PANDORA A/S
Hovedvejen 2 | DK-2600 Glostrup | Denmark
Tel. +45 3672 0044 | Fax +45 3672 0800
www.pandoragroup.com

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COMPANY ANNOUNCEMENT
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PANDORA ANNOUNCES FINANCIAL RESULTS FOR 2015

- Group revenue in 2015 was DKK 16,737 million compared with DKK 11,942 million in 2014, corresponding to an increase of 40.2% or 28.9% in local currency:
  - Americas increased by 31.8% (14.6% increase in local currency)
  - Europe increased by 42.3% (37.1% increase in local currency)
  - Asia Pacific increased by 58.0% (45.1% increase in local currency)
  - Revenue from concept stores was 62.1% of revenue and increased 54.1% compared with 2014

- Gross margin was 72.9% in 2015 compared with 70.5% in 2014

- EBITDA increased by 44.7% to DKK 6,214 million in 2015, corresponding to an EBITDA margin of 37.1%, compared with 36.0% in 2014

- EBIT increased by 42.8% to DKK 5,814 million in 2015, corresponding to an EBIT margin of 34.7% compared with 34.1% in 2014

- Net profit increased by 18.6% to DKK 3,674 million in 2015, compared with a net profit of DKK 3,098 million in 2014

- Free cash flow was DKK 2,449 million in 2015, (or DKK 3,444 million excluding tax and interest expenses of DKK 995 million relating to settlement of transfer pricing audit) compared with DKK 3,868 million in 2014, a decrease of 36.7%

- For the financial year 2015, the Board of Directors proposes to increase the annual dividend by 44% compared with 2014, to a dividend of DKK 13 per share (approximately DKK 1.5 billion) and proposes cancellation of 5,240,348 shares equal to 4.28% of the total share capital

- Today PANDORA will initiate a new share buyback programme for up to DKK 4.0 billion to be executed during 2016 with the primary purpose of reducing the Company's share capital at the Annual General Meeting in 2017.

In connection with the full year results Anders Colding Friis, CEO of PANDORA, said:
"With 2015, another great year for PANDORA has come to an end. A strong top-line development added almost DKK 5 billion to our revenue, which was broadly distributed between geographic regions and product groups, all delivering double digit growth rates. Our focus on the branded store network continued and during the year we added almost 400 new concept stores globally. The strong top-line development was also reflected in our EBITDA, which increased more than 40%."

FINANCIAL GUIDANCE FOR 2016

	FY 2016 Guidance	FY 2015 Actual
Revenue, DKK billion	>19	16.7
EBITDA margin	>37%	37.1%
CAPEX, DKK million	Approx. 1,000	1,109
Effective tax rate	Approx. 21%	31.3%

In 2016, PANDORA will again focus on driving like-for-like growth in existing stores, and expanding the store network in newer as well as in more penetrated markets. Revenue is expected to increase to more than DKK 19 billion, with existing stores expected to contribute roughly one third of the growth, and expansion of the store network, contributing the remaining two thirds. Assuming current exchange rates, PANDORA expects a full year headwind effect from currencies on revenue of around 3% compared with 2015.

The EBITDA margin in 2016 is expected to be more than 37%. For 2016, the EBITDA margin is anticipated to be positively impacted by lower commodity prices. However, this is expected to be offset by an increase in production complexity. Furthermore, the EBITDA margin is expected to be positively impacted by increasing leverage on costs in PANDORA's more developed markets, but partially offset by PANDORA's expansion plans primarily in Asia. Due to costs, primarily related to the expansion in Asia, the EBITDA margin in the second half of the year is expected to be higher than in the first half.

CAPEX for the year is expected to be approximately DKK 1,000 million. The expected level of investments includes development of the crafting facilities in Thailand, investments in PANDORA's distribution network, including the announced accelerated expansion in China and Japan, as well as continued elevated IT investments. CAPEX in 2017 is expected to stay at an elevated level similar to 2016, due to continued investments in the aforementioned areas.

The effective tax rate for 2016 is expected to be approximately 21%, which compares to an effective tax rate of 31.3% in 2015 (or 22.2% excluding the additional tax expenses related to the settlement with the Danish Tax Authorities in May 2015, including the impact on the tax position of other group entities). The decrease is primarily due to the reduction of the Danish corporate tax rate from 23.5% in 2015 to 22% in 2016.

In 2016, PANDORA plans to continue to expand the store network and expects to add more than 250 new concept stores during the year of which roughly 60% are expected to be opened in the Europe region, 20% in Americas and 20% in Asia Pacific.

Expectations are based on the foreign exchange rates at the day of announcement.

DIVIDEND

As previously communicated, the Board of Directors aims to increase the nominal dividend per share annually. Following a strong financial performance in 2015, the Board of Directors proposes a dividend of DKK 13 per share for the year, corresponding to an increase of 44% compared with last year, and equivalent to DKK 1.5 billion, assuming 5,240,348 shares are cancelled at the Annual General Meeting in March 2016.

PANDORA shares are traded ex-dividend the day after the Annual General Meeting, which will be held on 16 March 2016. The dividend will be paid automatically via VP Securities on 21 March 2016.

SHARE BUYBACK PROGRAMME FOR 2015

In the 2014 Annual Report, PANDORA announced its intention to buy back own shares of up to DKK 3.9 billion during 2015 in a share buyback programme. As of 31 December 2015, a total of 5,384,673 shares had been bought back, corresponding to a transaction value of DKK 3.9 billion and an average purchase price of DKK 723.8. As of 31 December 2015, PANDORA owned a total of 6,063,915 treasury shares, corresponding to 4.96% of the share capital. The purpose of the programme is to reduce PANDORA's share capital and to meet obligations arising from employee share option programmes. As of 31 December 2015, the total potential obligation amounted to 823,567 shares due to the annual allocation of the Company's employee share option programme.

At the Annual General Meeting 2016, The Board of Directors will propose that the Company's share capital be reduced by a nominal amount of DKK 5,240,348 by cancellation of 5,240,348 own shares of DKK 1, equal to 4.28% of the Company's total share capital.

NEW SHARE BUYBACK PROGRAMME FOR 2016

The Board of Directors of PANDORA has decided to launch a share buyback programme in 2016, under which PANDORA expects to buy back own shares to a maximum consideration of DKK 4.0 billion, compared with DKK 3.9 billion in 2015. The share buyback programme is subject to an approval of an extension of the current authorisation to acquire own shares on behalf of the Company at the Annual General Meeting on 16 March 2016. Under the current authorisation approved at the Annual General Meeting in 2015 and applicable from 19 March 2015, the Company is allowed to acquire own shares with a total nominal value of up to 10% of PANDORA's share capital. PANDORA has bought back own shares corresponding to 3.8% of the share capital under this authorisation.

The Board of Directors intends to propose to PANDORA's shareholders at the Annual General Meeting in 2017 that PANDORA's share capital be reduced by shares purchased under the programme. PANDORA may also use shares purchased under the programme to meet obligations arising from employee share option programmes issued in 2016. The total obligation for the 2016 programme is expected to be approximately 100,000 shares.

The share buyback programme is implemented in accordance with the provisions of the European Commission's regulation no. 2273/2003 of 22 December 2003 ('safe harbour'), which protects listed companies against violation of insider legislation in connection with share buybacks. The programme will end no later than 31 December 2016.

PANDORA has appointed Nordea Bank Danmark A/S (Nordea) as Lead Manager of the programme. Nordea will, under a separate agreement with the Company, buy back shares on behalf of PANDORA and make trading decisions in respect of PANDORA shares independently of and without influence from PANDORA.

The programme will be implemented under the authorisation and the following framework:

- The maximum total consideration for PANDORA shares bought back in the period of the programme is DKK 4.0 billion
- The programme will end no later than 31 December 2016
- The maximum number of shares to be bought per daily market session will be the equivalent to 25% of the average daily volume of shares in the Company traded on NASDAQ Copenhagen during the preceding 20 business days
- Shares cannot be purchased at prices higher than the two following prices:
  a) The price of the latest independent trade
  b) The price of the highest independent bid on NASDAQ Copenhagen

PANDORA may terminate the programme at any time. In the event such decision is taken, PANDORA shall give notice thereof, and Nordea shall consequently no longer be entitled to buy shares on behalf of PANDORA.

On a weekly basis the Company will issue an announcement in respect of transactions made under the programme.

ANNUAL REPORT 2015

PANDORA's Annual Report 2015 has been released today and is available for download in the investor section of www.pandoragroup.com.

CONFERENCE CALL

A conference call for investors and financial analysts will be held today at 10:00 a.m. CET and can be joined 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 38 48 75 13
UK (International): +44(0) 20 3427 1906
US: +1 646 254 3366

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 "PANDORA" when dialling into the conference.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and contemporary jewellery made from high-quality materials at affordable prices. PANDORA jewellery is sold in more than 100 countries on six continents through approximately 9,300 points of sale, including around 1,800 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs more than 16,700 people worldwide of whom approximately 11,000 are located in Gemopolis, Thailand, where the company manufactures its jewellery. PANDORA is publicly listed on the NASDAQ Copenhagen stock exchange in Denmark. In 2015, PANDORA's total revenue was DKK 16.7 billion (approximately EUR 2.2 billion).

