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COMPANY ANNOUNCEMENT

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PANDORA TAKES OVER THE DISTRIBUTION IN SPAIN

PANDORA today announces that the Company has entered into an agreement to acquire City Time S.L. (City Time), which owns the distribution rights to PANDORA jewellery in Spain, Gibraltar and Andorra. The acquisition follows the takeover of the distribution in Belgium and South Africa earlier in the year and is consistent with PANDORA's strategic intent to increase control of the PANDORA brand and strengthen the owned and operated retail footprint.

"By taking over the distribution of PANDORA jewellery in Spain, we get direct access to one of the larger jewellery markets in Europe. Our Spanish partner has done a tremendous job in establishing a strong store network in the country. The acquisition is in line with our strategic intent to take over distribution and enables us to gain full control of the network in Spain and realize the full potential of our brand in this promising market," says Anders Colding Friis, CEO in PANDORA.

PANDORA will pay the owners of City Time a total amount of around EUR 110 million (approximately DKK 820 million) for 100% of the share capital in City Time. The multiple paid (EV/EBITDA) is in line with the price paid related to PANDORA's earlier distributor acquisitions. With the acquisition, PANDORA will gain full control of the distribution rights to PANDORA jewellery in Spain, Gibraltar and Andorra, as well as a fully operational set-up in Spain, including a regional office and distribution centre in Madrid and around 500 employees. The agreement is subject to certain conditions to be fulfilled. The transaction is expected to be finalized during Q4 2017.

The acquisition will grant PANDORA the opportunity to enter Spain directly. With the agreement, PANDORA will add to its retail chain 51 PANDORA owned concept stores located in Spain. Furthermore, PANDORA will take over distribution to 15 franchisee concept stores and around 500 other points of sales in Spain, Gibraltar and Andorra.

In 2016, City Time's revenue, consisting of retail sales in the acquired PANDORA stores and sell-in to the existing wholesale network in the region, was approximately EUR 94 million in total (approximately DKK 700 million).

FINANCIAL GUIDANCE

PANDORA's financial guidance for 2017 remains unchanged and the content of this release will have no impact on PANDORA's 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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