

PANDORA A/S

NOTICE OF ANNUAL GENERAL MEETING

Pursuant to article 6.3 of the Articles of Association of Pandora A/S (the "Company"), the Annual General Meeting of the Company is hereby convened to be held on

Wednesday 18 March 2015 at 10:00 am CET

The Annual General Meeting will be held at

Radisson Blu Falconer Hotel & Conference Center, Falkoner Allé 9, DK-2000 Frederiksberg, Denmark

with the following agenda:

1. The Board of Directors' report on the Company's activities during the past financial year.
2. Adoption of the Annual Report 2014.
3. Resolution proposed by the Board of Directors on remuneration to the Board of Directors for 2014 and 2015.
 - 3.1 Approval of remuneration for 2014.
 - 3.2 Approval of remuneration level for 2015.
4. Resolution proposed on the distribution of profit as recorded in the adopted Annual Report, including the proposed amount of any dividend to be distributed or proposal to cover any loss.
5. Resolution on the discharge from liability of the Board of Directors and the Executive Management.
6. Any proposals by the shareholders and/or Board of Directors.

The Board of Directors has submitted the following proposals:

- 6.1 Reduction of the Company's share capital.
 - 6.2 Authority to the Board of Directors to let the Company buy back treasury shares.
 - 6.3 Amendments to the Company's Articles of Association.
 - 6.4 Authority to the chairman of the Annual General Meeting.
7. Election of members to the Board of Directors.
 8. Election of auditor.
 9. Any other business.

Complete proposals

Re agenda item 2:

The Board of Directors proposes that the audited Annual Report 2014 be approved by the General Meeting.

Re agenda item 3:

Re agenda item 3.1

The Board of Directors proposes that the actual remuneration of the Board of Directors for 2014 be approved by the General Meeting. Reference is made to the Annual Report 2014, note 2.3.

Re agenda item 3.2

The Board of Directors proposes that the following remuneration level for the financial year 2015 be approved by the General Meeting:

The Chairman of the Board of Directors will receive a fixed fee of DKK 1,500,000, the Deputy Chairman will receive DKK 750,000, and other members of the Board of Directors will each receive DKK 500,000. If the proposal in agenda item 6.3 is adopted by the General Meeting, each of the Deputy Chairmen will receive a fixed fee of DKK 750,000. Furthermore, a number of committees have been established. The chairman of a committee will receive a fixed fee of DKK 150,000 and a committee member will receive a fixed fee of DKK 100,000 for this work, regardless of how many committees a member is involved in. The Chairman of the Board of Directors will not receive any committee fee.

Re agenda item 4:

The Board of Directors proposes that a dividend of DKK 9.0 per share be paid on the profit for the year available for distribution according to the Annual Report. No dividend will be paid on the Company's holding of treasury shares. The remaining amount will be transferred to the Company's reserves.

Re agenda item 5:

The Board of Directors proposes that the General Meeting discharge the Board of Directors and the Executive Management from liability.

Re agenda item 6:

The Board of Directors has submitted the following proposals:

- 6.1 Reduction of the Company's share capital.
- 6.2 Authority to the Board of Directors to let the Company buy back treasury shares.
- 6.3 Amendments to the Company's Articles of Association.
- 6.4 Authority to the chairman of the Annual General Meeting.

Re agenda item 6.1

As previously announced in the Company's annual report for the financial year 2013, the Company has launched a share buyback programme of up to a maximum consideration of DKK 2,400 million in 2014. The purpose of such share buyback programme is to reduce the Company's share capital and to meet its obligations under the share option programmes for the Company's employees. In line with the previous announcement, the Board of Directors hereby submits a proposal to reduce the Company's share capital to the effect that a part of the acquired treasury shares are cancelled while the remaining part of the acquired treasury shares are maintained by the Company for the purpose of fulfilling the Company's obligations in connection with the incentive programmes for the Company's employees.

The share buyback programme was implemented in the period 18 February to 31 December 2014. Reference is made to the company announcements available on the Company's website www.pandoragroup.com.

