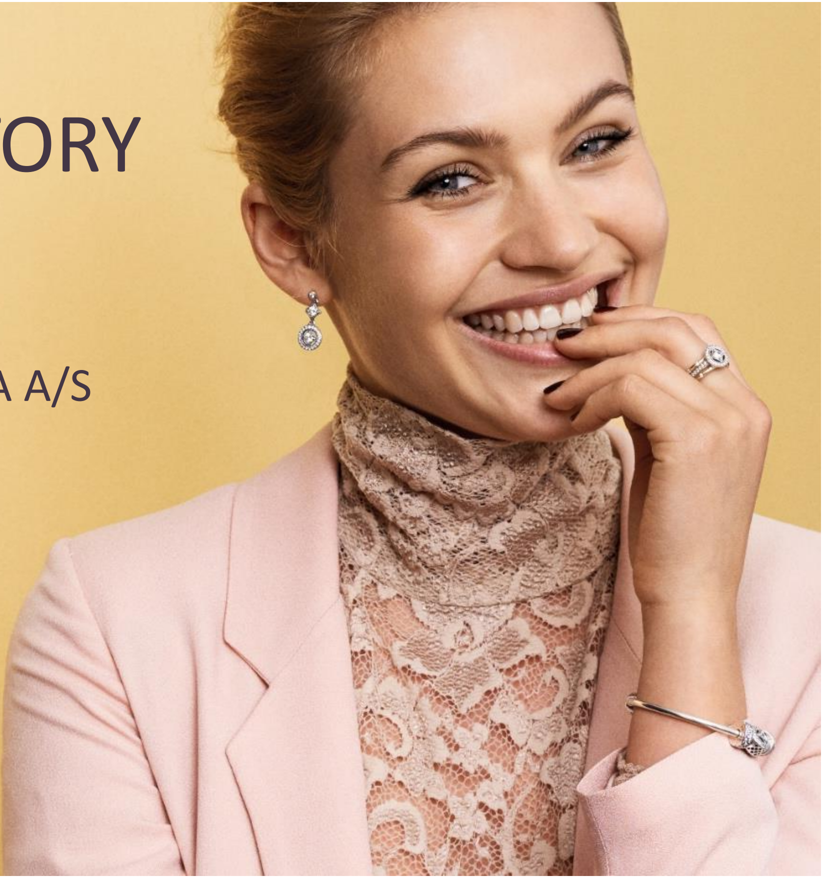
A SUCCESSFUL GROWTH STORY

VALUE DRIVERS AND DIGITAL OPPORTUNITIES

- BY PETER VEKSLUND, EVP & CFO, PANDORA A/S



SEB, NORDIC SEMINAR
9 JANUARY 2017

PANDORA

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Certain statements in this presentation constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and our anticipated or planned financial and operational performance. The words “targets,” “believes,” “expects,” “aims,” “intends,” “plans,” “seeks,” “will,” “may,” “might,” “anticipates,” “would,” “could,” “should,” “continues,” “estimates” or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements include, among other things, statements addressing matters such as our future results of operations; our financial condition; our working capital, cash flows and capital expenditures; and our business strategy, plans and objectives for future operations and events, including those relating to our ongoing operational and strategic reviews, expansion into new markets, future product launches, points of sale and production facilities.

Although we believe that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: global and local economic conditions; changes in market trends and end-consumer preferences; fluctuations in the prices of raw materials, currency exchange rates, and interest rates; our plans or objectives for future operations or products, including our ability to introduce new jewellery and non-jewellery products; our ability to expand in existing and new markets and risks associated with doing business globally and, in particular, in emerging markets; competition from local, national and international companies in the United States, Australia, Germany, the United Kingdom and other markets in which we operate; the protection and strengthening of our intellectual property rights, including patents and trademarks; the future adequacy of our current warehousing, logistics and information technology operations; changes in Danish, E.U., Thai or other laws and regulations or any interpretation thereof, applicable to our business; increases to our effective tax rate or other harm to our business as a result of governmental review of our transfer pricing policies, conflicting taxation claims or changes in tax laws; and other factors referenced to in this presentation.

