

## **PANDORA ANNOUNCES ITS FINANCIAL RESULTS FOR 2010**

### **REVENUE AND VOLUME GREW BY 92.6 % AND 38.8% RESPECTIVELY - DRIVEN BY STRONG REVENUE GROWTH ACROSS ALL REGIONS AND JEWELLERY CATEGORIES. NET PROFIT UP BY 86.2%**

- Revenue increased by 92.6% to DKK 6,666 million compared to DKK 3,461 million in 2009
  - Americas grew by 87.0% and constituted 43.7% of total sales
  - Europe grew by 136.9% and constituted 42.9% of total sales
  - Asia Pacific grew by 28.3% and constituted 13.4% of total sales
- Revenue from Charms grew by 82.5% and Silver & Gold charm bracelets revenue grew 50.3%
- Rings grew by 281.8% and Other jewellery grew by 185.2%. Together these two product groups represented 18.7% of revenue in 2010 – up from 11.6% in 2009
- Gross margin was 70.9% - slightly below the gross margin of 71.4% in 2009, primarily due to increase in commodity prices not being entirely offset by price increases
- EBITDA increased by 70.7% to DKK 2,684 million resulting in an EBITDA margin of 40.3% compared to 45.4% in 2009, primarily driven by increased commodity prices, structural changes, investments in marketing as well as an IPO bonus of DKK 91 million paid to all employees in Q4 2010. Adjusted for the IPO bonus, the EBITDA margin was 41.6%.
- EBIT increased by 69.7% to DKK 2,416 million resulting in an EBIT margin of 36.2%, negatively impacted by amortisation of DKK 183 million related to acquired distribution rights in PANDORA Jewellery Central Western Europe (“PANDORA CWE”)
- Net profit increased by 86.2% to DKK 1,871 million
- For the financial year 2010, the board of directors proposes a dividend of 35% of profit for the year after tax, corresponding to DKK 5 per share
- At the end of December 2010, PANDORA employed 4,985 people worldwide and sold its jewellery and other branded products through 10,618 points of sale (PoS) in more than 55 countries on six continents

Mikkel Vendelin Olesen, PANDORA’s Chief Executive Officer, said: “2010 was a remarkable year in PANDORA’s history, and I am both proud and very satisfied with the achievements we have accomplished together with our partners. While entering new markets that will contribute to our long-term development, we experienced strong growth in our existing markets and across all product categories. We increased branded sales and strengthened the awareness and perception of the PANDORA brand among our target audience. And we successfully integrated new businesses into the Group as well as new systems and procedures to prepare our organization for future growth. At the same time we listed the company on the stock exchange without losing momentum

in our daily operations.”

#### **FINANCIAL OUTLOOK FOR 2011**

For 2011, PANDORA expects a revenue increase of no less than 25% and an EBITDA margin of minimum 40%.

We expect CAPEX to account for approximately 3% of total Group revenue and the effective tax rate to be approximately 18%.

#### **ANNUAL REPORT 2010 AND Q4 FINANCIAL STATEMENT**

Please notice that a full version of PANDORA's Annual Report 2010 has been released today and is available for download in the investor section of [www.pandoragroup.com](http://www.pandoragroup.com)

Please also find, as appendix to this release, financial highlight for Q4 2010.

#### **CONFERENCE CALL**

The conference call for investors and financial analysts will be held today at 15.00 CET and can be accessed from our website: [www.pandoragroup.com](http://www.pandoragroup.com). The corresponding presentation will be available on the website three hours before the call.

The following numbers can be used by investors and analyst:

DK: +45 3272 7625

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

US: +1 631 510 7498

To help ensure that the conference begins in a timely manner, please dial in 5 minutes prior to the scheduled starting time. Participants will have to quote confirmation code 50232838 when dialling into the conference.