Against that background, the Board of Directors proposes that the Company's share capital be reduced by a nominal amount of DKK 5,818,651 by cancellation of a nominal amount of DKK 5,818,651 treasury shares of DKK 1, equal to 4.5 % of the Company's total share capital. Under section 188 of the Danish Companies Act it is stated that the purpose of the reduction is to cancel a part of the Company's portfolio of treasury shares. According to the Danish Business Authority's practice, this purpose may be compared to a capital reduction to be distributed to the shareholders, see section 188(1)(ii) of the Danish Companies Act. In that connection, the Board of Directors states that the shares have been acquired at a total amount of DKK 2,160,625,107.43 to the effect that, in addition to the nominal reduction amount of DKK 5,818,651, an amount of DKK 2,154,806,456.43 has been distributed. Following the capital reduction, the Company's nominal share capital will be DKK 122,297,169.

As a result of the share capital reduction, it is proposed that article 4.1 of the Articles of Association should be amended to read as follows after expiry of the time period prescribed in section 192 of the Danish Companies Act:

"The Company's share capital is nominally DKK 122,297,169, divided into shares of DKK 1 or any multiple thereof."

Before the implementation of the capital reduction, the Company's creditors will be requested, through the Danish Business Authority's IT system, to file their claims within a time limit of 4 weeks, see section 192(1) of the Danish Companies Act. Under section 193(2) of the Danish Companies Act, the Danish Business Authority will automatically register the implementation of the capital reduction and the resulting amendment to the Articles of Association as being final 4 weeks after the expiry of the time limit for the creditors' filing of claims or, at the request of the Board of Directors, on any earlier date unless the implementation at such time cannot take place under the provisions of the Danish Companies Act.

Re agenda item 6.2

The Board of Directors proposes that the general meeting authorises the Board to, in the period until 17 March 2020, allow the Company to acquire treasury shares up to an aggregate nominal value of 10 % of the Company's share capital, provided that the Company's holding of treasury shares does not at any time exceed 10 % of the Company's share capital. The purchase price paid in connection with acquisition of treasury shares must not diverge from the price quoted on NASDAQ OMX Copenhagen A/S at the time of acquisition by more than 10%.

Re agenda item 6.3

The Board of Directors proposes that the Company's Articles of Association be amended as follows:

a) That the provision in article 11.2 of the Articles of Association is amended as follows:

"The Board of Directors elects among its members a chairman and one or two deputy chairmen. At its initial meeting, the Board of Directors will decide which of the two deputy chairmen are to replace the chairman and undertake his responsibilities and exercise his powers in his absence. Where two deputy chairmen have been elected, the second deputy chairman will replace the chairman in the event that both the chairman and the first deputy chairman are absent."

b) That the provision in article 11.3 of the Articles of Association is amended as follows:

"The Board of Directors forms a quorum when more than half of all directors are represented. All business transacted by the Board of Directors shall be decided by a simple majority of votes. In the event of an equality of votes, the chairman and in his absence the deputy chairman, see article 11.2, holds the casting vote."

c) That the provision in article 14.1 of the Articles of Association is amended as follows:

"The Company shall be bound by the joint signatures of the chairman or any of the deputy chairmen of the Board of Directors and a member of the Executive Management or by the joint signatures of two members of the Board of Directors or all members of the Board of Directors".

Re agenda item 6.4

It is proposed that the chairman of the Annual General Meeting is authorised to make such amendments and additions to the resolutions passed by the Annual General Meeting and to the application for registration with the Danish Business Authority as the Authority may require for registration.

Re agenda item 7:

Pursuant to article 11.1 of the Articles of Association, the Board of Directors shall consist of three to ten directors elected by the General Meeting. All members of the Board of Directors elected by the General Meeting stand for election at the Annual General Meeting.

The Board of Directors currently consists of the following ten board members elected by the general meeting: Peder Tuborgh (Chairman), Christian Frigast (Deputy Chairman), Andrea Dawn Alvey, Torben Ballegaard Sørensen, Nikolaj Vejlsgaard, Ronica Wang, Anders Boyer-Søgaard, Bjørn Gulden, Per Bank and Michael Hauge Sørensen.

Torben Ballegaard Sørensen and Nikolaj Vejlsgaard will not stand for re-election.