CONTACT

For more information, please contact:

INVESTOR RELATIONS
Morten Raunholt Eismark
VP Group Investor Relations
Phone +45 3673 8213
Mobile +45 3045 6719

Magnus Thorstholm Jensen
Senior Investor Relations Officer
Phone +45 4323 1739
Mobile +45 3050 4402

MEDIA RELATIONS
Kristian Lysgaard
Director, Group Communications
Phone +45 4323 1774
Mobile +45 2556 8561

FINANCIAL HIGHLIGHTS

DKK million	Q4 2015	Q4 2014	FY 2015	FY 2014
Consolidated income statement				
Revenue	5,681	3,961	16,737	11,942
Gross profit	4,205	2,835	12,193	8,423
Earnings before interest, tax, depreciations and amortisations (EBITDA)	2,144	1,444	6,214	4,294
Operating profit (EBIT)	2,002	1,381	5,814	4,072
Net financials	-84	-122	-469	-200
Profit before tax	1,918	1,259	5,345	3,872
Net profit	1,375	1,007	3,674	3,098
Consolidated balance sheet				
Total assets	13,311	10,556	13,311	10,556
Invested capital	8,255	6,080	8,255	6,080
Net working capital	925	434	925	434
Net interest-bearing debt (NIBD)	1,718	-1,121	1,718	-1,121
Equity	6,139	7,032	6,139	7,032
Consolidated cash flow statement				
Cash flows from operating activities, net	1,719	1,867	3,384	4,322
Cash flows from investing activities, net	-323	-181	-1,296	-632
Free cash flow	1,464	1,705	2,449	3,868
Cash flows from financing activities, net	-1,060	-1,010	-2,333	-3,259
Net increase (decrease) in cash for the period	336	676	-245	431
Growth ratios				
Revenue growth, %	43.4%	40.4%	40.2%	32.5%
Gross profit growth, %	48.3%	47.8%	44.8%	40.4%
EBITDA growth, %	48.5%	52.6%	44.7%	49.0%
EBIT growth, %	45.0%	55.0%	42.8%	51.9%
Net profit growth, %	36.5%	36.3%	18.6%	39.5%
Margins				
Gross margin, %	74.0%	71.6%	72.9%	70.5%
EBITDA margin, %	37.7%	36.5%	37.1%	36.0%
EBIT margin, %	35.2%	34.9%	34.7%	34.1%
Other ratios				
Effective tax rate, %	28.3%	20.0%	31.3%	20.0%
Equity ratio, %	46.1%	66.6%	46.1%	66.6%
NIBD to EBITDA [1]	0.3	-0.3	0.3	-0.3
Return on invested capital (ROIC), %[1]	70.4%	67.0%	70.4%	67.0%
Capital expenditure (CAPEX), DKK million[2]	319	176	1,109	455
Cash conversion, % [3]	73.1%	123.5%	42.1%	95.0%
Share information				
Dividend per share, DKK	-	-	13.0	9.0
Total payout ratio (incl. share buyback), %[3]	-	-	135.8%	104.1%
Earnings per share, basic, DKK	11.7	8.2	30.9	25.0
Earnings per share, diluted, DKK	11.6	8.1	30.7	24.7
Share price at end of period, DKK	872.0	504.5	872.0	504.5
Other key figures				
Average number of employees	15,898	11,177	13,971	9,957

1) Ratios are based on 12 months rolling EBITDA and EBIT, respectively
2) Capital expenditure includes intangible assets
3) Definition has been changed compared with earlier reporting – please refer to the Annual Report 2015

HIGHLIGHTS FOR Q4 2015

- Group revenue in Q4 2015 was DKK 5,681 million, an increase of 43.4% or 35.8% in local currency, compared with Q4 2014:
  - Americas increased by 28.2% (17.4% increase in local currency)
  - Europe increased by 51.2% (45.7% increase in local currency)
  - Asia Pacific increased by 58.5% (52.6% increase in local currency)
  - Revenue from concept stores increased by 60.6% and corresponded to 69.3% of the total revenue
- The gross margin increased to 74.0% in Q4 2015, compared with 71.6% in Q4 2014
- EBITDA increased by 48.5% to DKK 2,144 million in Q4 2015, corresponding to an EBITDA margin of 37.7%, compared with 36.5% in Q4 2014
- Net profit for the quarter was DKK 1,375 million, compared with a net profit of DKK 1,007 million in Q4 2014
- Free cash flow was DKK 1,464 million in Q4 2015 compared with DKK 1,705 million in Q4 2014
- During Q4 2015, PANDORA bought back 1,172,488 own shares at a total value of DKK 943 million as part of the DKK 3.9 billion share buyback programme, corresponding to 1.0% of the total share capital.

IMPORTANT EVENTS IN Q4 2015

Disney collaboration in Asia

In October 2015, PANDORA expanded the strategic alliance with The Walt Disney Company, to include 13 markets in the Asia Pacific region, including Australia, China and Japan. In November 2015, PANDORA launched the first Disney products in the region.

As part of the alliance, PANDORA is now designated the Official Charm Bracelet of Hong Kong Disneyland Resort, and will be, in the upcoming Shanghai Disney Resort. PANDORA products are and will be sold in multiple locations inside both resorts, while the Disney collection from PANDORA is also available in concept stores and shop-in-shops throughout the region.

EVENTS AFTER THE BALANCE SHEET DAY

Singapore, Macau and the Philippines

On 1 January 2016, PANDORA acquired from Norbreeze Group (Norbreeze) its PANDORA store network in Singapore and Macau. Furthermore, the distribution agreements with Norbreeze for distributing PANDORA jewellery in Singapore, Macau and the Philippines expired on 31 December 2015. Distribution in the Philippines will continue under a new agreement with the existing distributor. PANDORA is expected to pay a total amount of SGD 36 million (approximately DKK 175 million) to Norbreeze, related to the agreement.

The acquisition has granted PANDORA the opportunity to enter Singapore and Macau directly and to add to its retail chain 18 PANDORA owned concept stores and 6 shop-in-shops located in the two countries. PANDORA's operations in the Philippines continue to be operated by a local master franchisee. On 1 January 2016, PANDORA established a local office in Singapore for the Singapore operation, whereas Macau and the Philippines are operated out of PANDORA's offices in Hong Kong.

Capital Markets Day in Thailand

On 7 January 2016, PANDORA hosted a Capital Markets Day in Thailand for analysts, institutional investors and media. The purpose of the event was to give an update on PANDORA's strategy in the Asia Pacific as well as an insight into PANDORA's supply chain, including a tour of the Company's crafting facilities in Gemopolis.

As part of the presentations on the Capital Markets Day, as announced in Company announcement no. 280, the following forward looking statements were disclosed:

- PANDORA plans to add net 200-300 concept stores annually in 2016-2018, of which approximately 60% are expected to be opened in the Europe region, 20% in Americas and 20% in Asia Pacific
- From January 2016, PANDORA's category focus will be expanded to include earrings in PANDORA's developed markets. The earring category represented around 3% of Group revenue for the first nine months of 2015
- Revenue in Australia and New Zealand is expected to increase more than 30% from 2015 to 2018
- Like-for-like sales-out growth in Australia is expected to be higher than 10% in 2016 and is expected to normalise to around 3-5% long term
- PANDORA expects to add net 5-10 concept stores annually in Australia until 2018
- PANDORA expects to add net approximately 30 concept stores in China in 2016, and net approximately 25 in 2017 and 2018 respectively
- PANDORA expects to add net approximately 10 concept stores and shop-in-shops annually in Japan until 2018
- PANDORA plans to invest around DKK 1.8 billion in capital expenditures in the period 2015-2019 related to production capacity expansion in Thailand
- The production capacity expansion programme is planned to potentially double the current production capacity in Thailand.

REVENUE DEVELOPMENT

Total revenue for Q4 2015 was DKK 5,681 million, an increase of 43.4% (35.8% in local currency) compared with Q4 2014.

Volumes increased by 21.1% compared with Q4 2014 and the average sales price (ASP) recognised by PANDORA in Q4 2015 was DKK 172, compared with DKK 145 in Q4 2014. The increase in ASP was driven by 1) channel and market mix, primarily due to a higher share of retail revenue, 2) product mix, impacted by a higher share of revenue from Rings and 3) currency. All three factors contributed almost equally to the increase.

Revenue increased in all three major regions and was driven by a combination of like-for-like growth, contributing roughly one third of the growth, as well as the continued expansion of the store network, contributing the remaining two-thirds. The like-for-like growth was driven by a positive reception of the Christmas collection, launched in stores during Q4 2015, as well as continued high demand for the Autumn collection launched in the previous quarter. In Q4 2015, around 50% of sales were generated by products launched within the last 12 months, which is similar to Q4 2014. Products across all categories launched more than 12 months ago continue to support revenue growth.

Revenue from PANDORA’s owned and operated stores, including all PANDORA eSTOREs, increased by 118% to DKK 1,893 million and corresponded to around 33% of total revenue compared with 22% in Q4 2014. The growth in retail revenue was driven by strong in-store execution resulting in positive like-for-like growth as well a strong development in the eSTOREs. Furthermore, PANDORA has added net 271 new owned and operated stores in the last 12 months, including 62 concept stores and 35 shop-in-shops, converted from franchisee stores. The net effect of converting wholesale revenue from the franchisee stores to retail revenue, including the effect from stores converted during 2014, is approximately DKK 150 million compared with Q4 2014.

At the end of Q4 2015, sales return provisions corresponded to approximately 7% of 12 months’ rolling revenue value, compared with 6% for Q3 2015 and 8% for Q4 2014.

