDORA announced that Allan Leighton, current Chairman of PANDORA, will succeed Bjørn Gulden as CEO on 1 July 2013.

Bjørn Gulden will be stepping down from his role as CEO of the Company to join PUMA as CEO. The Board of Directors plans to recommend that Bjørn Gulden continue to be part of the Company by joining the PANDORA Board of Directors as a board member.

Marcello Bottoli, who is currently Deputy Chairman, will succeed Allan Leighton as Chairman of the Board.

REVENUE DEVELOPMENT

Total revenue for Q1 2013 was DKK 2,002 million, an increase of 40.6% compared to Q1 2012, including a negative impact from currency of 0.6 percentage points. Volumes increased approximately 35% compared to Q1 2012. Average sales price increased from DKK 126 to 131.

All geographical regions showed double digit growth, which was primarily driven by an increase in sales of newly launched products as well as new store openings. Due to the new products drop structure, with seven annual drops instead of two, revenue for the quarter was positively impacted by the delivery of the Valentine's Day collection in Q1 2013, contributing approximately DKK 150 million in the quarter, instead of, as historically, in the fourth quarter.

The comparable figures for Q1 2012, especially in the US and the UK, were impacted by the stock balancing campaign conducted in 2012. For more details on the mechanics of the stock balancing campaign, please refer to PANDORA's Annual Report 2011. Provision for returns at the end of Q1 2013 was unchanged, corresponding to approximately 9% of 12 months rolling revenue value.

Based on data from Concept stores, which have been operating for 12 months or more, like-for-like sales-out in PANDORA's four major markets have experienced a positive development in Q1 2013. This development is due to the success of newly launched products and generally better execution in stores. Additionally, sales-out in Q1 2013 were positively impacted by Easter being in Q1 as opposed to Q2 in 2012.

REVENUE BREAKDOWN BY GEOGRAPHY

The geographical distribution of revenue in Q1 2013 was 52.8% for the Americas (53.8% in Q1 2012), 35.6% for Europe (33.3% in Q1 2012) and 11.6% for Asia Pacific (12.9% in Q1 2012).

DKK million	Q1 2013	Q1 2012	% Change	% Change in local currency	Received Q1 2012*	Replaced Q1 2012*
Americas	1,057	766	38.0%	38.6%	258	107
United States	832	609	36.6%	37.4%	211	85
Other	225	157	43.3%		47	22
Europe	713	474	50.4%	50.6%	77	50
United Kingdom	190	134	41.8%	46.7%	64	47
Germany	108	100	8.0%	7.7%	3	1
Other	415	240	72.9%		10	2
Asia Pacific	232	184	26.1%	27.7%	5	5
Australia	148	124	19.4%	19.0%	5	5
Other	84	60	40.0%		-	-
Total	2,002	1,424	40.6%	41.2%	340	162

* Received means value of discontinued products returned to PANDORA in Q1 2012. Replaced means value of new products returned to retailers Q1 2012.

AMERICAS

Revenue for the first quarter in Americas was DKK 1,057 million, an increase of 38.0% or 38.6% in local currency compared to Q1 2012.

US revenue was DKK 832 million, an increase of 36.6% or 37.4% in local currency compared to Q1 2012. Revenue growth was primarily driven by successful newly launched products including the addition of the Valentines collection in Q1 (instead of historically in Q4). Additionally, revenue was positively affected by new store openings. The comparable figures for Q1 2012 were impacted by the stock balancing programme.

Like-for-like sales-out in Q1 2013, based on Concept stores in the US - which have been operating for 12 months or more - increased by 14.7% compared to Q1 2012. As was the case for sales-in, the strong sales-out performance is based on continued high sales-through for newly launched products.

Concept stores like-for-like sales-out	Sales-out				
	Q1 2012 to Q1 2013	Q4 2011 to Q4 2012	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012
US	14.7%	6.9%	4.5%	3.0%	6.7%

Concept stores open for more than 12 months

Revenue from Other Americas was DKK 225 million, an increase of 43.3% compared to the same quarter last year. The growth was primarily driven by a continued strong development in the Canadian market.

During Q1 2013, the number of branded points of sale (PoS) in the Americas increased by 42 stores (versus an increase of 14 branded stores in Q1 2012 and 67 branded stores in Q4 2012) to a total of 1,614 branded stores. Branded stores now account for 50.6% of the total number of stores compared to 48.5% at the end of Q4 2012.