By company announcement no. 186 of 28 August 2014, the Company informed that Anders Colding Friis, CEO of Scandinavian Tobacco Group A/S, will join the Company in March 2015 as new CEO. At that time, the Company's current CEO Allan Leighton will be stepping down from his role as CEO after reporting the Company's full year results for 2014. It was further announced that the Board of Directors will recommend Allan Leighton be elected as new Co-Deputy Chairman of the Board at the next Annual General Meeting. Allan Leighton has previously served as Chairman of the Company's Board of Directors during the period from 8 September 2010 to 1 July 2013.

On this basis, the Board of Directors proposes that Allan Leighton is elected as a new member of the Company's Board of Directors.

The composition of the Company's Board of Directors reflects the skills and experience which is deemed required to manage a public listed company. The Company aims at composing the Board of Directors to consist of persons who possess the professional skills and international experience required to serve as a board member.

A detailed description of the board candidates and information on their managerial posts is attached hereto as [Appendix 1](#). The description is also available on the Company's website www.pandoragroup.com.

If the proposal is adopted, the Company's Board of Directors will consist of Peder Tuborgh, Christian Frigast, Allan Leighton, Andrea Dawn Alvey, Ronica Wang, Anders Boyer-Søgaard, Bjørn Gulden, Per Bank and Michael Hauge Sørensen.

Re agenda item 8:

The Board of Directors proposes re-election of Ernst & Young P/S as auditor of the Company.

VOTING REQUIREMENTS

The resolutions under agenda items 6.1 and 6.3 proposed by the Board of Directors require at least two-thirds of the votes cast and of the share capital represented at the Annual General Meeting; see section 106(1) of the Danish Companies Act. All other proposals may be passed by a simple majority of votes; see article 10.2 of the Articles of Association.

DATE OF REGISTRATION, ADMISSION, PROXY AND POSTAL VOTE

Date of registration, right to attend and right to vote

A shareholder's right to attend the Annual General Meeting and to vote is determined on the basis of the shares held by such shareholder at the date of registration (1 week before the Annual General Meeting), i.e. on **Wednesday 11 March 2015**. The shares held by each shareholder are determined at the date of registration on the basis of the shareholdings registered in the share register and in accordance with any notices on shareholdings received by the Company but not yet registered in the share register. To be entitled to vote, the shareholder must request an admission card no later than 3 days before the Annual General Meeting, i.e. no later than on **Friday 13 March 2015**.

Notice of attendance and admission card

An admission card is required for attending the Annual General Meeting. A shareholder, its proxy or advisor wishing to attend the Annual General Meeting and to receive an admission card must notify the Company of their attendance no later than on **Friday 13 March 2015**; see article 9.5 of the Articles of Association.

Admission cards may be requested as follows:

- Electronically on the Company's website www.pandoragroup.com; or
- By returning the form attached hereto as [Appendix 2](#), duly completed, dated and signed, by letter to Computershare A/S, Kongevejen 418, DK-2840 Holte, Denmark, by fax +45 45 46 09 98 or by email, scan-to-email to agm@computershare.dk.

Admission cards and voting forms will be sent after the date of registration by ordinary mail to the address indicated on the form. Admission cards that have been requested later than Thursday 12 March 2015 at 4:00 pm CET will be handed out together with voting forms at the entrance to the Annual General Meeting.

Proxy/postal vote

Shareholders prevented from attending the Annual General Meeting may vote by proxy by authorising the Board of Directors or a named third party as proxy representative or by postal voting. A shareholder may either grant proxy or submit a postal vote, but not both.

- Electronic proxy forms or electronic postal votes may be submitted through the Company's website www.pandoragroup.com by using NemID or username and access code.
- Physical proxy forms or physical postal votes may be submitted by using the Proxy and Postal Voting Form attached as [Appendix 2](#) which may also be printed from the Company's website www.pandoragroup.com. The duly completed, dated and signed Proxy and Postal Voting Form must be sent by letter to Computershare A/S, Kongevejen 418, DK-2840 Holte, Denmark, by fax +45 45 46 09 98 or by email, scan-to-email to agm@computershare.dk.

Proxy forms/postal votes may be submitted for shares held at the date of registration as determined on the

basis of the Company's share register as well as any information on shareholdings received by the Company but not yet registered in the share register; see article 9.5 of the Articles of Association.