#### **ABOUT PANDORA**

PANDORA designs, manufactures and markets hand-finished and modern jewellery made from genuine materials and at affordable prices. The PANDORA jewellery is sold in more than 55 countries on six continents through over 10,000 points of sale, including more than 420 PANDORA branded concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs over 5,000 people worldwide of whom more than 3,600 are located in Gemopolis, Thailand, where the company manufactures its jewellery. PANDORA is publicly listed on the NASDAQ OMX Copenhagen stock exchange in Denmark. In 2010, PANDORA's total revenue was DKK 6.7 billion (approximately EUR 895 million). For more information, please visit [www.pandoragroup.com](http://www.pandoragroup.com).

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## APPENDIX: FINANCIAL HIGHLIGHTS FOR Q4 2010

DKK million	2010 Q4	2009 Q4	2010 FY	2009 FY
<b>Income statement</b>				
Revenue	2.297	1.374	6.666	3.461
EBITDA	857	609	2.684	1.572
Operating profit (EBIT)	781	541	2.416	1.424
Net financial income and expenses	-56	-66	-164	-235
Profit before tax	725	475	2.252	1.189
Net profit	619	405	1.871	1.005
<b>Balance sheet</b>				
Total assets	8.959	5.816	8.959	5.816
Invested capital	5.659	3.826	5.659	3.826
Net working capital	1.266	547	1.266	547
Shareholders' equity	4.315	1.649	4.315	1.649
Net interest bearing debt	1.102	2.151	1.102	2.151
Net interest bearing debt excl. subordinated loan from parent company	1.102	751	1.102	751
<b>Cash flow</b>				
Net cash flow from operating activities	951	368	1.316	1.066
Net cash flow from investing activities	-108	-58	-304	-207
Free cash flow	917	374	1.388	1.144
Cash flow from financing activities	83	-112	-644	-343
Net cash flow for the period	926	198	368	516
<b>Ratios</b>				
Revenue growth, %	67,2%		92,6%	81,8%
Growth in EBITDA, %	40,7%		70,7%	102,1%
Growth in EBIT, %	44,4%		69,7%	93,0%
Growth in net profit, %	52,8%		86,2%	182,3%
EBITDA margin, %	37,3%	44,3%	40,3%	45,4%
EBIT margin, %	34,0%	39,4%	36,2%	41,1%
Cash conversion, %	148,1%	92,3%	74,2%	113,8%
Net interest-bearing debt to EBITDA *	0,4	1,4	0,4	1,4
Equity ratio, %	48,2%	28,4%	48,2%	28,4%
ROIC, % *	42,7%	37,2%	42,7%	37,2%
<b>Other key figures</b>				
Average number of employees	4.895	2.888	4.336	2.337
* Ratio is based on last 12 month rolling (LTM) 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'.				

## KEY EVENTS IN Q4 2010

In Q4 2010, PANDORA continued to grow across all product categories, fuelled by continued focus on branded sales, capitalising on our product offering, entrance into new markets, and building our brand.

## FOCUS ON PANDORA BRANDED SALES CHANNELS

We focus strategically on increasing the number of PANDORA-branded points of sale in our markets to ensure that we going forward derive a higher proportion of our revenues from PANDORA branded sales channels. PANDORA-branded sales channels allow us to strengthen the perception of our brand in the retail environment and permit an expanded product offering compared with our unbranded points of sale.

In Q4 2010, we continued the upgrading of our existing customer base as well as the roll-out of new stores. This has substantially increased the number of branded points of sale in Q4 2010 compared to Q3 2010. Branded points of sale include Concept stores, Shop-in-Shops and Gold stores.

The number of points of sale grew by 232 stores from Q3 2010 to Q4 2010 – with 178 of those being branded. Within the branded points of sale, the number of Concept stores grew by 92, Shop-in-Shops grew by 92 and Gold stores were reduced by 6.