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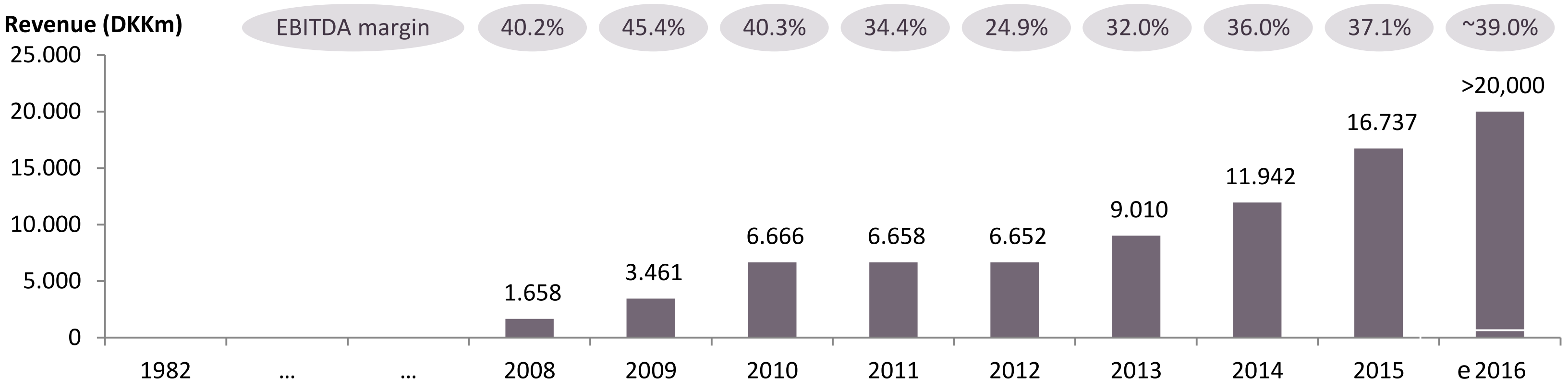
1982
COPENHAGEN

A family-run business…

THE PANDORA BRACELET INTRODUCED IN 2000

A FANTASTIC GROWTH STORY



The journey begins | Consolidation | Globalisation | Next phase

- ’82: Founded by Per
- ’08: Axcel Acquisition
- ’10: IPO
- ’15: +15.000 employees

- ’05: Large scale production
- ’10: Several large production facilities
- ’15: 100m units produced
- ‘17: Production across Thailand

- ’00: Signature bracelet
- ’03-’05: Entry in US, DE, UK & AUS
- ’11: 500 Concept stores
- ’14: 1,000 Concept stores
- ’16: 2,000 Concept stores

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AGENDA AND KEY MESSAGES

Building a brand in an unbranded world

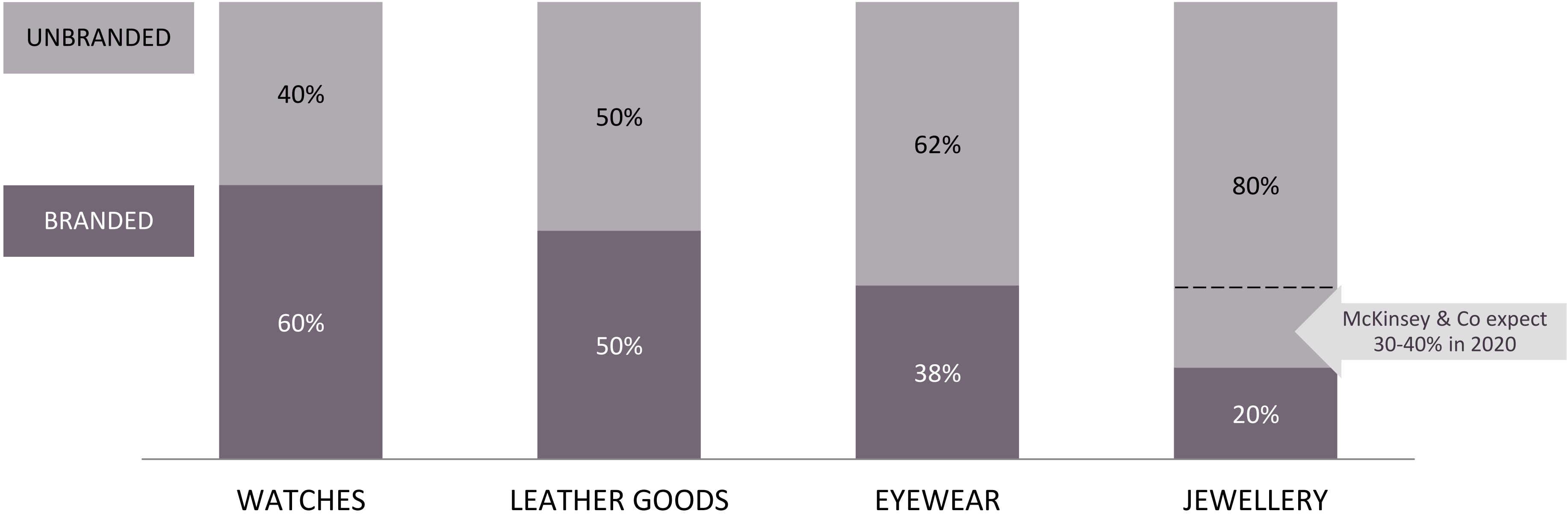
- Affordable jewellery (25-125 EUR) for women
- The 2nd most known jewellery brand in the world