Proxy forms (electronic or physical) must be received by Computershare A/S no later than on **Friday 13 March 2015 at 11:59 pm CET**, whereas postal voting forms (electronic or physical) must be received by Computershare A/S no later than on **Tuesday 17 March 2015 at 12:00 pm CET (noon)**.

Once received by the Company, a postal vote is binding on the shareholder and cannot be revoked.

SHARE CAPITAL, VOTING RIGHTS AND CUSTODIAN BANK

The Company's share capital is DKK 128,115,820, divided into shares of DKK 1 or multiples thereof.

Article 9 of the Articles of Association contains the following provisions on voting rights:

- 9.1 Each share of DKK 1 carries one vote.
- 9.2 Shareholders may attend general meetings in person or by proxy and may, in both cases, be accompanied by an adviser.
- 9.3 Proxies may exercise voting rights on behalf of shareholders subject to presenting a written and dated instrument of proxy. The Company shall make a written or electronic proxy form available to all shareholders entitled to vote at the general meeting.
- 9.4 A shareholder's shareholding and voting right will be determined at the date of registration on the basis of the ownership registered in the register of shareholders and the notices concerning ownership received by the Company for the purpose of entering such ownership into the register of shareholders. The date of registration is one week before the date of the general meeting.
- 9.5 Shareholders shall notify the Company of their attendance or their proxy's attendance at any general meeting no later than three days before the date of the meeting. This requirement shall also apply to any adviser. Admission cards will be issued to the persons who are registered shareholders as per the date of registration or from whom the Company has received notice, by the date of registration, to enter into the register of shareholders.
- 9.6 Shareholders may vote by post. Postal votes shall reach the Company not later than at 12:00 pm CET (noon) on the day before the general meeting. Once received by the Company, a postal vote is binding on the shareholder and cannot be revoked.

The Company has designated Nordea Bank Danmark A/S as its custodian bank, through which the Company's shareholders may exercise their financial rights.

QUESTIONS

At the Annual General Meeting, the Board of Directors and the Executive Management will answer questions from the shareholders on matters of relevance to the assessment of the Annual Report, the Company's position and any other questions to be addressed at the Annual General Meeting. Questions may be asked until 12:00 pm CET (noon) on the day before the Annual General Meeting in writing to Pandora A/S, Hovedvejen 2, DK-2600 Glostrup, Denmark, addressed to the Legal Department for the attention of General Counsel Lars

Jensen or by email to legal@pandora.net. Questions from shareholders can be asked in both Danish and English. Such questions will be answered in English and may be answered in Danish if so requested by the shareholder.

AGENDA, LANGUAGE, ETC.

No later than 3 weeks before the Annual General Meeting, the complete, unabridged text of the documents to be submitted to the Annual General Meeting as well as the agenda with the complete proposals to be transacted at the Annual General Meeting will be made available for inspection at the reception desk at the Company's registered office, Hovedvejen 2, DK-2600 Glostrup, Denmark, on all business days from 8:00 am to 4:00 pm CET.

No later than 3 weeks before the Annual General Meeting, the following information will also be made available on the Company's website www.pandoragroup.com:

- 1) The notice convening the Annual General Meeting.
- 2) The total number of shares and voting rights at the date of the notice convening the Annual General Meeting.
- 3) The documents to be submitted to the Annual General Meeting, including the agenda and the complete proposals and the audited Annual Report 2014.
- 4) The forms to be used for voting by proxy and postal voting.

An overview of the Company's financial highlights for the past five financial years is included as [Appendix 3](#) to this notice.

The Annual General Meeting will be held in English. Irrespective of article 9.8 of the Articles of Association and as a service to the shareholders, the Company will offer simultaneous interpretation to or from Danish to any shareholder who so wishes during the Annual General Meeting.

PRACTICAL INFORMATION

Admission and registration at the Annual General Meeting will commence on Wednesday 18 March 2015 at 9:00 am CET where coffee and tea will also be served.

Glostrup, 23 February 2015

Pandora A/S

The Board of Directors

APPENDIX 1

Description of the candidates proposed by the Board of Directors

Peder Tuborgh was born in 1963, is a Danish citizen and currently lives in Højbjerg, Denmark.

Peder Tuborgh has been Chairman and member of the Board of Directors since October 2014 and is also Chairman of the Remuneration Committee. Peder Tuborgh is regarded as an independent Board member.