	Number of PoS Q4 2010	Number of PoS Q3 2010	Change
Concept stores <sup>1</sup>	421	329	92
Shop-in-Shops <sup>2</sup>	958	866	92
Gold	1,523	1,529	-6
<b>Total branded</b>	<b>2,902</b>	<b>2,724</b>	<b>178</b>
<b>Total Branded as % of Total</b>	<b>27.3%</b>	<b>26.2%</b>	<b>-</b>
Silver	2,458	2,271	187
White and travel retail	5,258	5,391	- 133
<b>Total</b>	<b>10,618</b>	<b>10,386</b>	<b>232</b>

<sup>1</sup> Includes 49 and 57 PANDORA-owned Concept stores at Q3 2010 and Q4 2010 respectively

<sup>2</sup> Includes 24 and 35 PANDORA-owned shop-in-shops at Q3 2010 and Q4 2010 respectively

Unbranded points of sale include silver, white and travel retail accounts. The number of unbranded points of sale grew by 54 in the quarter – 187 of those being silver stores and with 133 fewer white stores. Most of the new silver stores were opened in new markets, especially in Italy, Europe's largest market for fine jewellery, a market PANDORA entered in July 2010.

The share of revenue from branded sales, within our own direct distribution, was 74.2% in Q4 2010 compared to 77.6% in Q3 2010.

## CAPITALISING ON OUR PRODUCT OFFERING

In recent years, we have significantly broadened our jewellery offering, via the introduction of our Compose, LovePods and Liquid Silver collections in 2007, 2008 and 2009, respectively, and watches

from Fall 2010.

In Q4 2010, we continued to see very strong momentum in both Charms and Silver & Gold charm bracelets as well as in our Other Jewellery collections and our new reported category: Rings. Revenue from Charms and Silver & Gold Charm Bracelets grew by 63.9% and 18.6%, respectively - the two categories now representing 79.6% of total revenue. Other jewellery grew by 97.5% and Rings grew 251.1% and together now represents 20.4% of revenue – up from 14.7% in the same quarter of 2009.

<b>DKK million</b>	<b>Q4 2010</b>	<b>Q4 2009</b>	<b>% Growth</b>
Charms	1,587	968	63.9%
Silver and gold charm bracelets	242	204	18.6%
Rings	158	45	251.1%
Other jewellery	310	157	97.5%
<b>Total</b>	<b>2,297</b>	<b>1,374</b>	<b>67.2%</b>

In respect of reported product categories, a historical quarterly restatement can be found in the Annual report 2010.

## **TAILORED APPROACH TO NEW MARKETS**

We intend to continue entering into new geographical markets and expanding our presence in existing markets. We expect to enter into and develop our market presence primarily through existing retail outlets in well-established markets. We expect to focus more on the launch of PANDORA-branded points of sale (franchise and directly operated) in emerging markets.

In July, PANDORA entered the Italian market, thereby establishing a presence in Europe's largest market for fine jewellery. Based in Milan, a team of sales representatives and visual merchandisers cover the Italian market, focusing on multi-brand points of sale. By the end of Q4 2010, we sell PANDORA products through 1 concept store, 7 Gold stores, 70 silver stores and 362 white stores.

We also entered into a Master Distribution and Franchise Agreement for Russia. The retail expansion will be based on a cluster strategy to realize optimal branding exposure. Focus has initially been on Moscow and St. Petersburg and 6 concept stores were opened in December 2011.

In China we have agreements with four Master Franchisees by the end of Q4, with first store opening conducted in Q3 2010. Expansion will initially focus around key cities such as Beijing, Shanghai, Guangzhou and Hangzhou.

In Q4, we also entered into a Master Distribution and Franchise Agreement for Japan, and we have already established commercial presence during Q1 2011, with a key city strategy anchoring the initial PANDORA stores in Tokyo and Osaka.

## **BUILDING A GLOBAL BRAND**

We pursue a global brand strategy focusing on creating consistency of brand perception across all communication channels and markets. To further strengthen our brand, we expect to continue spending a high single digit percentage of our revenues on marketing.

## REVENUE DEVELOPMENT IN Q4 2010

PANDORA demonstrated significant and better than anticipated revenue growth in Q4 2010 compared with Q4 2009. This growth resulted from increasing demand for our products in established markets and expansion into new markets. The growth also reflected an increasing level of PANDORA's direct distribution, including the acquisition of PANDORA CWE in January 2010.