Based on data from concept stores, which have been operating for more than 12 months, like-for-like sales-out in four of PANDORA’s major markets (the US, the UK, Germany and Australia) continued to be positive. The positive development was driven by a successful product portfolio with continuous relevant products, generally better in-store execution as well as increased awareness through regional marketing campaigns increasing store traffic in most stores.

REVENUE BREAKDOWN BY GEOGRAPHY

In Q4 2015, 34.5% of revenue was generated in Americas (38.6% in Q4 2014), 49.0% in Europe (46.4% in Q4 2014) and 16.5% in Asia Pacific (15.0% in Q4 2014).

Distribution of revenue

DKK million	Q4 2015	Q4 2014	*Growth*	*Growth in local currency*	FY 2015	FY 2014	*Growth*	*Growth in local currency*
US	1,456	1,090	*33.6%*	*16.5%*	4,893	3,629	*34.8%*	*12.6%*
Other Americas	501	437	*14.6%*	*19.7%*	1,644	1,330	*23.6%*	*20.2%*
Americas	**1,957**	**1,527**	***28.2%***	***17.4%***	**6,537**	**4,959**	***31.8%***	***14.6%***
UK	979	654	*49.7%*	*35.9%*	2,487	1,654	*50.4%*	*36.4%*
Germany	356	206	*72.8%*	*72.8%*	833	578	*44.1%*	*44.1%*
Other Europe	1,449	981	*47.7%*	*46.7%*	4,228	3,072	*37.6%*	*36.2%*
Europe	**2,784**	**1,841**	***51.2%***	***45.7%***	**7,548**	**5,304**	***42.3%***	***37.1%***
Australia	471	328	*43.6%*	*47.6%*	1,120	806	*39.0%*	*39.5%*
Other Asia Pacific	469	265	*77.0%*	*58.9%*	1,532	873	*75.5%*	*50.3%*
Asia Pacific	**940**	**593**	***58.5%***	***52.6%***	**2,652**	**1,679**	***58.0%***	***45.1%***
Total	**5,681**	**3,961**	***43.4%***	***35.8%***	**16,737**	**11,942**	***40.2%***	***28.9%***

AMERICAS

Revenue for the fourth quarter in Americas was DKK 1,957 million, an increase of 28.2% (17.4% in local currency) compared with Q4 2014.

Revenue in the US was DKK 1,456 million, an increase of 33.6% (16.5% in local currency) compared with Q4 2014. Growth was driven by network expansion (including the launch of a PANDORA eSTORE in Q2 2015) as well as regional like-for-like growth rates, which was supported by strong Christmas sales. The focus on Rings in the US continues to support growth as revenue from the category increased significantly compared with Q4 2014, and was more than 10% of US revenue for the quarter.

Like-for-like sales-out in Q4 2015, based on concept stores in the US - which have been operating for more than 12 months - increased by 4.2% compared with Q4 2014. All major regions contributed to the positive growth for the quarter, including the Northeast region, where a process to refresh the network is on-going.

Concept stores* sales-out growth

	Q4 2015 vs. Q4 2014	Q3 2015 vs. Q3 2014	Q2 2015 vs. Q2 2014	Q1 2015 vs. Q1 2014	Q4 2014 vs. Q4 2013
US	4.2%	1.7%	8.1%	8.9%	4.7%

* Concept stores that have been operating for more than 12 months

Revenue from Other Americas was DKK 501 million in Q4 2015, an increase of 14.6% (19.7% in local currency) compared with the same quarter last year. Brazil continues to perform well, driven by double digit like-for-like growth rates as well as an expansion of the store network. PANDORA now has 68 concept stores in Brazil compared with 35 at the end of Q4 2014. Like-for-like sales-out growth in Canada continues to be positive, however, as cautioned in Q3 2015, revenue in Canada was impacted by a reduction of in-store inventories, as a result of high inventories at retail level, and consequently revenue in Canada was roughly flat. Inventory levels in Canada are now estimated to be normalised. In Q4 2015, Canada represented around 50% of revenue from Other Americas.

Store network, number of points of sale - Americas

	Number of PoS Q4 2015	Number of PoS Q3 2015	Number of PoS Q4 2014	Growth Q4 2015 /Q3 2015	Growth Q4 2015 /Q4 2014
Concept stores	501	466	414	35	87
- hereof PANDORA owned	79	72	51	7	28
Shop-in-shops	681	670	683	11	-2
- hereof PANDORA owned	2	2	2	-	-
Gold	965	932	881	33	84
Branded	**2,147**	**2,068**	**1,978**	**79**	**169**
Branded as % of total	***71.1%***	***66.2%***	***58.5%***		
Silver	698	839	1,094	-141	-396
White and travel retail	175	217	308	-42	-133
Total	**3,020**	**3,124**	**3,380**	**-104**	**-360**

PANDORA continues to develop the branded store network and during Q4 2015, 35 new concept stores were opened in Americas. As part of the continued focus on the branded part of the network, unbranded stores are being closed and during the quarter 183 unbranded stores, primarily located in the US, were closed in Americas.

In 2016, as part of PANDORA's effort to improve the branded part of the store network, Signet, one of PANDORA's partners in the US, will begin the process of upgrading more than 200 Jared stores, currently categorised as multibranded stores, to PANDORA shop-in-shops. Currently, PANDORA's jewellery is available in a total of 239 Jared stores across the US.

EUROPE

Revenue in Europe was DKK 2,784 million in Q4 2015, an increase of 51.2% (45.7% in local currency) compared with Q4 2014.

Revenue in the UK was DKK 979 million in Q4 2015, an increase of 49.7% (35.9% in local currency) compared with the same quarter last year. Growth was driven by a positive sales-out development, as well as the expansion of the store network, including 39 new concept stores opened since Q4 2014, to a total of 195 concept stores. Furthermore, growth was supported by the introduction of the PANDORA Rose collection in the UK stores in Q2 2015. The Rings category continued to support growth with revenue from the category increasing by more than 75% compared with Q4 2014. For the quarter close to 20% of revenue was generated by Rings.

Like-for-like sales-out in Q4 2015, based on concept stores in the UK - which have been operating for more than 12 months - increased by 18.8% compared with Q4 2014.

Concept stores* sales-out growth

	Q4 2015 vs. Q4 2014	Q3 2015 vs. Q3 2014	Q2 2015 vs. Q2 2014	Q1 2015 vs. Q1 2014	Q4 2014 vs. Q4 2013
UK	18.8%	17.5%	11.4%	20.6%	20.6%

* Concept stores that have been operating for more than 12 months

Revenue in Germany increased 72.8% to DKK 356 million in Q4 2015. The increase was primarily driven by an increase in number of concept stores. In 2015, as a part of the effort to improve the store network, PANDORA assumed 77 commercial leaseholds in Germany. PANDORA has opened owned and operated concept stores on all 77 locations. At the end of Q4 2015, PANDORA owned and operated 143 concept stores out of a total of 158 concept stores in Germany. This compares to a total of 84 concept stores at the end of 2014.

After almost doubling the number of concept stores over the last 12 months, like-for-like sales-out in Q4 2015 in Germany increased by 5.2% compared with Q4 2014.

Concept stores* sales-out growth

	Q4 2015 vs. Q4 2014	Q3 2015 vs. Q3 2014	Q2 2015 vs. Q2 2014	Q1 2015 vs. Q1 2014	Q4 2014 vs. Q4 2013
Germany	5.2%	1.9%	9.0%	3.8%	2.3%

* Concept stores that have been operating for more than 12 months

Revenue from Other Europe was DKK 1,449 million in Q4 2015, an increase of 47.7% compared with Q4 2014. Revenue from Other Europe was primarily driven by a positive development in Italy and France, with revenue in both countries increasing more than 50%. Italy and France represented around 30% and 20%, respectively, of revenue from Other Europe in Q4 2015. Revenue from Russia decreased 23% in Q4 2015 compared with Q4 2014. The decrease was driven by double digit negative like-for-like sales-out growth during the quarter, and consequently a more hesitant purchasing behaviour from PANDORA’s local distributor in Russia. In Q4 2015, Russia represented around 8% of revenue from Other Europe.

Store network, number of points of sale - Europe

	Number of PoS Q4 2015	Number of PoS Q3 2015	Number of PoS Q4 2014	Growth Q4 2015 /Q3 2015	Growth Q4 2015 /Q4 2014
Concept stores	1,033	963	786	70	247
- hereof PANDORA owned	298	289	169	9	129
Shop-in-shops	791	744	677	47	114
- hereof PANDORA owned	85	84	68	1	17
Gold	1,578	1,529	1,380	49	198
Branded	**3,402**	**3,236**	**2,843**	**166**	**559**
Branded as % of total	***61.5%***	***56.6%***	**48.6%**		
Silver	1,249	1,376	1,577	-127	-328
White and travel retail	883	1,110	1,431	-227	-548
Total*	**5,534**	**5,722**	**5,851**	**-188**	**-317**

* Includes for Q4 2015 relating to 3rd party distributors: 158 concept stores, 216 shop-in-shops, 467 gold, 258 silver and 318 white stores.

During Q4 2015, the number of branded stores in Europe increased by 166 stores to a total of 3,402 stores, in line with PANDORA’s overall strategy to increase branded sales. Net 70 concept stores were opened in Q4, mainly in Russia (19) and the UK (16). During the quarter, 9 owned and operated concept stores were added net, of which 4 were added in Germany.

ASIA PACIFIC

Revenue in Asia Pacific was DKK 940 million in Q4 2015, an increase of 58.5% (52.6% in local currency) compared with Q4 2014.