The special skills possessed by Peder Tuborgh that are important for the performance of his duties as a member of the Board of Directors of Pandora A/S are his experience in global manufacturing and logistics, global branding, sales and marketing as well as consumer sales and retail marketing.

Peder Tuborgh holds an MSc in Economics and Business Administration from Odense University, Denmark. Currently, he is CEO of Arla Foods a.m.b.a. In addition, Peder Tuborgh is vice chairman of Aarhus University and board member of Global Dairy Platform, The Denmark-America Foundation and the Fulbright Commission as well as Royal Greenland A/S.

Christian Frigast was born in 1951, is a Danish citizen and currently lives in Klampenborg, Denmark.

Christian Frigast has been a member of the Board of Directors of Pandora A/S since August 2010 and is also Deputy Chairman of the Board, Chairman of the Nomination Committee and member of the Remuneration Committee. Christian Frigast is not regarded as an independent board member due to his position as Managing Partner of Axcel.

The special skills possessed by Christian Frigast that are important for the performance of his duties as a member of the Board of Directors of Pandora A/S are his experience in general management and active involvement in a number of retail and other companies obtained through his numerous directorships.

Christian Frigast holds an MSc in Political Science and Economics from the University of Copenhagen. Currently, Christian Frigast is Managing Partner of Axcel Management A/S and Chief Executive Officer of Axcel III KS Invest ApS, Axcel IndustrilInvestor A/S, CCTC Invest ApS, MNGT1 ApS, MP-AX I Invest ApS and MP-AX II Invest ApS. Further, Christian Frigast is currently Chairman of the boards of directors of Ax IV Exhausto Invest ApS, Ax No Invest ApS, Axcel II A/S, Axcel II Management A/S, AxIII MP Holding ApS, KIFU-AX II A/S, Management Invco A/S and MNGT2. In addition, Christian Frigast is Deputy Chairman of the boards of directors of DVCA Danish Venture Capital and Private Equity Association, Pandora A/S and Royal Scandinavia A/S. Christian Frigast is also a member of the boards of directors of Axcel Management A/S, Nordic Waterproofing AB and CCTC Invest ApS.

Allan Leslie Leighton was born in 1953, is an English citizen and currently lives in London, United Kingdom.

Allan Leighton has been President, Chief Executive Officer of Pandora A/S since 1 July 2013. Prior hereto Allan Leighton served as Chairman of the Board of Directors of Pandora A/S from 8 September 2010 to 1 July 2013. Due to his previous management positions with Pandora A/S, Allan Leighton is not regarded as an independent board candidate.

The special skills possessed by Allan that are important for the performance of his duties as a member of the Board of Directors of Pandora A/S are his experience within general management in listed companies, financial

management in listed companies, global supply chain and sourcing, consumer sales and retail marketing, and global cross platform branding.

Allan Leighton attended Harvard University's Advanced Management Program. He has an Honorary Degree from Cranfield University and an Honorary Fellowship from the University of Lancashire. Currently, Allan Leighton is chairman of Pace PLC, Office Ltd. and Matalan Ltd., and non-executive director of Bighams Ltd.

Andrea Dawn Alvey was born in 1967, is an American citizen and currently lives in Raleigh, North Carolina, USA.

Andrea Dawn Alvey has been a member of the Board of Directors of Pandora A/S since August 2010 and is also member of the Audit and Remuneration Committees. Andrea Dawn Alvey is regarded as an independent board member.

The special skills possessed by Andrea Dawn Alvey that are important for the performance of her duties as a member of the Board of Directors of Pandora are her experience and insight in global supply chains, IT operations and retail financing.

Andrea Dawn Alvey holds a Bachelor of Science in Business Economics/Statistics from Southern Connecticut State University. Currently, Andrea Dawn Alvey is President of Kitabco Investments, Inc. and Regional Developer for Peak Franchising.

Ronica Wang was born in 1962, is a citizen of Hong Kong and is currently based in Asia, where she spends a large portion of her time in China.

Ronica Wang has been a member of the Board of Directors of Pandora A/S since March 2012 and is also member of the Nomination Committee. Ronica Wang is regarded as an independent board member.