AMERICAS	Number of PoS Q1 2013	Number of PoS Q4 2012	Number of PoS Q1 2012	Delta Q1 2013 and Q4 2012	Delta Q1 2013 and Q1 2012
Concept stores ¹	296	285	223	11	73
Shop-in-Shops ²	537	518	441	19	96
Gold	781	769	698	12	83
Total branded	1,614	1,572	1,362	42	252
Total branded as % of Total	50.6%	48.5%	45.3%	2.1%	5.3%
Silver	1,088	1,124	1,115	-36	-27
White and Travel Retail	486	546	532	-60	-46
Total	3,188	3,242	3,009	-54	179

¹ Includes 3 and 2 PANDORA-owned Concept stores at Q1 2013 and Q4 2012 respectively

² Includes 0 and 0 PANDORA-owned Shop-in-Shops at Q1 2013 and Q4 2012 respectively

EUROPE

First quarter revenue in Europe was DKK 713 million, an increase of 50.4% or 50.6% in local currency compared to Q1 2012. Growth was primarily driven by the UK and Other Europe.

First quarter revenue in the UK (accounting for 9.5% of Group revenue) was DKK 190 million, an increase of 41.8% or 46.7% in local currency compared to the same quarter last year. Growth was

primarily driven by a continued strong demand for PANDORA's newly launched products including the addition of the Valentines collection in Q1 (instead of historically in Q4) as well as new store openings. The comparable figures for Q1 2012 were impacted by the stock balancing programme.

Like-for-like sales-out in Q1 2013, based on Concept stores in the UK - which have been operating for 12 months or more - increased by 17.8% compared to Q1 2012. The strong performance is based on continued high end-consumer demand for newly launched products.

Concept stores like-for-like sales-out	Sales-out				
	Q1 2012 to	Q4 2011 to	Q3 2011 to	Q2 2011 to	Q1 2011 to
	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
UK	17.8%	12.3%	0.9%	-4.0%	-15.6%

Concept stores open for more than 12 months

First quarter revenue in Germany (accounting for 5.4% of Group revenue) was DKK 108 million, an increase of 8.0% compared to Q1 2012. Revenue in Germany is improving, as the continued optimisation of the store network is starting to impact the quality of revenue. However, it is still too early to conclude whether this is a permanent trend.

Revenue per store increased significantly as the store network in Germany was reduced by more than 30% compared to Q1 2012.

Like-for-like sales-out in Q1 2013, based on Concept stores in Germany - which have been operating for 12 months or more - increased by 18.2% compared to Q1 2012. The strong performance is based on continued high end-consumer demand for newly launched products.

Concept stores like-for-like sales-out	Sales-out				
	Q1 2012 to	Q4 2011 to	Q3 2011 to	Q2 2011 to	Q1 2011 to
	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Germany	18.2%	4.5%	2.5%	8.9%	-1.8%

Concept stores open for more than 12 months

Revenue from Other Europe was DKK 415 million for the quarter, an increase of 72.9% compared to Q1 2012. The category was primarily driven by very strong growth in some of PANDORA's newer markets, such as Italy, France and Russia.

During Q1 2013 the number of branded stores in Europe decreased by 39 stores to a total of 2,370 stores, accounting for 36.8% of the total number of stores compared to 37.0% at the end of Q4 2012. The decrease in Gold stores was primarily due to the downgrade of a number of Gold stores to Silver and White stores, as they did not meet PANDORA's requirements of being labelled a Gold store.

EUROPE	Number of PoS Q1 2013	Number of PoS Q4 2012	Number of PoS Q1 2012	Delta Q1 2013 and Q4 2012	Delta Q1 2013 and Q1 2012
Concept stores ¹	464	453	355	11	109
Shop-in-Shops ²	575	570	478	5	97
Gold	1,331	1,386	1,168	-55	163
Total branded	2,370	2,409	2,001	-39	369
Total branded as % of Total	36.8%	37.0%	29.2%	-0.2%	7.6%
Silver	1,934	1,873	1,756	61	178
White and Travel Retail	2,132	2,224	3,086	-92	-954
Total³	6,436	6,506	6,843	-70	-407

¹ Includes 83 and 77 PANDORA-owned Concept stores at Q1 2013 and Q4 2012 respectively

² Includes 55 and 56 PANDORA-owned Shop-in-Shops at Q1 2013 and Q4 2012 respectively

³ Includes for Q1 2013 89 Concept stores, 151 Shop-in-Shops, 271 Gold, 238 Silver and 986 White stores respectively relating to 3rd party distributors

ASIA PACIFIC

Revenue in Asia Pacific was DKK 232 million for the quarter, an increase of 26.1% or 27.7% in local currency, compared to the same period last year. Growth was driven by a positive development in most of the region, including Australia.

