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COMPANY ANNOUNCEMENT

20 April 2017

PANDORA UPDATES FINANCIAL REPORTING STRUCTURE

PANDORA today announces an update to its financial reporting structure, effective from the Q1 2017 interim report. Based on a thorough analysis of the Company's reporting structure, a review of peer reporting, as well as input from external stakeholders, PANDORA has decided to update its reporting structure to ensure that it more appropriately reflects the performance of the underlying business drivers.

Peter Vekslund, CFO of PANDORA, said: "The updates we have made to the financial reporting structure build on the changes we implemented last year and will enable investors and analysts to more appropriately model revenue performance across the Group.

Importantly, our updated financial reporting structure will provide greater clarity around the development of our owned and operated retail business, which is making a growing contribution to Group revenue. The increasing share from the retail business increases our control with the brand and at the same time we recognise the full retail revenue. Since 2012, revenue from PANDORA owned concept stores has increased at an annual average growth rate of approximately 80% and we anticipate that from 2017 revenue from PANDORA owned concept stores will surpass the reported revenue from franchise concept stores."

The updated financial reporting structure will include the following changes:

REVENUE

- As a supplement to the revenue per region (Americas, EMEA and Asia Pacific), PANDORA will report country specific revenue for its seven largest markets by revenue. For 2017, the largest markets are the US, UK, Italy, France, Germany, Australia and China
- Revenue from "Other jewellery" will be divided into two separate categories;
 - o "Earrings"
 - o "Necklaces & Pendants"
- Growth rates across all revenue streams will be reported in Danish kroner and in local currency
- Reporting on the regional revenue per distribution channel and store type will be discontinued
- Reporting of the bracelet sub-category "Moments and PANDORA ESSENCE COLLECTION" will be discontinued

GROWTH

- Global like-for-like sales growth for PANDORA owned concept stores will replace previously reported global and regional like-for-like sales growth across ownership for all concept stores (PANDORA owned, franchise and distributor)

- Like-for-like sales growth for PANDORA owned concept stores in the US will be reported¹
- Like-for-like sales will include PANDORA's eSTOREs
- Additional country specific like-for-like sales will not be reported

STORES

- "Shop-in-shops" and "Multibranded stores" will be aggregated to "Other points of sale" and will be reported as one, both in terms of revenue and number of stores
- PANDORA will continue to report concept store count per market (markets with 10 or more concept stores), however all other store counts per region will be discontinued

The attached appendix contains comparative figures provided for the last eight quarters based on the updated financial reporting structure¹. The appendix can also be found on <http://investor.pandoragroup.com/presentations.cfm>.

FINANCIAL GUIDANCE

The financial guidance is unchanged and the content of this release will have no impact on PANDORA's outlook for 2017, which was latest communicated to the market in connection with the 2016 Annual Report on 7 February 2017.

CONFERENCE CALL

A conference call for investors and financial analysts will be held today at 10:00 AM CEST and can be accessed online at www.pandoragroup.com. The presentation for the call will be available on the website one hour before the call.

The following numbers can be used:

DK: +45 3271 1659

UK (International): +44 (0) 203 427 1907

US: +1 212 444 0896

Participants will have to quote the confirmation code "PANDORA" when dialling in to the conference.

¹ Comparable figures for like-for-like sales growth for PANDORA owned concept stores in the US are not provided due to a limited number of owned concept stores in the reference period.

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 more than 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).

CONTACT

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