The special skills possessed by Ronica Wang that are important for the performance of her duties as a member of the Board of Directors of Pandora A/S include her international experience within general management in listed companies, consumer sales and retail marketing, global and cross platform branding and the affordable goods industry.

Ronica Wang holds an MBA from The Wharton Business School, University of Pennsylvania, and a Bachelor Degree in Applied Science and Engineering (Industrial Engineering) from the University of Toronto. She has also studied multinational management at The London Business School. Currently, Ronica Wang is the Chairman and Managing Director of The InnoGrowth Group, Ltd., which she co-founded in 2007. She is also a company Director and member of the Board of Directors of Active Kidz Shanghai.

Anders Boyer-Søgaard was born in 1970, is a Danish citizen and currently lives in Charlottenlund, Denmark.

Anders Boyer-Søgaard has been a member of the Board of Directors of Pandora A/S since March 2012 and is also Chairman of the Audit Committee and member of the Nomination Committee. Anders Boyer-Søgaard is regarded as an independent board member.

The special skills possessed by Anders Boyer-Søgaard that are important for the performance of his duties as a member of the Board of Directors of Pandora A/S are his experience within general management in listed companies, financial management in listed companies, as well as global supply chain and manufacturing.

Anders Boyer-Søgaard holds an M.Sc. (finance and accounting) from Copenhagen Business School from 1997. Currently, Anders Boyer-Søgaard is CFO of GN Store Nord A/S, GN ReSound A/S, Scanning Technology A/S and Beltone Europe Holdings ApS. Furthermore, Anders Boyer-Søgaard is member of the board of directors in GN Ejendomme A/S, GN GROC Ltd., GN Hearing Benelux B.V., GN Hearing s.r.l., GN Otometrics A/S, GN Hearing Sverige AB, GN ReSound China Ltd., GN ReSound Japan K.K., GN ReSound Norge as, GN ReSound Shanghai Ltd. and Scanning Technology A/S.

Bjørn Gulden was born in 1965 in Switzerland, is a Norwegian citizen and currently lives in Hattingen, Germany.

Bjørn Gulden has been a member of the Board of Directors of Pandora A/S since August 2013 and is also member of the Remuneration Committee. Bjørn Gulden is not regarded as an independent board member due to the fact that he served as CEO of Pandora A/S during the period from 21 February 2011 until 1 July 2013.

The special skills possessed by Bjørn Gulden that are important for the performance of his duties as a member of the Board of Directors of Pandora A/S are his substantial skills related to global sourcing, consumer sales and retail and comprehensive insight into the affordable goods industry.

Bjørn Gulden holds a BBA from the University of Rogaland, Norway and an MBA from Babson Graduate School of Business in Boston, USA. Currently, Bjørn Gulden is CEO of Puma SE. Further, Bjørn Gulden serves on the boards of Tchibo GmbH, Ekornes AS, Deichmann SE and Dansk Supermarked A/S.

Per Bank was born in 1967, is a Danish citizen and currently lives in Aarhus, Denmark.

Per Bank has been a member of the Board of Directors of Pandora A/S since March 2014 and is also member of the Nomination Committee. Per Bank is regarded as an independent board member.

The special skills possessed by Per Bank that are important for the performance of his duties as a member of the Board of Directors of Pandora A/S are his experience within general management in listed companies, consumer sales and retail marketing and manufacturing.

Per Bank graduated as an industrial engineer from the University of Southern Denmark in 1992. Currently, Per Bank is the Managing Director of Dansk Supermarked A/S. Further, Per Bank is currently Chairman of the board of directors of F. Salling A/S and Købmand Ferdinand Sallings Mindefond.

Michael Hauge Sørensen was born in 1973, is a Danish citizen and currently lives in Hong Kong.

Michael Hauge Sørensen has been a member of the Board of Directors of Pandora A/S since March 2014 and is also member of the Audit Committee. Michael Hauge Sørensen is regarded as an independent board member.

The special skills possessed by Michael Hauge Sørensen that are important for the performance of his duties as a member of the Board of Directors of Pandora A/S are his experience within consumer sales and retail marketing, global and cross platform branding and the affordable goods industry.

