

No. 216

COMPANY ANNOUNCEMENT

17 February 2015

PANDORA ENTERS INTO STRATEGIC ALLIANCE IN CHINA

PANDORA announces that the Company, as of 17 February 2015, has signed an agreement with Oracle Investment (Hong Kong) Limited ("Oracle") about joint distribution of PANDORA jewellery in China from 1 July 2015 to 31 December 2018. At the end of the agreement, PANDORA will take over the full distribution of PANDORA jewellery in China.

PANDORA plans, through the cooperation, 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 their insight into the Chinese real estate market, which will aid PANDORA in securing the most attractive locations.

Allan Leighton, CEO at PANDORA, said: "China is a huge opportunity for Pandora. It is the largest Jewellery market in the world, and our business there today is tiny. With this new collaboration with Oracle we gain direct access to and control over this highly attractive market, which will enable us to ramp up our presence there significantly over the next few years".

On 1 July 2015, PANDORA will, as part of the agreement with Oracle, purchase the majority of Oracle's assets in China. The term of the agreement ends December 2018. The total amount to be paid to Oracle will depend on the realised revenue in 2018 and part of the payment will be delayed to end of the term of the agreement. The initial payment to Oracle is expected to be approximately HKD 120 million (or approximately DKK 100 million), depending on the value of the assets at the time of the completion of the agreement. The total payment will be in the range of HKD 200-500 million (or approximately DKK 170-420 million). The agreement is subject to certain conditions to be fulfilled.

Oracle is PANDORA's existing distributor in China and was originally granted distribution rights to PANDORA jewellery in 2011. Currently, PANDORA has 30 concept stores and 19 shop-in-shops in China. PANDORA jewellery has been available in China since 2011.

The Chinese jewellery market is the largest jewellery market in the world and in 2013 had a value of HKD 705.5 billion (approximately DKK 600 billion), corresponding to an increase of 23% compared to 2012. From 2008 to 2013 the Chinese jewellery market grew with a compound annual growth rate (CAGR) of 21.5% (in HKD).

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 Q3 2014 report on 11 November 2014.

ABOUT ORACLE

Oracle is a retail distribution company with deep experience operating in retail operations and distribution in the Chinese market place. Oracle is a privately held company comprising shareholders with backgrounds in Chinese business, retail, logistic and manufacturing.

Oracle's expertise lies in its in depth understanding of the Chinese market and Chinese consumers, extensive network to landlords, and experience in securing attractive retail locations and obtaining retail licenses.

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 9,800 points of sale, including more than 1,300 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs more than 11,000 people worldwide of whom approximately 7,800 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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