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COMPANY ANNOUNCEMENT

23 March 2017

LONG-TERM INCENTIVE PROGRAMME FOR 2017

In line with previous years and in accordance with PANDORA's guidelines for incentive pay, the Board of Directors at PANDORA has approved a long-term incentive programme for 2017. The total programme includes a potential grant of up to 14,106 stock options to the Company's Executive Management and up to 87,693 stock options to other employees.

The grant is subject to performance targets related to revenue growth and EBITDA-margin in the period 2017-2019. If the performance targets are met, the stock options will be granted at 1% of the average market price of the PANDORA share five days prior to the vesting and grant in 2020. The options can be exercised in the four weeks following the announcement of PANDORA's Annual Report 2019.

The estimated market value of the total programme is approximately DKK 77 million (Black-Scholes value). Participants under the program are not eligible for any dividend payments before the stock options are fully vested and exercised.

5-YEAR PROGRAMME FOR EXECUTIVE MANAGEMENT

If the performance targets are met, members of the Executive Management are subject to an additional 2-year vesting period before the stock options can be exercised. There are no performance targets tied to the additional 2-year vesting period.

Under the IFRS standard, the long-term incentive programme will be recognised in the income statement over the 3-year and the 5-year vesting period, respectively.

FINANCIAL GUIDANCE

The content of this release will have no impact on PANDORA's financial outlook for 2017.

ABOUT PANDORA

PANDORA designs, manufactures and markets hand-finished and contemporary jewellery made from high-quality materials at affordable prices. PANDORA jewellery is sold in more than 100 countries on six continents through around 8,100 points of sale, including more than 2,100 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs around 21,500 people worldwide of whom around 12,400 are located in Thailand, where the Company manufactures its jewellery. PANDORA is publicly listed on the Nasdaq Copenhagen stock exchange in Denmark. In 2016, PANDORA's total revenue was DKK 20.3 billion (approximately EUR 2.7 billion).

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