Reported revenue in Australia (accounting for 7.4% of Q1 2013 Group revenue) was DKK 148 million, an increase of 19.4% or 19.0% in local currency compared to Q1 2012. Growth in Australia was driven by a continued high demand for PANDORA's products, which was fuelled by successful newly launched product as well as the increased focus on branded distribution channels.

Like-for-like sales-out in Q1 2013, based on Concept stores in Australia - which have been operating for 12 months or more - increased by 15.9% compared to Q1 2012. The strong performance is based on continued high sales-through for newly launched products.

Concept stores like-for-like sales-out

	Sales-out				
	Q1 2012 to Q1 2013	Q4 2011 to Q4 2012	Q3 2011 to Q3 2012	Q2 2011 to Q2 2012	Q1 2011 to Q1 2012
Australia	15.9%	10.1%	-5.8%	-7.4%	-20.1%

Concept stores open for more than 12 months

Other Asia Pacific revenue for the quarter was DKK 84 million, constituting 4.2% of total Group revenue, and corresponding to an increase of 40.0% compared to the same quarter last year. Growth was primarily driven by a positive development in Hong Kong, Malaysia, South Korea and Singapore.

ASIA PACIFIC	Number of PoS Q1 2013	Number of PoS Q4 2012	Number of PoS Q1 2012	Delta Q1 2013 and Q4 2012	Delta Q1 2013 and Q1 2012
Concept stores ¹	154	157	120	-3	34
Shop-in-Shops ²	175	177	169	-2	6
Gold	146	139	140	7	6
Total branded	475	473	429	2	46
Total branded as % of Total	76.7%	75.6%	66.3%	1.1%	10.4%
Silver	70	76	86	-6	-16
White and Travel Retail	74	77	132	-3	-58
Total	619	626	647	-7	-28

¹ Includes 27 and 31 PANDORA-owned Concept stores at Q1 2013 and Q4 2012 respectively

² Includes 1 and 1 PANDORA-owned Shop-in-Shops at Q1 2013 and Q4 2012 respectively

NEW MARKETS

PANDORA is continuing to develop its presence in new markets, and focus continues to be on optimising the store network in selected countries.

Number of stores - new markets	End of Q1 2013							Net Openings	Net Openings
	Russia	China	Japan	Rest of Asia	France	Italy	Total	Q1 2013	Q4 2012
Concept stores	73	25	1	47	11	13	170	1	30
Shop-in-Shops	15	15	12	48	30	8	128	2	12
Total	88	40	13	95	41	21	298	3	42

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 877 points of sale (13 Concept store, 8 Shop-in-Shops, 214 Gold stores, 316 Silver stores and 326 White stores) at the end of Q1 2013.

The strategy in France is to upgrade the quality of the distribution network with a particular emphasis on Shop-in-Shops and Concept stores. In France, the Company was selling PANDORA products through 315 points of sale (11 Concept stores, 30 Shop-in-Shops, 15 Gold stores, 159 Silver stores and 100 White stores) at the end of Q1 2013.

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

SALES CHANNELS

PANDORA is continuing to develop the global retail network with a focus on branded distribution channels. In Q1 2013, PANDORA opened 41 new Concept stores and Shop-in-Shops. Weak performing unbranded stores, across all regions, were closed in order to improve the quality of revenue and focus on branded store performance.

Compared to Q1 2012, unbranded stores in direct distribution were reduced to 4,560 from 5,417, while in the same period the number of branded points of sale were increased by 620 globally.

The total number of points of sale was 10,243, a decrease of 131 compared to Q4 2012.

GROUP	Number of PoS	Number of PoS	Number of PoS	Delta Q1 2013	Delta Q1 2013
	Q1 2013	Q4 2012	Q1 2012	and Q4 2012	and Q1 2012
Concept stores ¹	914	895	698	19	216
Shop-in-Shops ²	1,287	1,265	1,088	22	199
Gold	2,258	2,294	2,006	-36	252
Total branded	4,459	4,454	3,792	5	667
Total branded as % of Total	43.5%	42.9%	36.1%	0.6%	7.4%
Silver	3,092	3,073	2,957	19	135
White and Travel Retail	2,692	2,847	3,750	-155	-1,058
Total³	10,243	10,374	10,499	-131	-256

¹ Includes 112 and 110 PANDORA-owned Concept stores at Q1 2013 AND Q4 2012 respectively

² Includes 56 and 57 PANDORA-owned Shop-in-Shops at Q1 2013 and Q4 2012 respectively

³ Includes for Q1 2013 89 Concept stores, 151 Shop-in-Shops, 271 Gold, 238 Silver and 986 White stores respectively relating to 3rd party distributors

For the quarter, direct distribution accounted for 96.9% of revenue compared to 96.2% in Q1 2012. Branded sales in markets with direct distribution accounted for 81.5% compared to 80.2% in Q1 2012 and Concept stores accounted for 55.8% of the branded sales in Q1 2013 (55.7% in Q1 2012).