Revenue in Australia was DKK 471 million in Q4 2015, an increase of 43.6% (47.6% in local currency) compared with Q4 2014. The growth was primarily driven by a continued strong sales-out growth, supported by the recent launch of the Disney collection, as well as 11 new concept stores opened since Q4 2014, to a total of 101 concept stores in Australia. Revenue from the Rings category increased around 25% compared with Q4 2014 and represented around 15% of revenue for the quarter.

Like-for-like sales-out in Q4 2015, based on concept stores in Australia - which have been operating for more than 12 months - increased by 41.6% compared with Q4 2014. The growth was driven by successful marketing, continued strong in-store execution as well as a very relevant product portfolio.

Concept stores* sales-out growth

	Q4 2015 vs. Q4 2014	Q3 2015 vs. Q3 2014	Q2 2015 vs. Q2 2014	Q1 2015 vs. Q1 2014	Q4 2014 vs. Q4 2013
Australia	41.6%	44.5%	35.7%	24.6%	20.0%

*Concept stores that have been operating for more than 12 months

Revenue from Other Asia Pacific was DKK 469 million in Q4 2015, corresponding to an increase of 77.0% (58.9% in local currency) compared with Q4 2014. The growth was primarily driven by a positive development in Hong Kong and China, which each represented around 30% of revenue in Other Asia Pacific. Revenue in China was positively impacted by converting distributor revenue to retail revenue, following the new and improved partnership in China, which added around DKK 50 million to revenue in Q4 2015 compared with Q4 2014. Like-for-like sales-out in China continues to increase with double digit growth rates, and during the quarter 15 new concept stores were added to a total of 53 in China. Revenue in Hong Kong increased around 40% in local currency, primarily driven by expansion of the store network and since Q4 2014, 9 new concept stores have been opened to a total of 25 concept stores in Hong Kong.

Store network, number of points of sale – Asia Pacific

	Number of PoS Q4 2015	Number of PoS Q3 2015	Number of PoS Q4 2014	Growth Q4 2015 /Q3 2015	Growth Q4 2015 /Q4 2014
Concept stores	268	237	210	31	58
- hereof PANDORA owned	97	79	31	18	66
Shop-in-shops	202	199	195	3	7
- hereof PANDORA owned	31	31	-	-	31
Gold	133	134	139	-1	-6
Branded	**603**	**570**	**544**	**33**	**59**
Branded as % of total	***84.1%***	***83.0%***	***80.6%***		
Silver	100	99	73	1	27
White and travel retail	14	18	58	-4	-44
Total	**717**	**687**	**675**	**30**	**42**

At the end of Q4 2015, PANDORA has 603 branded stores in Asia Pacific compared with 544 at the end of Q4 2014. During the quarter 31 new concept stores were added in the region.

SALES CHANNELS

PANDORA's focus on expanding the concept store network continues and in Q4 2015, PANDORA opened net 136 new concept stores. This includes net 34 new owned and operated concept stores, of which 15 were added in China. In 2015, PANDORA opened a net total of 392 concept stores. Please refer to note 10 for a detailed overview of concept stores per country.

Furthermore, as part of an increasing focus on the branded part of the network, PANDORA has closed 1,422 unbranded stores in the last 12 months.

At the end of Q4 2015, PANDORA offered eSTOREs in 14 countries, including Australia, France, Germany, Hong Kong, Italy, Japan, the UK and the US. Revenue from the eSTOREs is included in concept store revenue.

Store network, number of points of sale – Group

	Number of PoS Q4 2015	Number of PoS Q3 2015	Number of PoS Q4 2014	Growth Q4 2015 /Q3 2015	Growth Q4 2015 /Q4 2014
Concept stores	1,802	1,666	1,410	136	392
- hereof PANDORA owned	474	440	251	34	223
Shop-in-shops	1,674	1,613	1,555	61	119
- hereof PANDORA owned	118	117	70	1	48
Gold	2,676	2,595	2,400	81	276
Branded	**6,152**	**5,874**	**5,365**	**278**	**787**
Branded as % of total	**66.4%**	***61.6%***	***54.2%***		
Silver	2,047	2,314	2,744	-267	-697
White and travel retail	1,072	1,345	1,797	-273	-725
Total*	**9,271**	**9,533**	**9,906**	**-262**	**-635**

* Includes for Q4 2015 relating to 3rd party distributors: 158 concept stores, 216 shop-in-shops, 467 gold, 258 silver and 318 white stores.

Revenue from concept stores increased by 60.6% to DKK 3,937 million, and represented 69.3% of revenue in Q4 2015 compared with 61.9% in Q4 2014. Branded revenue in Q4 2015 increased by 52.4% to DKK 5,192 million and represented 91.4% of revenue compared with 86.0% in Q4 2014.

Revenue per sales channel

DKK million	Q4 2015	Q4 2014	*Growth*	*Share of total revenue*	FY 2015	FY 2014	*Growth*	*Share of total revenue*
Concept stores	3,937	2,452	*60.6%*	*69.3%*	10,390	6,741	*54.1%*	*62.1%*
Shop-in-shops	755	592	*27.5%*	*13.3%*	2,675	2,008	*33.2%*	*16.0%*
Gold	500	363	*37.7%*	*8.8%*	1,783	1,471	*21.2%*	*10.7%*
Total branded	**5,192**	**3,407**	***52.4%***	***91.4%***	**14,848**	**10,220**	***45.3%***	***88.8%***
Silver	134	250	*-46.4%*	*2.4%*	692	791	*-12.5%*	*4.1%*
White and travel retail	154	173	*-11.0%*	*2.7%*	604	538	*12.3%*	*3.6%*
Total unbranded	**288**	**423**	***-31.9%***	***5.1%***	**1,296**	**1,329**	***-2.5%***	***7.7%***
Total direct	**5,480**	**3,830**	***43.1%***	***96.5%***	**16,144**	**11,549**	***39.8%***	***96.5%***
3rd party	201	131	*53.4%*	*3.5%*	593	393	*50.9%*	*3.5%*
Total revenue	**5,681**	**3,961**	***43.4%***	***100.0%***	**16,737**	**11,942**	***40.2%***	***100.0%***

PRODUCT OFFERING

PANDORA's core categories Charms and Bracelets and Rings continue to perform well driven by continued newness across the categories, as well as tailor-made promotions, focusing on the core categories.

Product mix

DKK million	Q4 2015	Q4 2014	*Growth*	*Share of total revenue*	FY 2015	FY 2014	*Growth*	*Share of total revenue*
Charms	3,568	2,656	*34.3%*	*62.7%*	10,833	7,933	*36.6%*	*64.8%*
Silver and gold charm bracelets	719	465	*54.6%*	*12.7%*	1,923	1,427	*34.8%*	*11.5%*
Rings	663	355	*86.8%*	*11.7%*	2,066	1,192	*73.3%*	*12.3%*
Other jewellery	731	485	*50.7%*	*12.9%*	1,915	1,390	*37.8%*	*11.4%*
Total revenue	**5,681**	**3,961**	***43.4%***	***100.0%***	**16,737**	**11,942**	***40.2%***	***100.0%***

Revenue from Charms was DKK 3,568 million in Q4 2015, an increase of 34.3% compared with Q4 2014, while revenue from Silver and gold charm bracelets increased by 54.6%.

Growth in both categories was driven by all major regions, including double digit growth in revenue from bracelets in the US, following a Q3 2015 with negative growth, due to change in promotions. The two categories represented 75.4% of total revenue in Q4 2015 compared with 78.8% in Q4 2014.

Revenue from Rings was DKK 663 million, an increase of 86.8% compared with Q4 2014. The category continues to do well, driven by continued use of revenue generating initiatives in most markets including more emphasis on rings in staff training, improved in-store focus on rings, as well as successful Rings promotions across most markets. The Rings category represented 11.7% of total revenue in Q4 2015 compared with 9.0% in Q4 2014 and 15.8% in Q3 2015. The decrease compared with Q3 2015 is due to the fact that Q4 traditionally has a lower share of revenue from Rings, as charms and bracelets are more preferred as Christmas gifts compared with rings.

Revenue from Other jewellery was DKK 731 million, an increase of 50.7% compared with Q4 2014. The growth was driven by revenue from Earrings and Necklaces, increasing by around 90% and 60% respectively, compared with Q4 2014. Revenue from Other bracelets increased by 33% compared with Q4 2014. Other jewellery represented 12.9% of total revenue in Q4 2015 compared with 12.2% in Q4 2014.

COSTS

Total costs in Q4 2015, including depreciation and amortisation, were DKK 3,679 million, an increase of 42.6% compared with Q4 2014. Total costs corresponded to 64.8% of revenue in Q4 2015 compared with 65.1% in Q4 2014.

Cost development

DKK million	Q4 2015	Q4 2014	*Growth*	*Share of total revenue*	FY 2015	FY 2014	*Growth*	*Share of total revenue*
Cost of sales	1,476	1,126	*31.1%*	*26.0%*	4,544	3,519	*29.1%*	*27.1%*
Gross profit	**4,205**	**2,835**	***48.3%***	***74.0%***	**12,193**	**8,423**	***44.8%***	***72.9%***
Sales and distribution expenses	1,052	645	*63.1%*	*18.5%*	3,120	1,957	*59.4%*	*18.6%*
Marketing expenses	596	455	*31.0%*	*10.5%*	1,602	1,143	*40.2%*	*9.6%*
Administrative expenses	555	354	*56.8%*	*9.8%*	1,657	1,251	*32.5%*	*9.9%*
Total costs	**3,679**	**2,580**	***42.6%***	***64.8%***	**10,923**	**7,870**	***38.8%***	***65.3%***

GROSS PROFIT

Gross profit in Q4 2015 was DKK 4,205 million corresponding to a gross margin of 74.0% compared with 71.6% in Q4 2014. The increase was mainly driven by tailwind from more favourable raw material prices and an increase in revenue from owned and operated stores. The increase was partially offset by unfavourable currency rates as well as increased production complexity.

