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COMPANY ANNOUNCEMENT
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PANDORA SIGNS AGREEMENT TO ACQUIRE 27 PANDORA CONCEPT STORES FROM FRANCHISEE IN NORTHEAST US

PANDORA announces that the Company, as of 12 August 2014, has signed an agreement to acquire 27 concept stores from US jeweller Hannoush, which owns and operates the stores. PANDORA anticipates commencing to operate the stores late Q3 to early Q4 2014. The agreement is subject to certain conditions to be fulfilled.

PANDORA has initiated a process with the purpose of refreshing the network in the Northeast region of the US, which has been underperforming relative to the rest of the US. PANDORA's intention is for now to own and operate the acquired stores, upgrade them all to the new "Evolution" store concept, and focus on in-store execution and standards.

Allan Leighton, CEO of PANDORA, said: *"The US is generally performing well with its 23rd consecutive quarter of like-for-like sales-out growth. All regions in the US are achieving good mid-single digit like-for-like sales-out growth or more, apart from the Northeast. This region is our oldest in the US and we need to refresh the network. This process has started, and will be accelerated by the transaction with Hannoush, which is our biggest franchisee in the Northeast region, representing around 25% of the sales-out in the region"*.

The transaction value will total USD 29 million and includes locations, inventory and other assets. Initial in-store remodelling costs are estimated at USD 6 million, bringing the total investment to USD 35 million. Following the transaction, PANDORA intends to re-sell five of the concept stores located outside the Northeast region to existing franchisees partners.

The concept stores generated retail revenue of around USD 50 million in 2013, corresponding to around USD 25 million in wholesale revenue, and the transaction will bring the total number of PANDORA owned and operated stores in the US up to 27 (assuming re-sale of the five concept stores) out of a total 287 concept stores in the US by end of Q2 2014.

FINANCIAL GUIDANCE

The content of this release will have no impact on PANDORA's outlook for 2014, as latest communicated to the market in connection with the Q2 2014 report on 12 August 2014.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and modern jewellery made from genuine materials at affordable prices. PANDORA jewellery is sold in more than 80 countries on six continents through approximately 10,000 points of sale, including more than 1,200 concept stores. Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs more than 9,000 people worldwide of whom approximately 7,000 are located in Gemopolis, Thailand, where the company manufactures its jewellery. PANDORA is publicly listed on the NASDAQ OMX Copenhagen stock exchange in Denmark. In 2013, PANDORA's total revenue was DKK 9.0 billion (approximately EUR 1.2 billion). For more information, please visit www.pandoragroup.com.

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