Sales Channels

	Revenue DKK million		Number of POS		Received	Replaced
	Q1 2013	Q1 2012	Q1 2013	Q1 2012	Q1 2012*	Q1 2012*
Concept stores	882	612	825	628	100	66
Shop-in-Shops	383	286	1,135	946	99	51
Gold	317	201	1,987	1,753	90	31
Total Branded	1,582	1,099	3,947	3,327	289	148
Silver	214	150	2,854	2,753	38	12
White and Travel Retail	144	121	1,706	2,664	13	2
Total Unbranded	358	271	4,560	5,417	51	14
Total Direct	1,940	1,370	8,507	8,744	340	162
3rd party	62	54	1,736	1,755	-	-
Total	2,002	1,424	10,243	10,499	340	162

* Received means value of discontinued products returned to PANDORA in Q1 2012. Replaced means value of new products returned to retailers Q1 2012.

PRODUCT OFFERING

In Q1 2013, revenue from Charms increased by 33.9% compared to Q1 2012. Revenue from Silver and gold charms bracelets increased by 34.7% compared to Q1 2012. The two categories represented 85.6% of total revenue in Q1 2013 compared to 89.8% in Q1 2012.

Revenue from Rings was DKK 118 million, an increase of 42.2% compared to Q1 2012. Growth was driven by the improved commercial offering as well as the effect from last year's stock balancing campaign. Revenue from Other jewellery was DKK 171 million, an increase of 171.4% compared to Q1 2012. Growth was driven by newly launched products, as well as Q1 2012 numbers being impacted by the stock balancing campaign. Other Jewellery represented 8.5% of total revenue compared to 4.4% in Q1 2012.

Product mix DKK million	2013	2012	Change	Share of	Received	Replaced
	Q1	Q1	Q1 vs Q1	total in %	Q1 2012*	Q1 2012*
Charms	1,457	1,088	33.9%	72.8%	144	124
Silver and gold charms bracelets	256	190	34.7%	12.8%	2	16
Rings	118	83	42.2%	5.9%	63	10
Other jewellery	171	63	171.4%	8.5%	131	12
Total	2,002	1,424	40.6%	100.0%	340	162

* Received means value of discontinued products returned to PANDORA in Q1 2012. Replaced means value of new products returned to retailers Q1, 2012.

The average sales price per item in Q1 2013 increased to DKK 131 from DKK 126 in Q1 2012.

GROSS PROFIT

Gross profit for the quarter was DKK 1,314 million compared to DKK 1,020 million in Q1 2012. This corresponds to a gross margin of 65.6% compared to 71.6% in Q1 2012 and 64.5% in Q4 2012. The decrease in gross margin for the quarter compared to Q1 2012 was primarily due to higher gold and silver prices as well as an impact from the expiration of the suspension of import duties on goods manufactured in Thailand into the U.S. The increase in the gross margin compared to Q4 2012, was due to slightly lower raw material prices.

Gross Margin Development

2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
65.6%	64.5%	64.1%	67.9%	71.6%

COMMODITY HEDGING

It is PANDORA's policy to hedge 100%, 80%, 60% and 40% of expected gold and silver consumption in the following four quarters. The hedged prices for the following four quarters for gold are 1,638 USD/oz, 1,753 USD/oz, 1,713 USD/oz and 1,622 USD/oz and for silver 30.48 USD/oz, 31.84 USD/oz, 31.53 USD/oz and 29.74 USD/oz. However, current inventory means a delayed impact of the hedged prices on our cost of goods sold. The combined effect of the time lag from inventory and the 12-month rolling hedges effectively means that PANDORA is virtually fully hedged for the full year 2013.

The average realised purchase price in Q1 2013 was 1,672 USD/oz for gold and 32.00 USD/oz for silver.

Excluding hedging and the time lag effect from the inventory, the underlying gross margin would have been approximately 67% based on the average gold (1,631 USD/oz) and silver (30.09 USD/oz) market prices in Q1 2013. Under these assumptions, a 10% deviation in quarterly average gold and silver prices would impact our gross margin by approximately +/- 2-3 percentage points.