COMMODITY HEDGING

It is PANDORA's policy to hedge approximately 100%, 80%, 60% and 40%, respectively, of expected gold and silver consumption in the following four quarters. The hedged prices for the following four quarters for gold are USD 1,176/oz, USD 1,179/oz, USD 1,127/oz and USD 1,113/oz and for silver USD 15.99/oz, USD 15.59/oz, USD 14.70/oz and USD 15.20/oz. However, current inventory means a delayed impact of the hedged prices on cost of sales.

The average realized purchase price in Q4 2015 was USD 1,171/oz for gold and USD

16.41/oz for silver.

Excluding hedging and the time lag effect from the inventory, the underlying gross margin would have been approximately 76% based on the average gold (USD 1,106/oz) and silver (USD 14.77/oz) market prices in Q4 2015. Under these assumptions, a 10% deviation in quarterly average gold and silver prices would impact our gross margin by approximately +/- 1 percentage points.

OPERATING EXPENSES

Operating expenses in Q4 2015 were DKK 2,203 million compared with DKK 1,454 million in Q4 2014, representing 38.8% of revenue in Q4 2015 compared with 36.7% in Q4 2014. All operating expenses were impacted in Q4 2015 by exchange rate fluctuations compared to Q4 2014 (primarily USD, GBP and THB), with a total negative impact of around DKK 100 million.

Sales and distribution expenses were DKK 1,052 million in Q4 2015, an increase of 63.1% compared with Q4 2014, and corresponding to 18.5% of revenue compared with 16.3% in Q4 2014. The increase in sales and distribution expenses was mainly driven by higher revenue, as well as an increase in the number of PANDORA owned stores (from 321 in Q4 2014 to 592 in Q4 2015). The higher costs in owned and operated stores are mainly related to property and employee expenses, having a negative impact of around 2.5 percentage points on the sales and distribution ratio compared with Q4 2014. Furthermore, sales and distribution expenses were impacted by an increase in amortisation related to the reacquisition of distribution rights in China and Japan as well as the acquisition of store leases in Germany. In Q4 2015, amortisation related to sales and distribution costs was DKK 55 million compared with DKK 12 million in Q4 2014.

Marketing expenses were DKK 596 million in Q4 2015 compared with DKK 455 million in Q4 2014, corresponding to 10.5% of revenue, compared with 11.5% in Q4 2014.

Administrative expenses in Q4 2015 increased by 56.8% to DKK 555 million, representing 9.8% of revenue, compared with 8.9% of Q4 2014 revenue. The increase in administrative costs was primarily due to an increase in employee expenses as well as the establishment of offices in China, Japan and Singapore. Furthermore, administrative expenses were impacted by one-off costs of around DKK 75 million mainly related to the PANDORA's new headquarters in Denmark, as well as organisational changes.

EBITDA

EBITDA for Q4 2015 increased by 48.5% to DKK 2,144 million resulting in an EBITDA margin of 37.7% compared with 36.5% in Q4 2014. Compared with Q4 2014, the EBITDA margin for Q4 2015 was negatively impacted by around 0.5 percentage points from exchange rate fluctuations. The overall improvement was mainly due to an improved gross margin.

Regional EBITDA margins

	Q4 2015	Q4 2014	*Q4 2015 vs. Q4 2014 (%-pts)*
Americas	38.0%	35.8%	*2.2%*
Europe	48.0%	44.5%	*3.5%*
Asia Pacific	47.7%	53.3%	*-5.6%*
Unallocated costs	-6.8%	-6.0%	*-0.8%*
Group EBITDA margin	**37.7%**	**36.5%**	***1.2%***

The EBITDA margin for Americas increased to 38.0% in Q4 2015 compared with 35.8% in Q4 2014. The increase was primarily driven by a higher gross margin partially offset by an increase in costs related to a higher number of employees, primarily related to the increase in owned and operated stores in the region.

The EBITDA margin for Europe increased to 48.0% in Q4 2015 compared with 44.5% in Q4 2014. The increase was driven by the improved gross margin as well as operational leverage in countries like the UK, France and Italy.

EBITDA margin for the Asia Pacific region decreased to 47.7% compared with 53.3% in Q4 2014. The decrease was primarily due to an anticipated increase in costs related to the expansion in China, Japan and Singapore, which had a negative impact of around 7 percentage points for the quarter.

EBIT

EBIT for Q4 2015 increased to DKK 2,002 million, an increase of 45.0% compared with Q4 2014, resulting in an EBIT margin of 35.2% for Q4 2015 compared with 34.9% in Q4 2014.

NET FINANCIALS

In Q4 2015, net financials amounted to a loss of DKK 84 million, compared with a loss of DKK 122 million in Q4 2014.

INCOME TAX EXPENSES

Income tax expenses were DKK 543 million in Q4 2015. The effective tax rate in Q4 2015 was 28.3% compared with 20.0% for Q4 2014. The increase is primarily a result of the impact on the tax position of other group entities following the settlement with the Danish Tax Authorities in May.

NET PROFIT

Net profit in Q4 2015 increased to DKK 1,375 million from DKK 1,007 million in Q4 2014.

BALANCE SHEET AND CASH FLOW

In Q4 2015, PANDORA generated free cash flow of DKK 1,464 million compared with DKK 1,705 million in Q4 2014. Free cash flow for the period was negatively impacted by tax and interest expenses of DKK 353 million related to the settlement made with the Danish Tax Authorities regarding the period 2009 to 2014, cf. Company announcement no. 237. Excluding the one-off impact free cash flow was DKK 1,817 million in Q4 2015.

Operating working capital (defined as inventory and trade receivables less trade payables) at the end of Q4 2015 corresponded to 14.3% of the last twelve months revenue, compared with 16.7% at the end of Q4 2014 and 19.6% at the end of Q3 2015.

Inventory was DKK 2,357 million at the end of Q4 2015, corresponding to 14.1% of preceding 12 months revenue compared with 14.1% in Q4 2014 and 17.2% in Q3 2015. The decrease compared with Q3 2015 was mainly due to inventory build-up ahead of the launch of the Christmas collection in Q3 2015. The nominal increase compared with Q4 2014 was mainly due to higher activity, an increase in owned and operated stores as well as currency development. Compared with Q4 2014, gold and silver prices affected inventory value with a decrease of approximately 13%.

Inventory development

DKK million	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Inventory	2,357	2,584	2,161	1,925	1,684
Share of the last 12 months' revenue	14.1%	17.2%	15.5%	14.9%	14.1%

Trade receivables were DKK 1,360 million at the end of Q4 2015 (8.1% of preceding 12 months revenue) compared with DKK 1,110 million at the end of Q4 2014 (9.3% of the preceding 12 months revenue) and DKK 1,392 million at the end of Q3 2015 (9.3% of preceding 12 months revenue). The relative decrease in trade receivables compared with Q4 2014 was primarily due to a continued strong cash collection as well as the increase in revenue from owned and operated stores, where no trade receivables are recognised, while the decrease compared with Q3 2015 is primarily due to strong cash collection following Christmas sales-in.

Trade payables at the end of the quarter were DKK 1,329 million compared with DKK 804 million at the end of Q4 2014 and DKK 1,036 million at the end of Q3 2015. The increase is primarily due to increasing activity.

CAPEX was DKK 319 million in Q4 2015 compared with DKK 176 million in Q4 2014. The increase in CAPEX was mainly related to an increase in opening of owned and operated stores and increasing investments in the crafting facilities in Thailand. In Q4 2015, CAPEX represented 5.6% of revenue.

During the quarter, a total of DKK 943 million was used to purchase own shares related to the share buyback programme for 2015. As of 31 December 2015, PANDORA held a total of 6,063,915 treasury shares, corresponding to 4.96% of the share capital.

Total interest-bearing debt was DKK 2,607 million at the end of Q4 2015, compared with DKK 10 million at the end of Q4 2014, and cash amounted to DKK 889 million compared with DKK 1,131 million at the end of Q4 2014. The increase in debt was primarily due to the 2015 share buyback programme as well as an elevated CAPEX level.

Net interest-bearing debt (NIBD) at the end of Q4 2015 was DKK 1,718 million corresponding to a NIBD/EBITDA of 0.3x of the last twelve months EBITDA, compared with DKK -1,121 million at the end of Q4 2014 corresponding to a NIBD/EBITDA of -0.3x.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have reviewed and approved the interim report of PANDORA A/S for the period 1 January - 31 December 2015.

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

In our opinion, the interim report gives a true and fair view of the PANDORA Group's assets, liabilities and financial position at 31 December 2015, and of the results of the PANDORA Group's operations and cash flow for the period 1 January - 31 December 2015.