Total revenue increased 67.2% to DKK 2,297 million in Q4 2010 from DKK 1,374 million in Q4 2009, of which 9.2% was related to FX movements and 9.3% was related to structural changes from the acquisition of PANDORA CWE in January 2010. Organic growth was 58.7% of which 21.6% was related to price and mix changes. Volumes sold grew by 22.8% as 18.6 million stock keeping units (SKUs) were sold in Q4 2010 versus 15.1 million SKUs sold in Q4 2009.

Revenue per point of sale increased by 52.8% compared to same quarter last year as revenue per point of sale increased to approx. DKK 219,000 in Q4 2010 from approx. DKK 143,000 in Q4 2009 (calculated by the average of PoS between the beginning and end of the period). Volume per point of sale increased by 12.3% compared to last quarter last year as volume per point of sale increased to 1,769 SKUs in Q4 2010 from 1,575 SKUs in Q4 2009 (calculated by the average of PoS between the beginning and end of period).

The geographical distribution of revenue in Q4 2010 was 43.6% for the Americas, 41.6% for Europe and 14.8% for Asia Pacific.

## REVENUE BREAKDOWN BY GEOGRAPHY

DKK million	Q4 2010	Q4 2009	% Growth	% Growth in local currency
<b>Americas</b>	<b>1,002</b>	<b>563</b>	<b>78.0%</b>	<b>62.8%</b>
United States	820	525	56.2%	
Other	182	38	378.9%	
<b>Europe</b>	<b>956</b>	<b>468</b>	<b>104.3%</b>	<b>100.2%</b>
United Kingdom	320	213	50.2%	
Germany <sup>1</sup>	191	125	NM	
Other	445	130	NM	
<b>Asia Pacific</b>	<b>339</b>	<b>343</b>	<b>-1.2%</b>	<b>-16.2%</b>
Australia	292	300	-2.7%	
Other	47	43	9.3%	
<b>Total</b>	<b>2,297</b>	<b>1,374</b>	<b>67.2%</b>	<b>55.8%</b>

<sup>1</sup> Includes in 2009 revenue relating to products purchased by our former independent German distributor for sale in Austria and Switzerland prior to the formation of PANDORA CWE, established in January 2010. Austria and Switzerland are from 1 January 2010 included in "Other".

## AMERICAS

In the Americas, the increase in our revenue of 78.0% reflected strong organic growth as a result of high same store sales growth (including upgrading) in the United States as well as the establishment of new points of sale in the United States and in other countries. The substantial same store sales growth reflected, in part, increased demand for our products, price increases and a significant trend in the upgrading of stores to devote greater space for PANDORA products. The

United States continues to be our largest single market accounting for 35.7% of Q4 2010 revenue.

### EUROPE

In Europe, the increase in our revenue of 104.3% was predominantly related to strong organic growth in the United Kingdom and Other Europe, especially Spain and Portugal. The increase in Germany reflects organic growth as well as the establishment of PANDORA CWE in January 2010. The United Kingdom is now the largest single market in Europe accounting for 13.9% of Q4 2010 revenue.

### ASIA PACIFIC

In Asia Pacific, the development in our revenue of -1.2% was primarily attributable to revenue decline in Australia in local currency being compensated for by the strengthening of the Australian dollar as well as growth in the rest of the Asian region, especially in Hong Kong and Singapore. Our operations in Australia experienced a decline in revenue in local currency of 17.7% in Q4. PANDORA has throughout 2010 experienced challenging trading conditions in the Australian market with retailers destocking and being very cautious on ordering. Nonetheless, PANDORA still has a strong brand and market position in Australia. In Q4 2010, Australia constituted 12.7% of total group revenue.

### REVENUE BY DISTRIBUTION

We mainly derive our revenue from direct distribution of our jewellery products to our sales channels. After the establishment of direct distribution in PANDORA CWE in January 2010, direct distribution accounted for 87.9% of revenue in Q4 2010

Q4 2010	DKK million Revenue	Number of PoS, end period
Direct distribution	2,020	8,054
Third party distribution	277	2,564
<b>Total</b>	<b>2,297</b>	<b>10,618</b>

### GROSS PROFIT AND GROSS MARGIN

The principal component of our cost of sales include the direct cost we incur in respect of the purchasing of raw materials and semi-finished goods that we use when producing our jewellery, direct wages as well as personnel and other expenses incurred in connection with production and depreciation of our production facilities.