OPERATING EXPENSES

Operating expenses for the quarter was DKK 715 million compared to DKK 667 million in Q1 2012, representing 35.7% of revenue in Q1 2013 compared to 46.8% Q1 2012. The improvement in the cost ratio was primarily due to the increase in revenue.

Sales, distribution and marketing expenses were DKK 509 million in Q1 2013 compared to DKK 455 million in Q1 2012, representing 25.4% of revenue in Q1 2013 compared to 32.0% in Q1 2012.

Sales and distribution expenses increased to DKK 316 million in Q1 2013 from DKK 286 million in Q1 2012, representing 15.8% of revenue in Q1 2013 compared to 20.1% Q1 2012. The increase in sales and distribution costs was primarily due to an increase in number of owned and operated PANDORA stores compared to Q1 2012 (168 in Q1 2013 vs. 143 in Q1 2012).

Marketing expenses increased to DKK 193 million in Q1 2013 from DKK 169 million in Q1 2012, corresponding to 9.6% of revenue in Q1 2013, compared to 11.9% in Q1 2012. The increase in marketing expenses was primarily driven by a higher marketing spend in the US, more than offset by higher revenue.

Administrative expenses amounted to DKK 206 million in Q1 2013 versus DKK 212 million Q1 2012, representing 10.3% of revenue in Q1 2013, down from 14.9% of Q1 2012 revenue.

Cost Ratio*

DKK million	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
Sales and distribution expenses	15.8%	18.1%	16.0%	23.4%	20.1%
Marketing expenses	9.6%	13.5%	10.6%	13.6%	11.9%
Administrative expenses	10.3%	10.6%	11.7%	17.2%	14.9%
Total Cost	35.7%	42.2%	38.3%	54.2%	46.8%

* Including gains/losses from sales of assets

Please note that the cost ratios for 2012 are affected by the stock balancing campaign.

EBITDA

EBITDA for Q1 2013 increased by 60.3% to DKK 643 million resulting in an EBITDA margin of 32.1%, compared 28.2% in Q1 2012.

Regional EBITDA margins for Q1 2013, before allocation of central costs, were 44.1% in Americas (49.9% in Q1 2012), 34.6% in Europe (16.0% in Q1 2012) and 35.8% in Asia Pacific (27.2% in Q1 2012). Unallocated costs increased to minus 7.6% in Q1 2013 compared to minus 7.5% in Q1 2012.

EBITDA margins in all regions were affected by the lower gross margin in Q1 2013. The Americas regional EBITDA margin was lower than last year, affected by the impact from the expiration of the suspension of import duties on goods manufactured in Thailand into the U.S. The margin increase in Europe and Asia Pacific was impacted by leverage from revenue increases in a number of markets.

EBITDA Margin	2013 Q1	2012 Q1	Q1 2013 vs Q1 2012 (% pts)
Americas	44.1%	49.9%	-5.8%
Europe	34.6%	16.0%	18.6%
Asia Pacific	35.8%	27.2%	8.6%
Unallocated costs	-7.6%	-7.5%	-0.1%
Group EBITDA margin	32.1%	28.2%	3.9%

EBIT

EBIT for Q1 2013 increased to DKK 599 million, an increase of 69.7% compared to the same quarter 2012, resulting in an EBIT margin of 29.9% for Q1 2013 versus 24.8% in Q1 2012.

NET FINANCIAL INCOME AND EXPENSES

In Q1 2013, net financial expenses amounted to DKK 58 million, of which DKK 54 million was exchange rate losses, compared to net financial income of DKK 59 million in Q1 2012.

INCOME TAX EXPENSES

Income tax expenses were DKK 103 million in Q1 2013, implying an effective tax rate of 19% for Q1 2013 compared to 18% for Q1 2012.

NET PROFIT

Net profit in Q1 2013 increased by 29.6% to DKK 438 million from DKK 338 million in Q1 2012.

BALANCE SHEET AND CASH FLOW ITEMS

In Q1 2013, PANDORA generated free cash flow of DKK 406 million, including the investment of DKK 190 million related to Trollbeads, corresponding to a cash conversion of 92.7% compared to 34.9% in Q1 2012. The increase is mainly due to higher revenue and improved EBITDA margin as well as improved working capital management.

Operating working capital (defined as inventory and accounts receivables less accounts payables) at the end of Q1 2013 was 26.9% of the preceding twelve months revenue, due to low inventory levels, and compares to 35.2% at the end of Q1 2012 and 30.7% at the end of Q4 2012.

Inventory increased to DKK 1,396 million at the end of Q1 2013 from DKK 1,318 million at the end of Q4 2012 and decreased by DKK 272 million versus Q1 2012. The increase in inventory level from Q4 2012 to Q1 2013 can be explained by normal seasonal effects. The decrease in inventory from Q1 2012 is mainly due to better inventory management.