Michael Hauge Sørensen is an alumni of Stanford Graduate School of Business and has attended numerous management programmes at INSEAD and IMD. Currently, Michael Hauge Sørensen is the Chairman of Kwintet

AB and is also a member of the board of directors of Zebra A/S, IC Group A/S and Michaso Holdings Limited.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and modern jewellery made from genuine metals at affordable prices. PANDORA jewellery is sold in more than 90 countries on six continents through approximately 9,900 points of sale, including more than 1,400 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs more than 11,400 people worldwide of whom approximately 7,900 are located in Gemopolis, Thailand, where the company manufactures its jewellery. PANDORA is publicly listed on the NASDAQ Copenhagen stock exchange in Denmark. In 2014, PANDORA's total revenue was DKK 11.9 billion (approximately EUR 1.6 billion). For more information, please visit www.pandoragroup.com.

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FINANCIAL HIGHLIGHTS

DKK million	2014	2013	2012	2011	2010
Consolidated income statement					
Revenue	11,942	9,010	6,652	6,658	6,666
Gross profit	8,423	5,999	4,429	4,860	4,725
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,294	2,881	1,658	2,281	2,684
Operating profit (EBIT)	4,072	2,681	1,475	2,058	2,416
Net financials	-200	61	4	311	-164
Profit before tax	3,872	2,742	1,479	2,369	2,252
Net profit for the year	3,098	2,220	1,202	2,037	1,871
Consolidated balance sheet					
Total assets	10,556	9,275	8,414	8,051	8,959
Invested capital	6,080	5,976	5,900	5,923	5,659
Net working capital	434	1,009	1,277	1,327	1,266
Net interest-bearing debt (NIBD)	-1,121	-637	-183	209	1,102
Book value per share, DKK	54.9	49.7	46.4	41.6	33.2
Equity	7,032	6,462	6,038	5,411	4,315
Consolidated cash flow statement					
Cash flows from operating activities	4,322	2,428	1,339	1,823	1,316
Cash flows from investing activities	-632	-543	-231	-364	-304
Free cash flow	3,868	1,956	1,151	1,670	1,388
Cash flows from financing activities	-3,259	-1,524	-943	-2,502	-644
Net increase (decrease) in cash	431	361	165	-1,043	368
Growth ratios					
Revenue growth, %	32.5%	35.4%	-0.1%	-0.1%	92.6%
Gross profit growth, %	40.4%	35.4%	-8.9%	2.9%	91.2%
EBITDA growth, %	49.0%	73.8%	-27.3%	-15.0%	70.7%
EBIT growth, %	51.9%	81.8%	-28.3%	-14.8%	69.7%
Net profit growth, %	39.5%	84.7%	-41.0%	8.9%	86.2%
Margins					
Gross margin, %	70.5%	66.6%	66.6%	73.0%	70.9%
EBITDA margin, %	36.0%	32.0%	24.9%	34.3%	40.3%
EBIT margin, %	34.1%	29.8%	22.2%	30.9%	36.2%
Other ratios					
Tax rate, %	20.0%	19.0%	18.7%	14.0%	16.9%
Equity ratio, %	66.6%	69.7%	71.8%	67.2%	48.2%
NIBD to EBITDA, x	-0.3	-0.2	-0.1	0.1	0.4
Return on invested capital (ROIC), %	67.0%	44.9%	25.0%	34.7%	42.7%
Capital expenditure (CAPEX), DKK million	455	490	276	269	262
Cash conversion, %	124.9%	88.1%	95.8%	82.0%	74.2%
Share information					
Number of shares	128,115,820	130,143,258	130,143,258	130,143,258	130,143,258
Nominal value, DKK	1	1	1	1	1
Share capital, DKK	128,115,820	130,143,258	130,143,258	130,143,258	130,143,258
Treasury shares	7,216,058	3,539,023	182,925	182,925	182,925
Stock options outstanding	1,382,800	1,511,585	1,108,123	150,448	-
Dividend per share, DKK	*9.00	6.50	5.50	5.50	5.00
Total payout ratio (incl. share buyback), %	*112.7	68.6%	59.5%	35.1%	36.9%
Earnings per share, basic, DKK	25.0	17.2	9.2	15.7	14.8
Earnings per share, diluted, DKK	24.7	17.0	9.2	15.7	14.6
Share price at year-end, DKK	504.5	294.0	124.5	54.0	336.0
Other key figures					
Average number of employees	9,957	6,910	5,753	5,186	4,336