Providing a full jewellery offering

Focus on branded stores

Global expansion & scalable production

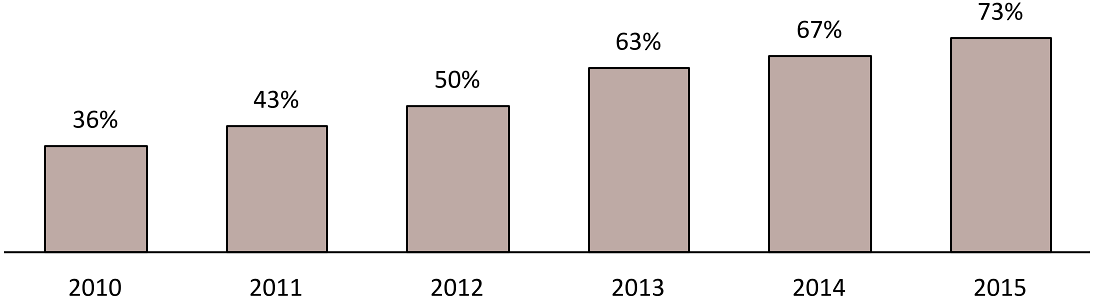
CONSUMERS INCREASINGLY BUY INTO BRANDS AND EXPERIENCES



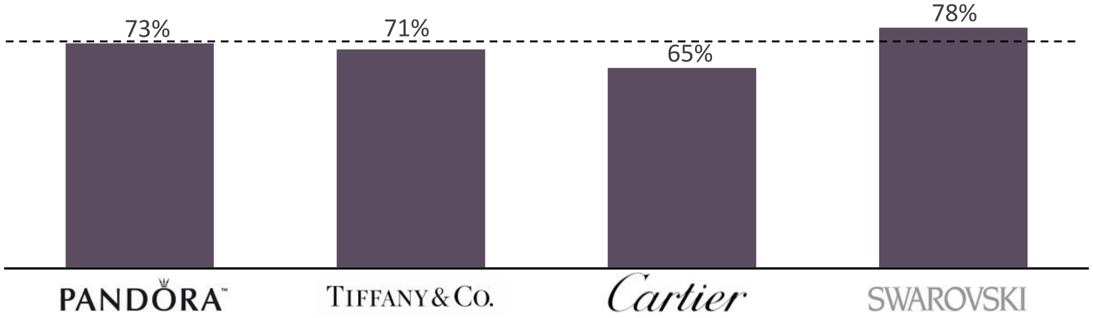
Based on PANDORA's analysis of multiple sources, including a market study commissioned by PANDORA from Bain & Company and information otherwise obtained from McKinsey, Verdict, A&M Mindpower Solutions and IBIS World.
Source: McKinsey projection in 'A multifaceted future: The jewellery industry in 2020". February 2014