Gross profit was DKK 1,610 million in Q4 2010 compared to DKK 1,013 million in Q4 2009, resulting in a gross margin of 70.1% in Q4 2010 compared to 73.7% in Q4 2009, where the gross margin was impacted by an unrealised gain on raw materials derivatives of DKK 21 million and a negative one-off effect from taking over our Dutch distributor of DKK 8 million. In Q4 2010 gross profit was impacted by IPO bonus of DKK 10 million. Adjusting for these effects, the gross margin in Q4 2009 was 75.8% compared to 70.5% in Q4 2010. The gross margin was positively affected from taking over direct distribution in PANDORA CWE and negatively affected by increasing raw material prices not offset by higher average sales prices, foreign exchange movements and impact from ramp up of a new production facility in Thailand in Q4 2010.

The average realized price for gold was 1,179 USD/oz and 18.23 USD/oz for silver in Q4 2010. For



the following four quarters we have hedged 100%, 80%, 60% and 40% of expected gold and silver consumption. Our hedged prices for the following four quarters for gold is 1,271 USD/oz, 1,330 USD/oz, 1,372 USD/oz, 1,400 USD/oz and for silver 22.17 USD/oz, 23.33 USD/oz 27.14 USD/oz and 27.88 USD/oz.

## **DISTRIBUTION COSTS**

Distribution costs comprise expenses related to the distribution of goods sold and sales & marketing campaigns, including packaging, brochures, displays and fixtures and fittings, pay and other expenses relating to sales and distribution staff and amortisation/depreciation.

Distribution costs increased to DKK 680 million in Q4 2010 from DKK 302 million in Q4 2009 mainly as a result of increased activity and structural changes, increased marketing investments in Q4 relative to previous quarters in Germany and the US and payment of IPO bonus of DKK 57 million. In Q4 2010, distribution costs were affected by DKK 46 million from amortisation of acquired distribution rights in PANDORA CWE. These distribution rights will be fully amortised by 30 June 2011. In Q4 2009, distribution costs were affected by DKK 34 million from amortisation of acquired distribution rights in the Australian subsidiary.

Distribution cost as a percentage of revenue was 29.6% in Q4 2010 compared to 22.0% in Q4 of 2009.

In Q4 2010, marketing costs amounted to DKK 328 million and corresponded to 14.3% of revenue increasing from previous quarters due to opportunistic marketing investments in the US and in Germany.

## **ADMINISTRATIVE EXPENSES**

Administrative expenses comprise expenses paid to manage and administer our operations, including expenses related to administrative staff and depreciation.

Administrative expenses amounted to DKK 149 million in Q4 2010 versus DKK 170 million Q4 2009, representing 6.5% and 12.4% of Q4 2010 and Q4 2009 revenue, respectively. Q4 2010 includes IPO bonus of DKK 24 million, while Q4 2009 includes write down of our previous headquarter in Denmark of DKK 21 million.

## **EBITDA**

EBITDA for Q4 2010 increased by 40.7% to DKK 857 million resulting in an EBITDA margin of 37.3% - down from 44.3%, DKK 609 million, in the same quarter in 2009 - before one-off adjustments. Adjusted for the one-off IPO bonus of DKK 91 million, the EBITDA margin would equal 41.3%.

Main factors negatively influencing the EBITDA margin are increasing raw material prices not completely offset by sales price increases, structural changes relating to PANDORA CWE and payment of a total IPO bonus of DKK 91 million funded by the Selling Shareholder, Prometheus Invest ApS.

Regional EBITDA margins for Q4 2010 before allocation of central overheads were 46.9% in Americas, 42.3% in Europe and 46.0% in Asia Pacific.