Further, in our opinion the Management's review p. 1-18 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, 9 February 2016

EXECUTIVE BOARD

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Chief Executive Officer

Peter Vekslund
Chief Financial Officer

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Andrea Alvey

Per Bank

Anders Boyer-Søgaard

Bjørn Gulden

Michael Hauge Sørensen

Ronica Wang

FINANCIAL STATEMENTS

Consolidated income statement

DKK million	Notes	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenue	3	5,681	3,961	16,737	11,942
Cost of sales		-1,476	-1,126	-4,544	-3,519
Gross profit		**4,205**	**2,835**	**12,193**	**8,423**
Sales, distribution and marketing expenses		-1,648	-1,100	-4,722	-3,100
Administrative expenses		-555	-354	-1,657	-1,251
Operating profit		**2,002**	**1,381**	**5,814**	**4,072**
Finance income		37	1	84	14
Finance costs		-121	-123	-553	-214
Profit before tax		**1,918**	**1,259**	**5,345**	**3,872**
Income tax expense		-543	-252	-1,671	-774
Net profit for the period		**1,375**	**1,007**	**3,674**	**3,098**
Earnings per share					
Earnings per share, basic (DKK)		11.7	8.2	30.9	25.0
Earnings per share, diluted (DKK)		11.6	8.1	30.7	24.7

Consolidated statement of comprehensive income

DKK million	Q4 2015	Q4 2014	FY 2015	FY 2014
Net profit for the period	**1,375**	**1,007**	**3,674**	**3,098**
Exchange rate adjustments of investments in subsidiaries	115	145	249	537
Fair value adjustment of hedging instruments	36	17	23	-18
Tax on other comprehensive income, hedging instruments, income/(expense)	12	-4	22	5
Other comprehensive income, net of tax	**163**	**158**	**294**	**524**
Total comprehensive income for the period	**1,538**	**1,165**	**3,968**	**3,622**

Consolidated balance sheet

DKK million	2015 31 December	2014 31 December
ASSETS		
Goodwill	2,424	2,080
Brand	1,057	1,053
Distribution network	216	268
Distribution rights	1,069	1,047
Other intangible assets	683	411
Total intangible assets	**5,449**	**4,859**
Property, plant and equipment	1,237	711
Deferred tax assets	879	407
Other financial assets	159	99
Total non-current assets	**7,724**	**6,076**
Inventories	2,357	1,684
Financial instruments	65	99
Trade receivables	1,360	1,110
Income tax receivable	113	52
Other receivables	803	404
Cash	889	1,131
Total current assets	**5,587**	**4,480**
Total assets	**13,311**	**10,556**
EQUITY AND LIABILITIES		
Share capital	122	128
Share premium	-	1,229
Treasury shares	-4,152	-2,679
Reserves	1,023	729
Proposed dividend	1,511	1,088
Retained earnings	7,635	6,537
Total equity	**6,139**	**7,032**
Provisions	97	61
Loans and borrowings	2,350	-
Deferred tax liabilities	394	430
Other payables	249	-
Total non-current liabilities	**3,090**	**491**
Provisions	971	678
Loans and borrowings	257	10
Financial instruments	214	268
Trade payables	1,329	804
Income tax payable	306	643
Other payables	1,005	630
Total current liabilities	**4,082**	**3,033**
Total liabilities	**7,172**	**3,524**
Total equity and liabilities	**13,311**	**10,556**

Consolidated statement of changes in equity

DKK million	Share capital	Share Premium	Treasury shares	Translation reserve	Hedge reserve	Proposed dividend	Retained earnings	Total equity
Equity at 1 January 2015	**128**	**1,229**	**-2,679**	**885**	**-156**	**1,088**	**6,537**	**7,032**
Net profit for the period	-	-	-	-	-	-	3,674	3,674
Exchange rate adjustments of investments in subsidiaries	-	-	-	249	-	-	-	249
Fair value adjustment of hedging instruments	-	-	-	-	23	-	-	23
Tax on other comprehensive income	-	-	-	-	22	-	-	22
Other comprehensive income, net of tax	**-**	**-**	**-**	**249**	**45**	**-**	**-**	**294**
Total comprehensive income for the period	**-**	**-**	**-**	**249**	**45**	**-**	**3,674**	**3,968**
Transfers	-	-1,229	-	-	-	-	1,229	-
Share-based payments	-	-	266	-	-	-	-139	127
Purchase of treasury shares	-	-	-3,900	-	-	-	-	-3,900
Reduction of share capital	-6	-	2,161	-	-	-	-2,155	-
Dividend paid	-	-	-	-	-	-1,088	-	-1,088
Dividend proposed	-	-	-	-	-	1,511	-1,511	-
Equity at 31 December 2015	**122**	**-**	**-4,152**	**1,134**	**-111**	**1,511**	**7,635**	**6,139**
Equity at 1 January 2014	**130**	**1,248**	**-738**	**348**	**-143**	**823**	**4,794**	**6,462**
Net profit for the period	-	-	-	-	-	-	3,098	3,098
Exchange rate adjustments of investments in subsidiaries	-	-	-	537	-	-	-	537
Fair value adjustment of hedging instruments	-	-	-	-	-18	-	-	-18
Tax on other comprehensive income	-	-	-	-	5	-	-	5
Other comprehensive income, net of tax	**-**	**-**	**-**	**537**	**-13**	**-**	**-**	**524**
Total comprehensive income for the period	**-**	**-**	**-**	**537**	**-13**	**-**	**3,098**	**3,622**
Share-based payments	-	-	36	-	-	-	134	170
Purchase of treasury shares	-	-	-2,400	-	-	-	-2	-2,402
Reduction of share capital	-2	-19	423	-	-	-	-402	-
Dividend paid	-	-	-	-	-	-823	3	-820
Dividend proposed	-	-	-	-	-	1,088	-1,088	-
Equity at 31 December 2014	**128**	**1,229**	**-2,679**	**885**	**-156**	**1,088**	**6,537**	**7,032**

Consolidated cash flow statement

DKK million	Q4 2015	Q4 2014	FY 2015	FY 2014
Profit before tax	1,918	1,259	5,345	3,872
Finance income	-37	-1	-84	-14
Finance costs	121	123	553	214
Amortisation, depreciation and impairment losses	142	63	400	222
Share-based payments	20	17	75	71
Change in inventories	334	478	-431	91
Change in receivables	10	66	-560	63
Change in payables and other liabilities	810	495	1,139	795
Other non-cash adjustments	-105	-99	-432	-208
Interest etc. received	1	1	3	7
Interest etc. paid	-21	-8	-104	-30
Income taxes paid	-1,474	-527	-2,520	-761
Cash flows from operating activities, net	**1,719**	**1,867**	**3,384**	**4,322**
Acquisitions of subsidiaries and activities, net of cash acquired	-48	-12	-289	-174
Divestment of businesses	-	-	29	19
Purchase of intangible assets	-101	-60	-402	-164
Purchase of property, plant and equipment	-176	-116	-620	-291
Change in other non-current assets	-7	-14	-49	-45
Proceeds from sale of property, plant and equipment	9	21	35	23
Cash flows from investing activities, net	**-323**	**-181**	**-1,296**	**-632**
Dividend paid	-	-	-1,088	-820
Purchase of treasury shares	-943	-610	-3,900	-2,402
Proceeds from loans and borrowings	1,495	300	4,658	560
Repayment of loans and borrowings	-1,612	-700	-2,003	-597
Cash flows from financing activities, net	**-1,060**	**-1,010**	**-2,333**	**-3,259**
Net increase/decrease in cash	**336**	**676**	**-245**	**431**
Cash at beginning of period	548	455	1,131	686
Exchange gains/(losses) on cash	5	-	3	14
Net increase/decrease in cash	336	676	-245	431
Cash at end of period	**889**	**1,131**	**889**	**1,131**
Cash flows from operating activities, net	1,719	1,867	3,384	4,322
- Interest etc. received	-1	-1	-3	-7
- Interest etc. paid	21	8	104	30
Cash flows from investing activities, net	-323	-181	-1,296	-632
- Acquisition of subsidiaries and activities, net of cash acquired	48	12	289	174
- Divestment of businesses	-	-	-29	-19
Free cash flow	**1,464**	**1,705**	**2,449**	**3,868**
Unutilised credit facilities	**3,089**	**3,677**	**3,089**	**3,677**

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

NOTES

NOTE 1 – Accounting policies

The present unaudited interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union and accounting policies set out in the Annual Report 2015 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 or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year 1 January – 31 December 2015. The implementation of these new or amended standards has not had any material impact on PANDORA's Annual Report in 2015.

NOTE 2 – 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 2015. See descriptions in the individual notes to the consolidated financial statement in the Annual Report 2015.

NOTE 3 - Operating segment information

PANDORA's activities are segmented on the basis of geographical areas in accordance with the management reporting structure. In determining reporting segments, a number of segments have been aggregated. All segments derive their revenue from the types of products shown in the product information in note 2.1 in the Annual Report 2015.

The Group operates with two performance measures with EBITDA as the primary performance measure and EBIT as the secondary performance measure. Management monitors the segment profit of the operating segments separately for the purpose of making decisions about resource allocation and performance management. Segment results are measured as EBITDA, corresponding to 'operating profit' in the consolidated financial statements before depreciation, amortisation and impairment losses in respect of non-current assets. EBIT as a performance measure is only measured at Group level.

For information on revenue from the different products and sale channels reference is made to the Management Review.

