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COMPANY ANNOUNCEMENT

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PANDORA CLOSSES TRANSFER PRICING TAX AUDIT FOR 2009 TO 2014 WITH DANISH TAX AUTHORITIES

PANDORA announces that the Company has made a settlement with the Danish Tax Authorities ("SKAT") regarding a transfer pricing audit for the period 2009 to 2014. SKAT and PANDORA did not agree on the applicable pricing methodology within the Group. Following a dialogue with SKAT, PANDORA has decided to make a settlement whereby, PANDORA will recognise a higher proportion of the Group's profit in Denmark.

According to the settlement, PANDORA will pay a sum of DKK 995 million to SKAT covering tax payments and interest for the 6 year period.

Excluding the additional tax payments, PANDORA's reported tax rate for the financial year 2015 is expected to be around 22% compared to previously guided "around 20%". For the financial year 2016, PANDORA's reported tax rate is expected to be around 21%.

The settlement will have no impact on the ongoing share buyback programme or any planned capital expenditures.

ACCOUNTING IMPLICATIONS

PANDORA will pay the full amount in 2015, which will have a cash flow impact of DKK 995 million.

PANDORA accrues for estimated tax expenses, and has as of 31 December 2014 made accruals for DKK 610 million related to these specific payments. The additional DKK 364 million will impact income tax expenses for 2015 in the profit and loss statement with a further financial item of DKK 21 million.

FINANCIAL GUIDANCE FOR 2015

Beside the effect on the effective tax rate, the content of this release will have no impact on PANDORA's outlook for 2015. Revenue is expected to be more than DKK 14 billion. The EBITDA margin is expected to be approximately 37% and CAPEX for the year is expected to be approximately DKK 800 million. Effective tax rate is expected to be approximately 30%, including the additional tax payments (previously guided approximately 20%).

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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