* Proposed dividend per share for 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

DKK million	Notes	2014	2013
CONSOLIDATED INCOME STATEMENT			
Revenue	2.1, 2.2	11,942	9,010
Cost of sales	2.3	-3,519	-3,011
Gross profit		8,423	5,999
Sales, distribution and marketing expenses	2.3	-3,100	-2,397
Administrative expenses	2.3	-1,251	-921
Operating profit	2.2	4,072	2,681
Finance income	4.6	14	167
Finance costs	4.6	-214	-106
Profit before tax		3,872	2,742
Income tax expense	2.5	-774	-522
Net profit for the year		3,098	2,220
Attributable to:			
Equity holders of PANDORA A/S		3,098	2,220
Net profit for the year		3,098	2,220
Earnings per share, basic (DKK)	4.2	25.0	17.2
Earnings per share, diluted (DKK)	4.2	24.7	17.0

Notes refer to the Annual Report 2014 disclosed on <http://investor.pandoragroup.com/annuals.cfm>

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER

DKK million	Notes	2014	2013
ASSETS			
Goodwill		2,080	1,904
Brand		1,053	1,053
Distribution network		268	300
Distribution rights		1,047	1,042
Other intangible assets		411	318
Total intangible assets	3.1	4,859	4,617
Property, plant and equipment	3.2	711	497
Deferred tax assets	2.5	407	276
Other non-current financial assets		99	48
Total non-current assets		6,076	5,438
Inventories	3.3	1,684	1,490
Financial instruments	4.5	99	-
Trade receivables	3.4	1,110	895
Tax receivable		52	35
Other receivables		404	731
Cash	4.3	1,131	686
Total current assets		4,480	3,837
Total assets		10,556	9,275
EQUITY AND LIABILITIES			
Share capital	4.1	128	130
Share premium		1,229	1,248
Treasury shares		-2,679	-738
Reserves		729	205
Proposed dividend		1,088	823
Retained earnings		6,537	4,794
Total equity		7,032	6,462
Provisions	3.5	61	35
Deferred tax liabilities	2.5	430	471
Other non-current liabilities		-	3
Total non-current liabilities		491	509
Provisions	3.5	678	471
Loans and borrowings	4.3	10	49
Financial instruments	4.5	268	148
Trade payables		804	539
Income tax payable		643	546
Other payables		630	551
Total current liabilities		3,033	2,304
Total liabilities		3,524	2,813
Total equity and liabilities		10,556	9,275

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER

DKK million	Notes	2014	2013
Profit before tax		3,872	2,742
Finance income	4.6	-14	-167
Finance costs	4.6	214	106
Amortisation, depreciation and impairment losses		222	200
Share-based payments	2.4	71	64
Change in inventories		91	-292
Change in receivables		63	-215
Change in payables and other liabilities		795	182
Other non-cash adjustments		-208	169
Interest etc. received		7	3
Interest etc. paid		-30	-29
Income tax paid		-761	-335
Cash flows from operating activities		4,322	2,428
Acquisition of subsidiaries and activities, net of cash acquired	5.1	-174	-45
Divestment of businesses	5.1	19	-
Purchase of intangible assets	3.1	-164	-312
Purchase of property, plant and equipment	3.2	-291	-178
Change in other non-current assets		-45	-25
Proceeds from sale of property, plant and equipment		23	17
Cash flows from investing activities		-632	-543
Dividend paid	4.2	-820	-713
Purchase of treasury shares	4.1	-2,402	-700
Proceeds from loans and borrowings		560	41
Repayment of loans and borrowings		-597	-152
Cash flows from financing activities		-3,259	-1,524
Net increase (decrease) in cash		431	361
Cash at 1 January		686	341
Net exchange differences		14	-16
Net increase (decrease) in cash		431	361
Cash at 31 December		1,131	686
Cash flows from operating activities		4,322	2,428
- Interest etc. received		-7	-3
- Interest etc. paid		30	29
Cash flows from investing activities		-632	-543
- Acquisition of subsidiaries and activities, net of cash acquired		174	45
- Divestment of businesses		-19	-
Free cash flow		3,868	1,956
Unutilised credit facilities		3,677	2,716

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