Inventory Development	2013	2012	2012	2012	2012
	Q1	Q4	Q3	Q2	Q1
Inventory (DKK million)	1,396	1,318	1,922	1,925	1,668
% of last 12 mth revenue	19.3%	19.8%	29.9%	31.0%	26.3%

Trade receivables increased to DKK 724 million in Q1 2013 (10.0% of preceding 12 month revenue) compared to DKK 704 million in Q1 2012 (11.1% of the preceding 12 month revenue) and DKK 940 million in Q4 2012 (14.1% of preceding 12 month revenue)

In Q1 2013, PANDORA's CAPEX was DKK 246 million, including the one-off payment of DKK 190 million related to the purchase of IP rights from Trollbeads in Q1 2013. Excluding Trollbeads, CAPEX constituted approximately 2.8% of revenue.

The annual dividend of DKK 713 million was paid during Q1 2013.

During the quarter, a total of DKK 61 million was used to purchase own shares related to the share buyback programme. As of 31 March 2013, PANDORA held 581,078 treasury shares corresponding to 0.45% of the total share capital.

Total interest-bearing debt was DKK 414 million at the end of Q1 2013 (compared to DKK 977 million at the end of Q1 2012).

Cash and short-term deposits amounted to DKK 222 million at the end of Q1 2013 (compared to DKK 231 million at the end of Q4 2012).

Net interest-bearing debt (NIBD) at the end of Q1 2013 was DKK 192 million corresponding to a NIBD/EBITDA of 0.1x of the last twelve months EBITDA (compared to DKK 746 million at the end of Q1 2012 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 March 2013.

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 March 2013, and of the results of the PANDORA Group's operations and cash flow for the period 1 January – 31 March 2013.

Further, in our opinion the Management's review (p. 1-15) 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, 14 May 2013

EXECUTIVE BOARD

Bjørn 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	2013 Q1	2012 Q1	2012 Full year
Revenue	3	2,002	1,424	6,652
Cost of sales		-688	-404	-2,223
Gross profit		1,314	1,020	4,429
Sales, distribution and marketing expenses		-509	-455	-2,084
Administrative expenses		-206	-212	-870
Operating profit		599	353	1,475
Financial income		1	66	132
Financial expenses		-59	-7	-128
Profit before tax		541	412	1,479
Income tax expenses		-103	-74	-277
Net profit for the period		438	338	1,202
Attributable to:				
Equity holders of PANDORA A/S		438	338	1,202
Net profit for the period		438	338	1,202

Earnings per share

Profit for the period attributable to ordinary equity holders of the parent, basic	3.4	2.6	9.2
Profit for the period attributable to ordinary equity holders of the parent, diluted	3.4	2.6	9.2

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

DKK million	2013 Q1	2012 Q1	2012 Full year
Net profit for the period	438	338	1,202
Exchange differences on translation of foreign subsidiaries	180	-129	-65
Value adjustment of hedging instruments	-20	171	203
Income tax on other comprehensive income	12	-11	-18
Other comprehensive income, net of tax	172	31	120
Total comprehensive income for the period	610	369	1,322
Attributable to:			
Equity holders of PANDORA A/S	610	369	1,322
Total comprehensive income for the period	610	369	1,322

CONSOLIDATED BALANCE SHEET

DKK million	2013 31 March	2012 31 March	2012 31 December
ASSETS			
Non-current assets			
Goodwill	1,982	1,906	1,922
Brand	1,053	1,053	1,053
Distribution network	321	328	331
Distribution rights	1,043	1,055	1,045
Other intangible assets	326	92	136
Property, plant and equipment	496	421	472
Deferred tax assets	309	290	190
Other non-current financial assets	29	36	26
Total non-current assets	5,559	5,181	5,175
Current assets			
Inventories	1,396	1,668	1,318
Trade receivables	724	704	940
Other receivables	533	302	502
Tax receivables	140	43	138
Cash and short-term deposits	222	231	341
Total current assets	3,015	2,948	3,239
Total assets	8,574	8,129	8,414
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	130	130	130
Share premium	1,248	1,248	1,248
Treasury shares	-99	-38	-38
Foreign currency translation reserve	885	639	703
Hedge reserve	-59	-76	-51
Other reserves	-	93	-
Proposed dividend	715	-	715
Retained earnings	3,071	3,074	3,331
Total shareholders' equity	5,891	5,070	6,038
Non-current liabilities			
Interest-bearing loans and borrowings	396	948	151
Provisions	7	85	7
Deferred tax liabilities	661	643	552
Other non-current liabilities	2	1	2
Total non-current liabilities	1,066	1,677	712
Current liabilities			
Interest-bearing loans and borrowings	18	29	7
Provisions	493	216	463
Trade payables	174	143	219
Income tax payables	337	378	283
Other payables	595	616	692
Current liabilities	1,617	1,382	1,664
Total liabilities	2,683	3,059	2,376
Total equity and liabilities	8,574	8,129	8,414

