

**PRESS RELEASE**

6 February 2017

## **PANDORA TAKES OVER DISTRIBUTION IN AFRICAN MARKETS**

As part of PANDORA's strategy to increase control of the PANDORA brand, the Company today announces that it has made an agreement with Scandinavian Brand House (SBH) to acquire its PANDORA store network in South Africa, Mauritius, Namibia, Zambia, Zimbabwe and Réunion on 3 July 2017, when SBH's distribution rights to PANDORA jewellery in the Sub-Saharan region expire.

In connection with the agreement, David Allen, President of EMEA in PANDORA said: "With this agreement, we will establish a local presence in the vast African continent and gain access to a promising, however still relatively small jewellery market. PANDORA jewellery has been available in the Sub-Saharan region since 2009, and we now find that it is time to take control of the all branded store network, which has successfully been built by our distributor through many years, Scandinavian Brand House."

The acquisition is consistent with PANDORA's intentions to increase the owned and operated retail footprint and will grant PANDORA the opportunity to enter the Sub-Saharan region directly. With the agreement, PANDORA will add to its retail chain 16 PANDORA owned concept stores and 18 PANDORA owned shop-in-shops located in South Africa. Furthermore, PANDORA will take over distribution to 19 franchisee concept stores in the region, as well as a number of multibranded stores.

PANDORA will pay a total amount of EUR 16 million (approximately DKK 119 million) to SBH, related to the agreement, of which approximately EUR 4 million is related to inventory. The agreement will be effective as of 3 July 2017 and is subject to certain conditions to be fulfilled.

PANDORA jewellery has been available in the region since 2009 and in 2015 retail sales in the acquired PANDORA stores and sell-in to the existing wholesale network in the region was approximately ZAR 200 million in total (or approximately DKK 100 million).

## **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 approximately 9,000 points of sale, including more than 2,000 concept stores.

Founded in 1982 and headquartered in Copenhagen, Denmark, PANDORA employs more than 18,000 people worldwide of whom approximately 12,000 are located in Gemopolis, Thailand, where the Company manufactures its jewellery. PANDORA is publicly listed on the NASDAQ Copenhagen stock exchange in Denmark. In 2015, PANDORA's total revenue was DKK 16.7 billion (approximately EUR 2.2 billion).

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