## **EBIT**

EBIT for Q4 2010 increased to DKK 781 million – an increase of 44.4% compared to the same quarter 2009, resulting in an EBIT margin of 34.0% for Q4 2010.

## **NET FINANCIAL INCOME AND EXPENSES**

Net financial income and expenses primarily include interest income and expenses, realised and unrealised exchange gains and losses and allowances under the advance-payment-of-tax scheme.

Net financial expenses were DKK -56 million in Q4 2010. From Q4 2010 net financial income and expenses also includes an adjustment of the financial liability related to the earn-out on the non-controlling interests in PANDORA CWE (DKK 20 million).

## **INCOME TAX EXPENSES**

Income tax expenses increased to DKK 106 million in Q4 2010, implying an effective tax rate of approximately 14.6% for Q4 2010 versus DKK 70 million in Q4 2009 (tax rate of 14.7%).

## **NET PROFIT**

Net profit in Q4 2010 increased by 52.8 % to DKK 619 million from DKK 405 million in the Q4 of 2009.

## **LIQUIDITY AND CAPITAL RESOURCES**

Working capital development is impacted by the consolidation of CWE into PANDORA and therefore direct comparison between Q4 2009 and Q4 2010 is difficult.

Compared to Q3 2010, inventory in Q4 2010 increased slightly from DKK 1,204 to DKK 1,272 and performance on trade receivables improved significantly from an abnormally high level in Q3 2010 of DKK 998 million (17.4% as a percentage of revenue in relation to last 12 month's revenue for the period ended 30. September 2010), to DKK 834 – or 12.5% as a percentage of revenue in relation to last 12 month's revenue for the period ended 31. December 2010.

In Q4 2010, PANDORA generated a free cash flow of DKK 917 million and invested a total of DKK 103 million in property, plant and equipment, approximately 4.5% of revenue. The majority of this was invested in our fourth production facility in Gemopolis that went into production in November 2010.

Total interest bearing loans and borrowings were DKK 2,326 million as at 31 December 2010.

Cash and short-term deposits amounted to DKK 1,224 million.

Net interest bearing debt as at 31 December 2010 was DKK 1,102 million corresponding to 0.4x LTM EBITDA.

<b>CONSOLIDATED INCOME STATEMENT</b>				
DKK million	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>Q4</b>	<b>Q4</b>	<b>Full year</b>	<b>Full year</b>
Revenue	2.297	1.374	6.666	3.461
Cost of sales	-687	-364	-1.941	-1.073
Gain and losses on raw material derivatives	-	3	-	83
<b>Gross profit</b>	<b>1.610</b>	<b>1.013</b>	<b>4.725</b>	<b>2.471</b>
Distribution expenses	-680	-302	-1.733	-743
Administrative expenses	-149	-170	-576	-304
<b>Operating profit</b>	<b>781</b>	<b>541</b>	<b>2.416</b>	<b>1.424</b>
Financial income	16	29	54	44
Financial expenses	-72	-95	-218	-279
<b>Profit before tax</b>	<b>725</b>	<b>475</b>	<b>2.252</b>	<b>1.189</b>
Income tax expenses	-106	-70	-381	-184
<b>Net profit for the period</b>	<b>619</b>	<b>405</b>	<b>1.871</b>	<b>1.005</b>
<b>Attributable to:</b>				
Equity holders of PANDORA A/S	619	376	1.846	970
Non-controlling interests	-	29	25	35
<b>Net profit for the period</b>	<b>619</b>	<b>405</b>	<b>1.871</b>	<b>1.005</b>