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1 January - 31 March

DKK million	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Hedge reserve	Other reserves	Proposed dividend	Retained earnings	Total equity
Shareholders' equity at 1 January 2013	130	1,248	-38	703	-51	-	715	3,331	6,038
<i>Comprehensive income</i>									
Net profit for the period	-	-	-	-	-	-	-	438	438
Exchange differences on translation of foreign subsidiaries	-	-	-	180	-	-	-	-	180
Value adjustment of hedging instruments	-	-	-	-	-20	-	-	-	-20
Income tax on other comprehensive income	-	-	-	-	12	-	-	-	12
Other comprehensive income, net of tax	-	-	-	180	-8	-	-	-	172
Total comprehensive income for the period	-	-	-	180	-8	-	-	438	610
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Sharebased payments	-	-	-	-	-	-	-	17	17
Purchase of treasury shares	-	-	-61	-	-	-	-	-	-61
Dividend paid	-	-	-	2	-	-	-715	-	-713
Proposed dividend	-	-	-	-	-	-	715	-715	-
Shareholders' equity at 31 March 2013	130	1,248	-99	885	-59	-	715	3,071	5,891
Shareholders' equity at 1 January 2012	130	1,248	-38	768	-236	88	715	2,736	5,411
<i>Comprehensive income</i>									
Net profit for the period	-	-	-	-	-	-	-	338	338
Exchange differences on translation of foreign subsidiaries	-	-	-	-129	-	-	-	-	-129
Value adjustment of hedging instruments	-	-	-	-	171	-	-	-	171
Income tax on other comprehensive income	-	-	-	-	-11	-	-	-	-11
Other comprehensive income, net of tax	-	-	-	-129	160	-	-	-	31
Total comprehensive income for the period	-	-	-	-129	160	-	-	338	369
Sharebased payments	-	-	-	-	-	5	-	-	5
Dividend paid	-	-	-	-	-	-	-715	-	-715
Shareholders' equity at 31 March 2012	130	1,248	-38	639	-76	93	-	3,074	5,070

CONSOLIDATED CASH FLOW STATEMENT

DKK million	2013 Q1	2012 Q1	2012 Full year
Profit before tax	541	412	1,479
Financial income	-1	-66	-132
Financial expenses	59	7	128
Amortisation/depreciation	45	47	180
Options	17	5	20
Change in inventories	-33	-79	302
Change in receivables	186	66	-368
Change in trade payables	-48	-140	-67
Change in other liabilities	-109	-81	289
	657	171	1,831
Other non-cash adjustments	34	12	-21
Interests etc. received	1	1	4
Interests etc. paid	-5	-4	-47
Income tax paid	-42	-43	-428
Cash flow from operating activities	645	137	1,339
Acquisition of subsidiaries, net of cash acquired	-4	-	-
Purchase of intangible assets	-218	-6	-109
Purchase of property, plant and equipment	-28	-15	-167
Change in other non-current assets	-3	-2	9
Proceeds from sale of property, plant and equipment	6	1	36
Cash flow from investing activities	-247	-22	-231
Dividend paid	-713	-650	-715
Purchase and disposal of treasury shares	-61	-	-
Proceeds from borrowings	260	592	3
Repayment of borrowings	-5	-1	-231
Cash flow from financing activities	-519	-59	-943
Net cash flow for the period	-121	56	165
Cash and short-term deposits			
Cash and short-term deposits at beginning of period	341	176	176
Net exchange rate adjustment	2	-1	-
Net cash flow for the period	-121	56	165
Cash and short-term deposits at end of period	222	231	341
Unutilised credit facilities inclusive cash and cash equivalents	2,432	2,898	2,898

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 2012. We refer to the description in note 1 of the consolidated financial statement in PANDORA's Annual Report for 2012.

NOTE 2 – Seasonality of operations

Due to the seasonal nature of the jewellery business, higher revenue is historically realised in the second half of the year. However, the product drop structure has been changed from two to seven drops annually, which might change the seasonality of revenue for 2013.