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

DKK million	Americas	Europe	Asia Pacific	Unallocated costs	Total Group
Q4 2015					
External revenue	1,957	2,784	940	-	5,681
Segment profit (EBITDA)	744	1,336	448	-384	2,144
Amortisation, depreciation and impairment losses					-142
Consolidated operating profit (EBIT)					**2,002**
Q4 2014					
External revenue	1,527	1,841	593	-	3,961
Segment profit (EBITDA)	546	819	316	-237	1,444
Amortisation, depreciation and impairment losses					-63
Consolidated operating profit (EBIT)					**1,381**

DKK million	Americas	Europe	Asia Pacific	Unallocated costs	Total Group
FY 2015					
External revenue	6,537	7,548	2,652	-	16,737
Segment profit (EBITDA)	2,704	3,422	1,236	-1,148	6,214
Amortisation, depreciation and impairment losses					-400
Consolidated operating profit (EBIT)					**5,814**
FY 2014					
External revenue	4,959	5,304	1,679	-	11,942
Segment profit (EBITDA)	2,053	2,298	831	-888	4,294
Amortisation, depreciation and impairment losses					-222
Consolidated operating profit (EBIT)					**4,072**

DKK million	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenue per product group				
Charms	3,568	2,656	10,833	7,933
Silver and gold charm bracelets	719	465	1,923	1,427
Rings	663	355	2,066	1,192
Other jewellery	731	485	1,915	1,390
Total revenue	**5,681**	**3,961**	**16,737**	**11,942**

NOTE 4 – Seasonality of operations

Due to the seasonal nature of the jewellery business, higher revenue is historically realised in the second half of the year.

NOTE 5 – Financial risks

PANDORA’s overall risk exposure and financial risks, including risks related to commodity prices, foreign currency, credit, liquidity and interest rate, are unchanged compared with the disclosures in note 4.4 in the consolidated financial statement in the Annual Report 2015.

NOTE 6 – Derivative financial instruments

Derivative financial instruments are measured at fair value and in accordance with level 2 in the fair value hierarchy (IFRS 7), see note 4.5 to the consolidated financial statement in the Annual Report 2015.

NOTE 7 - Business combinations

Acquisitions in 2015
Strategic alliance in Japan
On 1 January 2015, PANDORA acquired assets related to distribution in Japan from Bluebell in a business combination. In addition to the distribution rights, assets included branded stores – one concept store and nine shop-in-shops. The acquisition was part of a strategic alliance with Bluebell in Japan with the intent to jointly distribute PANDORA jewellery in Japan.

The agreement initially has a five-year term. On termination of the agreement, PANDORA will take over the full distribution of PANDORA jewellery in Japan. The total amount to be paid to Bluebell will depend on the realised revenue in 2019. The fair value of the earn-out is estimated at DKK 58 million.

Intangible assets comprise reacquired distribution rights (remaining lifespan approximately three years) of DKK 30 million. The fair value is based on comparison of peer markets and the EBITDA that can be expected from similar stores in these markets. Inventories, DKK 6 million, have been measured at market value based on the saleability of the inventory. Goodwill of DKK 20 million is attributable to the expected synergies from combining PANDORA’s willingness and ability to invest in the Japanese market with Bluebell’s in-depth knowledge of the Japanese retail market, Japanese consumers and insight into the Japanese real estate market, to build a considerable presence in Japan. None of the goodwill recognised is deductible for income tax purposes. Transaction costs, DKK 3 million, have been recognised as administrative expenses in profit or loss for 2014. The contribution to Group revenue and net profit for the period 1 January – 31 December 2015 was insignificant.

Acquisition of PAN ME A/S
On 16 January 2015, PANDORA acquired 100% of the shares in PAN ME A/S, which holds the rights to distribute PANDORA jewellery in the United Arab Emirates (UAE), Bahrain, Qatar and Oman.

The purchase price of DKK 112 million was primarily related to non-current assets and inventories related to 11 concept stores and 3 shop-in-shops in the UAE and the distribution rights. Intangible assets comprise reacquired distribution rights (with a remaining lifespan of approximately one year) of DKK 5 million. The fair value is based on comparison of peer markets and the EBITDA that can be expected from similar stores in these markets. Inventories of DKK 25 million have been measured at market value based on the saleability of the inventory. Receivables mainly consist of prepayments and other receivables which are recognised at the value of the expected cash inflow. Goodwill, DKK 55 million, is attributable to the expected synergies from PANDORA’s direct involvement in the region and establishing Dubai as the future hub for PANDORA’s activities in the Middle East and North Africa. None of the goodwill recognised is deductible for income tax purposes. Transaction costs, DKK 2 million, have been recognised as administration expenses, mainly in 2014. The contribution to Group revenue and net profit for the period 16 January – 31 December 2015 was insignificant.

UK
On 2 April 2015, PANDORA acquired 100% of the shares in four Evernal companies comprising concept stores in Liverpool, Blackpool, Trafford and Arndale. The purchase price was DKK 70 million. Assets acquired mainly consist of inventories and other assets and liabilities relating to the stores. Of the purchase price, DKK 74 million was allocated to goodwill. Goodwill is attributable to the increased margins from owning these already well-performing stores. None of the goodwill recognised is deductible for income tax purposes.

Transaction costs, DKK 3 million, have been recognized as sales expenses. The contribution to Group revenue and net profit for the period 2 April – 31 December 2015 was insignificant.

China

On 1 July 2015, PANDORA acquired assets related to the distribution in China from Oracle Investment (Hong Kong) Limited in a business combination. In addition to the distribution rights, assets comprised inventories and assets related to 49 branded stores - 30 concept stores and 19 shop-in-shops. The acquisition was part of a strategic alliance with Oracle in China to jointly distribute PANDORA jewellery in China until 31 December 2018. Some stores are operated by Oracle under consignment agreements with PANDORA until licenses and other sanctions are obtained. PANDORA thus obtained control of all stores at the acquisition date 1 July 2015.

Assets acquired are mainly inventories, the reacquired distribution rights (0.5 year remaining), inventories and other non-current assets related to the acquired stores. The total price will be calculated based on revenue in 2018 and is expected to be DKK 208 million. Assets and inventories acquired will be paid when transferred. The remaining payment - the earn-out – will be delayed until the distribution agreement ends in 2018. Goodwill of DKK 94 million is attributable to the expected synergies from PANDORA being able to accelerate the store roll-out, enhance the retail focus and make significant marketing investments in the Chinese market. Oracle will contribute with its in-depth knowledge of the retail market and the Chinese consumer as well as its insight into the Chinese real estate market, which will aid PANDORA in securing the most attractive locations. Transaction costs were DKK 13 million, which has been recognised as administrative expenses. The contribution to Group revenue and net profit for the period 1 July – 31 December 2015 was DKK 251 million and DKK -57 million respectively.

Acquisitions 2015

DKK million	Japan	Middle East	UK	China	Other	Total 2015	Total 2014
Other intangible assets	30	5	-	34	-	69	1
Property, plant and equipment	2	7	-	12	2	23	9
Other non-current receivables	-	3	3	6	-	12	-
Receivables	-	24	5	-	1	30	2
Inventories	6	25	5	64	41	141	77
Cash and cash equivalents	-	21	-	-	-	21	-
Assets acquired	**38**	**85**	**13**	**116**	**44**	**296**	**89**
Non-current liabilities	-	1	2	2	-	5	3
Payables	-	27	9	-	4	40	3
Other non-current liabilities	-	-	6	-	1	7	2
Liabilities assumed	**-**	**28**	**17**	**2**	**5**	**52**	**8**
Total identifiable net assets acquired	**38**	**57**	**-4**	**114**	**39**	**244**	**81**
Goodwill arising from the acquisition	20	55	74	94	38	281	93
Purchase consideration	**58**	**112**	**70**	**208**	**77**	**525**	**174**
Cash movements on acquisition:							
Purchase consideration transferred	58	112	70	208	77	525	174
Deferred payment (including earn out)	-58	-	-	-164	-	-222	-
Cash acquired	-	-21	-	-	-	-21	-
Net cash flow on acquisition for the period	**-**	**91**	**70**	**44**	**77**	**282**	**174**
Prepayments, acquisitions [1]						7	-
Net cash flow on acquisitions						**289**	**174**
Cash flow from sale of businesses [2]						-29	-19
Net cash flow from business combinations						**260**	**155**

[1] Prepayments are regarding the acquisitions in Singapore, Macau and the Philippines on 1 January 2016. The amount paid was DKK 7 million.

[2] Sale of businesses includes mainly inventories, DKK 18 million (2014: DKK 12 million), assets related to stores, DKK 0 million (2014: DKK 1 million), and goodwill, DKK 9 million (2014: DKK 6 million).

Other business combinations in 2015
PANDORA acquired concept stores in the US and Germany in 2015. These were accounted for as business combinations. Assets acquired mainly consist of inventories and other assets relating to the stores. Of the purchase price, DKK 38 million was allocated to goodwill. None of the goodwill recognised is deductible for income tax purposes.

The contribution to Group revenue and net profit for the period 1 January – 31 December 2015 from the acquired stores was insignificant. If all the acquisitions had been made on 1 January 2015, consolidated pro-forma revenue and net profit would have been DKK 17.0 billion and DKK 3.7 billion respectively.

Acquisitions in 2014
Acquisition of a net total of 22 concept stores from Hannoush
On 22 September 2014, PANDORA acquired 27 stores from US jeweller Hannoush in a business combination. With the acquisition of the 27 stores, PANDORA will execute its strategy to refresh its network in the Northeast region of the US. The purchase consideration was DKK 162 million and was paid in cash. There were no other significant terms or payments related to the acquisition. The transaction costs, DKK 1 million, have been recognised as administrative expenses in profit or loss for 2014. Five of the acquired stores located outside the Northeast region were re-sold to an existing franchisee on 22 September 2014. The sale did not have any effect on profit or loss. The net cash effect from the Hannoush acquisition was an outflow of DKK 143 million.