<b>CONSOLIDATED BALANCE SHEET</b>		
DKK million	31 December 2010	31 December 2009
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	1.905	1.208
Brand	1.052	1.047
Distribution network	366	396
Distribution rights	1.128	884
Other intangible assets	39	-
Property, plant and equipment	374	205
Deferred tax assets	107	77
Other non-current financial assets	28	21
<b>Total non-current assets</b>	<b>4.999</b>	<b>3.838</b>
<b>Current assets</b>		
Inventories	1.272	433
Trade receivables	834	622
Other receivables	533	58
Tax receivables	97	41
Cash and short-term deposits	1.224	824
<b>Total current assets</b>	<b>3.960</b>	<b>1.978</b>
<b>Total assets</b>	<b>8.959</b>	<b>5.816</b>
DKK million	31 December 2010	31 December 2009
<b>Equity and liabilities</b>		
<b>Shareholders' equity</b>		
Share capital	130	1
Share premium	1.248	-
Treasury shares	-38	-
Foreign currency translation reserve	521	164
Other reserves	390	11
Proposed dividend	650	-
Retained earnings	1.414	1.276
<b>Equity attributable to equity holders of the parent company</b>	<b>4.315</b>	<b>1.452</b>
Non-controlling interests	-	197
<b>Total shareholders' equity</b>	<b>4.315</b>	<b>1.649</b>
<b>Non-current liabilities</b>		
Subordinated loan from parent company	-	1.363
Interest-bearing loans and borrowings	-	1.340
Provisions	536	4
Deferred tax liabilities	606	559
Other liabilities	18	-
<b>Total non-current liabilities</b>	<b>1.160</b>	<b>3.266</b>
Subordinated loan from parent company	-	37
Interest-bearing loans and borrowings	2.326	235
Provisions	76	64
Trade payables	245	106
Income tax payables	351	207
Other payables	486	252
<b>Current liabilities</b>	<b>3.484</b>	<b>901</b>
<b>Total liabilities</b>	<b>4.644</b>	<b>4.167</b>
<b>Total equity and liabilities</b>	<b>8.959</b>	<b>5.816</b>

<b>CONSOLIDATED CASH FLOW STATEMENT</b>				
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
DKK million	<b>Q4</b>	<b>Q4</b>	<b>Full year</b>	<b>Full year</b>
Profit before tax	725	475	2.252	1.189
Financial income	-16	-29	-54	-44
Financial expenses	72	95	218	279
Amortisation/depreciation	73	68	265	148
Warrants	-	2	6	8
Change in inventories	-20	-66	-665	-139
Change in receivables	240	-118	-308	-174
Change in trade payables	37	125	37	199
Change in other liabilities	177	-21	192	28
	<b>1.288</b>	<b>531</b>	<b>1.943</b>	<b>1.494</b>
Other non-cash adjustments	-92	4	31	17
Interest paid	-72	-80	-299	-238
Interest received	17	16	17	28
Income tax paid	-190	-103	-376	-235
<b>Cash flow from operating activities</b>	<b>951</b>	<b>368</b>	<b>1.316</b>	<b>1.066</b>
Acquisition of subsidiaries, net of cash acquired	-102	-	-94	-75
Purchase of intangible assets	-52	-15	-52	-15
Purchase of property, plant and equipment	-103	-29	-210	-103
Change in other non-current assets	100	-14	3	-14
Proceeds from sale of property, plant and equipment	49	-	49	-
<b>Cash flow from investing activities</b>	<b>-108</b>	<b>-58</b>	<b>-304</b>	<b>-207</b>
Capital increase including share premium net of transaction costs	651	-	651	-
Dividend paid to parent company	-	-	-200	-
Dividend paid to non-controlling interests	-	-	-40	-
Purchase and disposal of treasury shares	-38	-	-38	-
Proceeds from selling warrants	-	-	-	1
Acquisition of non-controlling interests	-593	-	-593	-
Proceeds from borrowings	1.792	-	2.775	-
Repayment of borrowings	-1.729	-112	-3.199	-344
<b>Cash flow from financing activities</b>	<b>83</b>	<b>-112</b>	<b>-644</b>	<b>-343</b>
<b>Net cash flow for the period</b>	<b>926</b>	<b>198</b>	<b>368</b>	<b>516</b>
Cash and short-term deposits at beginning of period	302	624	824	305
Net exchange rate adjustment	-4	2	32	3
Net cash flow for the period	926	198	368	516
<b>Cash and short-term deposits at end of period</b>	<b>1.224</b>	<b>824</b>	<b>1.224</b>	<b>824</b>