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

Q1 2013

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	1,057	713	232	-	2,002
Segment profit (EBITDA)	466	247	83	-153	643
Adjustments:					
Amortisation/depreciation					-45
Gain/loss from sale of non-current assets					1
Consolidated operating profit					599

Q1 2012

DKK million	Americas	Europe	Asia Pacific	Unallocated cost	Total Group
Income statement:					
External revenue	766	474	184	-	1,424
Segment profit (EBITDA)	397	67	44	-107	401
Adjustments:					
Amortisation/depreciation					-47
Gain/loss from sale of non-current assets					-1
Consolidated operating profit					353

NOTE 3 - Operating segment information, continued

Product information:

Revenue from external customers

	2013	2012
DKK million	Q1	Q1
Charms	1,457	1,088
Silver and gold charms bracelets	256	190
Rings	118	83
Other jewellery	171	63
Revenue	2,002	1,424

Geographical information:

Revenue from external customers

	2013	2012
DKK million	Q1	Q1
United States	832	609
Australia	148	124
United Kingdom	190	134
Germany	108	100
Other countries	724	457
Revenue	2,002	1,424

NOTE 4 - Contingent liabilities

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

NOTE 5 – Related party transactions

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

Related parties further comprise Axcel III K/S 2's other portfolio enterprises, as they are subject to the same controlling interests. There have not been any transactions with Axcel III K/S 2 or its portfolio enterprises during 2013 and 2012.

Related parties of PANDORA with significant interests include the Board of Directors and the Executive Board of the companies and their close family members. Furthermore, related parties include companies in which the aforementioned persons have control or significant interest.

Except for compensation and benefits received as a result of the membership of the Board of Directors, employment with PANDORA or shareholdings in PANDORA, PANDORA has not undertaken any significant transactions with the Board of Directors and Executive Management. We refer to the description in note 23 of the consolidated financial statement in PANDORA's Annual Report for 2012.

There have been no other transactions than dividends and transactions related to the on-going share buyback programme between PANDORA and Prometheus Invest ApS during 2013 and 2012.

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 2012 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 2013. These IFRSs have not had any significant impact on the Group's interim financial report.

QUARTERLY OVERVIEW

QUARTERLY OVERVIEW

DKK million	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
Income statement					
Revenue	2,002	2,174	1,794	1,260	1,424
Gross Profit	1,314	1,403	1,150	856	1,020
EBITDA	643	534	503	220	401
Operating profit (EBIT)	599	486	463	173	353
Net financial income and expenses	-58	40	1	-96	59
Profit before tax	541	526	464	77	412
Net profit	438	421	380	63	338
Balance sheet					
Total assets	8,574	8,414	8,967	8,358	8,129
Invested capital	6,141	5,900	6,632	6,220	5,938
Net working capital	1,243	1,277	2,037	1,630	1,400
Shareholders' equity	5,891	6,038	5,807	5,223	5,070
Net interest-bearing debt	192	-183	829	737	746
Cash flow statement					
Cash Flow from operating activities	645	1,098	-35	139	137
Cash Flow from investing activities	-247	-84	-55	-70	-22
Free Cash Flow	406	1,030	-88	91	118
Cash Flow from financing activities	-519	-947	68	-5	-59
Net Cash Flow for the period	-121	67	-22	64	56
Ratios					
Revenue growth, %	40.6%	11.4%	14.3%	-9.5%	-18.4%
Gross profit growth, %	28.8%	-1.2%	-0.4%	-17.3%	-18.4%
EBITDA growth, %	60.3%	1.9%	-6.2%	-57.0%	-43.4%
EBIT growth, %	69.7%	2.3%	-8.5%	-60.7%	-44.6%
Net profit growth, %	29.6%	-24.1%	11.4%	-89.9%	-34.4%
Gross margin, %	65.6%	64.5%	64.1%	67.9%	71.6%
EBITDA margin, %	32.1%	24.6%	28.0%	17.5%	28.2%
EBIT margin, %	29.9%	22.4%	25.8%	13.7%	24.8%
Effective tax rate, %	19.0%	20.0%	18.1%	18.2%	18.0%
Cash conversion, %	92.7%	244.7%	-23.2%	144.4%	34.9%
CAPEX	246	105	70	80	21
Net interest-bearing debt to EBITDA *	0.1	-0.1	0.5	0.4	0.4
Equity ratio, %	68.7%	71.8%	64.8%	62.5%	62.4%
ROIC, % *	28.0%	25.0%	22.1%	24.2%	29.9%

* 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 on-going operational and strategic reviews, expansion into new markets, future product launches, points of sale and production facilities; and

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

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

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