Assets acquired and liabilities assumed mainly comprise inventories, equipment and obligations to restore the leased premises. Inventories have been measured at market value based on the saleability of the individual items. Goodwill from the acquisition amounted to DKK 81 million (excluding goodwill of DKK 6 million related to the five stores that were re-sold), and is attributable to the expected synergies from an increased presence in the region, including the effect from a refreshed network. None of the goodwill recognised is deductible for income tax purposes.

In 2014, the 22 stores contributed approximately DKK 95 million in revenue and DKK 22 million in net profit since their acquisition on 22 September 2014. If the stores had been acquired on 1 January 2014, Group revenue and net profit would have been DKK 115 million and DKK 4 million higher respectively.

Other business combinations in 2014
PANDORA acquired concept stores in the UK, Germany and the Netherlands in 2014. These were accounted for as business combinations. Assets acquired mainly consist of key money and other assets relating to the stores. Of the purchase price, DKK 6 million was allocated to goodwill. None of the goodwill recognised is deductible for income tax purposes. The contribution to Group revenue and net profit for 2014 from the acquired stores was insignificant. If the stores had been owned from the beginning of the year, the impact on PANDORA’s Group revenue and net profit would have been equally insignificant.

Acquisition after the reporting period
Acquisitions after the reporting period comprise the acquisition of 100% of the shares in two newly established companies in Singapore and Macau from multi-brand distributor Norbreeze Group (Norbreeze) on 1 January 2016. The distribution agreements with Norbreeze for distributing PANDORA jewellery in Singapore, Macau and the Philippines expired on 31 December 2015. Distribution in the Philippines will continue under a new agreement with the existing distributor. Assets acquired and liabilities assumed are mainly related to the acquired stores, 18 PANDORA concept stores and 6 shop-in-shops. Goodwill can be attributed to the effect from driving the growth directly in the Singapore and Macau markets. Goodwill can be attributed to the increased earnings from the already developed retail business and strengthened foothold in the region. Payment is deferred until the final values of the assets transferred have been established. Preliminary figures are included in the table below. Final purchase price allocation is expected no later than Q2 2016.

DKK million	Other Asia/ Norbreeze
Assets acquired	**83**
Total identifiable net assets acquired	**67**
Goodwill arising from the acquisition	108
Purchase consideration	**175**
Cash movements on acquisition:	
Prepayment	-7
Deferred payment	-168
Net cash flow on acquisitions	-

Accounting policies

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to those of PANDORA's cash generating units (CGU) that are expected to benefit from the combination.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is recognised in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the CGU retained.

If any part of the cost of an acquisition is contingent on future events or achievements, the cost is recognised at fair value at the time of acquisition. Changes to the fair value of the contingent payment are recognised in net financials in the income statement.

NOTE 8 - Contingent liabilities

See note 5.2 to the consolidated financial statements in the Annual Report 2015. Leasing commitments at the end of 2015 was DKK 2,434 million and increased by DKK 883 million in 2015 mainly related to new owned and operated concept stores including the new stores in Germany and China. Other contingent liabilities are unchanged.

NOTE 9 – Related parties

Related parties with significant interests

As of 9 June 2015, BlackRock, Inc. increased its holding of shares in PANDORA to 6,234,764 shares, corresponding to 5.1% of the share capital and the voting rights.

On 31 December 2015, treasury shares represented 4.96% of the share capital.

Other related parties of PANDORA with significant influence include the Boards of Directors and the Executive Boards of these companies and their close family members. Related parties also include companies in which the aforementioned persons have control or significant interests.

Transactions with related parties

PANDORA did not enter into any significant transactions with members of the Board of Directors or the Executive Board, except for compensation and benefits received as a result of their membership of the Board of Directors, employment with PANDORA or shareholdings in PANDORA.

Note 10 – concept store development per country*

	Number of concept stores Q4 2015	Number of concept stores Q3 2015	Number of concept stores Q4 2014	*Growth Q4 2015 /Q3 2015*	*Growth Q4 2015 /Q4 2014*	*Number of O&O Q4 2015*	*Growth O&O stores Q4 2015 /Q3 2015*
USA	324	309	288	*15*	*36*	*38*	*2*
Canada	71	69	64	*2*	*7*	*2*	-
Brazil	68	57	35	*11*	*33*	*39*	*5*
Mexico	14	8	7	*6*	*7*	-	-
Rest of Americas	24	23	20	*1*	*4*	-	-
Americas	**501**	**466**	**414**	***35***	***87***	***79***	***7***
UK	195	179	156	*16*	*39*	*9*	-
Germany	158	154	84	*4*	*74*	*143*	*4*
Russia	206	187	174	*19*	*32*	-	-
France	55	52	40	*3*	*15*	*22*	-
Italy	52	47	36	*5*	*16*	*18*	*2*
Poland	39	38	37	*1*	*2*	*17*	-
Spain	35	33	24	*2*	*11*	-	-
South Africa	29	27	21	*2*	*8*	-	-
Belgium	24	24	24	-	-	-	-
Ireland	22	20	20	*2*	*2*	-	-
Netherlands	19	19	18	-	*1*	*19*	-
Ukraine	19	18	17	1	2	-	-
Portugal	16	16	15	-	1	-	-
United Arab Emirates	14	14	11	-	3	14	-
Israel	13	13	10	-	3	-	-
Czech Republic	13	11	10	2	3	9	1
Austria	12	12	12	-	-	4	-
Denmark	11	11	9	-	2	11	-
Greece	11	9	7	2	4	-	-
Turkey	10	11	7	-1	3	10	-1
Romania	10	8	5	2	5	7	1
Rest of Europe	70	60	49	10	21	15	2
Europe	**1.033**	**963**	**786**	***70***	***247***	***298***	***9***
Australia	101	97	90	*4*	*11*	*17*	*1*
China	53	38	29	*15*	*24*	*53*	*15*
Hong Kong	25	22	16	*3*	*9*	*24*	*2*
Malaysia	24	21	21	*3*	*3*	-	-
Singapore	15	15	15	-	-	-	-
New Zealand	12	10	9	*2*	*3*	-	-
Rest of Asia Pacific	38	34	30	*4*	*8*	*3*	-
Asia Pacific	**268**	**237**	**210**	***31***	***58***	***97***	***18***
All Markets	**1,802**	**1,666**	**1,410**	***136***	***392***	***474***	***34***

*Includes countries with 10 or more concept stores as of end 2015

Quarterly overview

DKK million	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Consolidated income statement					
Revenue	5,681	3,911	3,598	3,547	3,961
Gross profit	4,205	2,893	2,573	2,522	2,835
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,144	1,454	1,311	1,305	1,444
Operating profit (EBIT)	2,002	1,339	1,235	1,238	1,381
Net financials	-84	-35	-69	-281	-122
Profit before tax	1,918	1,304	1,166	957	1,259
Net profit	1,375	1,006	910	383	1,007
Consolidated balance sheet					
Total assets	13,311	12,919	11,781	11,396	10,556
Invested capital	8,255	7,879	7,359	6,235	6,080
Net working capital	925	1,124	939	126	434
Net interest-bearing debt (NIBD)	1,718	2,175	1,030	-330	-1,121
Equity	6,139	5,465	6,097	6,433	7,032
Consolidated cash flow statement					
Cash flows from operating activities	1,719	594	-93	1,164	1,867
Cash flows from investing activities	-323	-332	-330	-311	-181
Free cash flow	1,464	263	-268	990	1,705
Cash flows from financing activities	-1,060	-320	419	-1,372	-1,010
Net increase/decrease in cash	336	-58	-4	-519	676
Growth ratios					
Revenue growth, %	43.4%	37.5%	41.4%	36.8%	40.4%
Gross profit growth, %	48.3%	44.7%	43.1%	40.8%	47.8%
EBITDA growth, %	48.5%	42.5%	46.8%	39.3%	52.6%
EBIT growth, %	45.0%	39.0%	46.8%	39.6%	55.0%
Net profit growth, %	36.5%	38.8%	37.5%	-45.6%	36.3%
Margins					
Gross margin, %	74.0%	74.0%	71.5%	71.1%	71.6%
EBITDA margin, %	37.7%	37.2%	36.4%	36.8%	36.5%
EBIT margin, %	35.2%	34.2%	34.3%	34.9%	34.9%
Other ratios					
Effective tax rate, %	28.3%	22.9%	22.0%	60.0%	20.0%
Equity ratio, %	46.1%	42.3%	51.8%	56.4%	66.6%
NIBD to EBITDA, x[1]	0.3	0.4	0.2	-0.1	-0.3
Return on invested capital (ROIC), %[*]	70.4%	65.9%	65.5%	70.9%	67.0%
Capital expenditure (CAPEX), DKK million[2]	319	384	239	167	176
Cash conversion, %[3]	73.1%	19.6%	-21.7%	80.0%	123.5%
Other key figures					
Average number of employees	15,898	14,662	13,378	11,945	11,177

1) Ratios are based on 12 months rolling EBITDA and EBIT, respectively
2) Capital expenditure includes intangible assets
3) Cash conversion according to previous accounting policy Q3 2015: 26.1%, Q2 2015: -29.5%, Q1 2015: 258.5% and Q4 2014: 169.3%

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 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.