WE ARE THE SECOND MOST KNOWN JEWELLERY BRAND

AIDED BRAND AWARENESS DEVELOPMENT - GLOBALLY



NOW THE 2nd HIGHEST - GLOBALLY

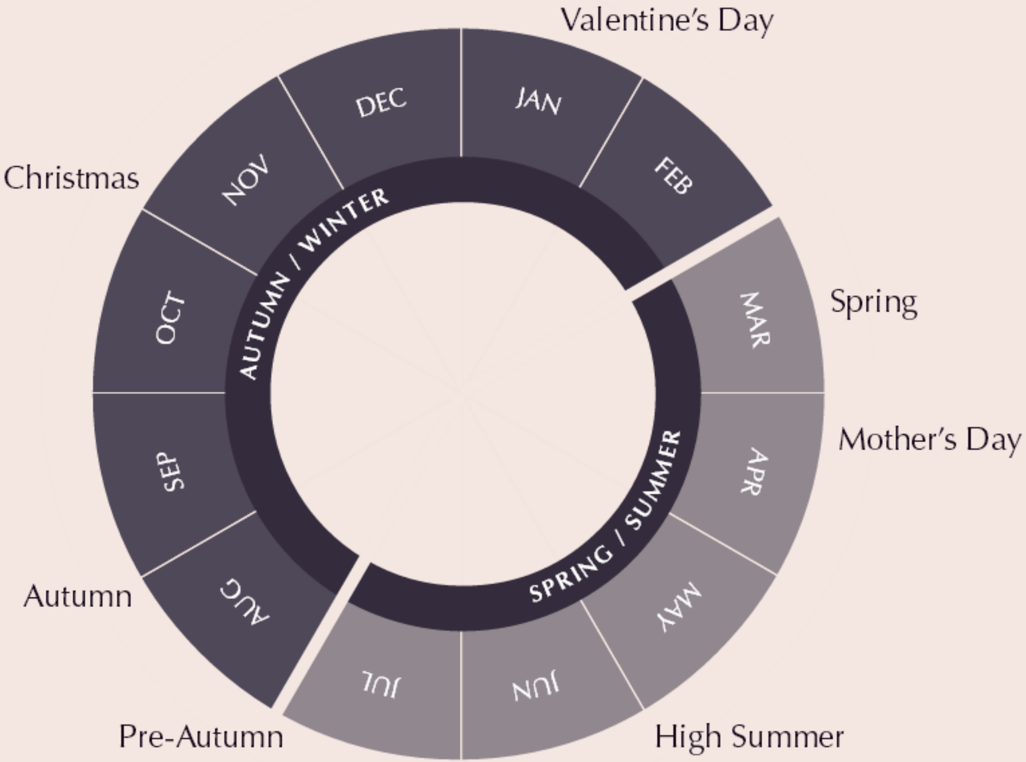


Based on brand tracking analysis carried out by Ipsos among women aged 18+ (previously carried out by IUM 2010-2013). Between 1,000 and 2,000 web interviews per country.
Markets included: 2010 (16 markets), 2011 (26 markets), 2012 (28 markets), 2013-2015 (25 markets) = Australia, Austria, Belgium, Brazil, Canada, Denmark, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, New Zealand, Poland, Portugal, Russia, South Africa, South Korea, Spain, Switzerland, the Netherlands, Turkey, United Kingdom and the USA. Sample in 2014 has been weighted with a 50% SSI sample in the US – Aided Awareness was 65% unweighted in 2014.

WE BRING NEWNESS IN OUR STORES BY SEVEN ANNUAL DROPS











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AGENDA AND KEY MESSAGES

Building a brand in an unbranded world

Providing a full jewellery offering

Charms and bracelets as the spearhead product

Expanding to new categories – rings and earrings

Focus on branded stores

Global expansion & scalable production

SIGNATURE PRODUCT AND A REPEAT PURCHASE MODEL

In 2000, we introduce our signature charm bracelet concept

Unique and **patented** functionality

Charms and bracelets account for around **80%** of our revenue

Some of the **original** charms are still part of our collection today

Our collection currently contains more than **700** different charms and clips

The silver heart – one of the original charms – is among our **best-selling** pieces

WE DIVERSIFY AND EXPAND ACROSS CATEGORIES

Focus on Earrings
Priced 25-75 EUR – 6% of revenue (Q3 2016)

Make Rings significant to PANDORA
Priced 50-125 EUR - 15% of revenue (Q3 2016)

Diversify Bracelets and Charms further
Priced 25-75 EUR - 75% of revenue comes from charms and bracelets (Q3 2016)

2000-	2013-	2016+

AGENDA AND KEY MESSAGES

Building a brand in an unbranded world

Providing a full jewellery offering

Focus on branded stores

From zero to 2,000 concept stores in 10 years
Mix of franchisee and PANDORA owned stores

Global expansion & scalable production

WE FOCUS ON CONCEPT STORES – OWNED OR FRANCHISED

CONCEPT STORES

Number of stores (end Q3 2016)

563 O&O

1,447 franchise

2,010 in total

Revenue contribution

62% of total revenue (excl. 3rd party)

SHOP-IN-SHOPS

Number of stores (end Q3 2016)

112 O&O

1,875 franchise

1,987 in total

Revenue contribution

14% of total revenue (excl. 3rd party)

MULTIBRANDED STORES

Number of stores (end Q3 2016)

4,924 in total (no O&O)

Revenue contribution

16% of total revenue (excl. 3rd party)

ILLUSTRATIVE

LIKE-FOR-LIKE AND ORGANIC GROWTH ARE BOTH IMPORTANT METRICS, HOWEVER DIFFICULT TO RECONCILE

	LIKE-FOR-LIKE SALES (Sales-out only)	ORGANIC GROWTH (Mix of sales-in and sales-out)	PHASING (Sales-out and recognized revenue occur simultaneously)
CONCEPT STORES	**INCLUDED**	**INCLUDED**	
PANDORA OWNED INCL. eSTORE	Retail prices Index 240	Retail prices Index 240	✓
FRANCHISE	Retail prices Index 240	Wholesale prices Index 100	✗
DISTRIBUTOR*	Retail prices Index 240	Distributor prices Index 70	✗
SHOP-IN-SHOP	**NOT INCLUDED**	**INCLUDED**	✗
MULTIBRANDED	**NOT INCLUDED**	**INCLUDED**	✗

* Not included in reported concept store revenue, as PANDORA sells to distributor warehouses, who then distributes to various sales channels

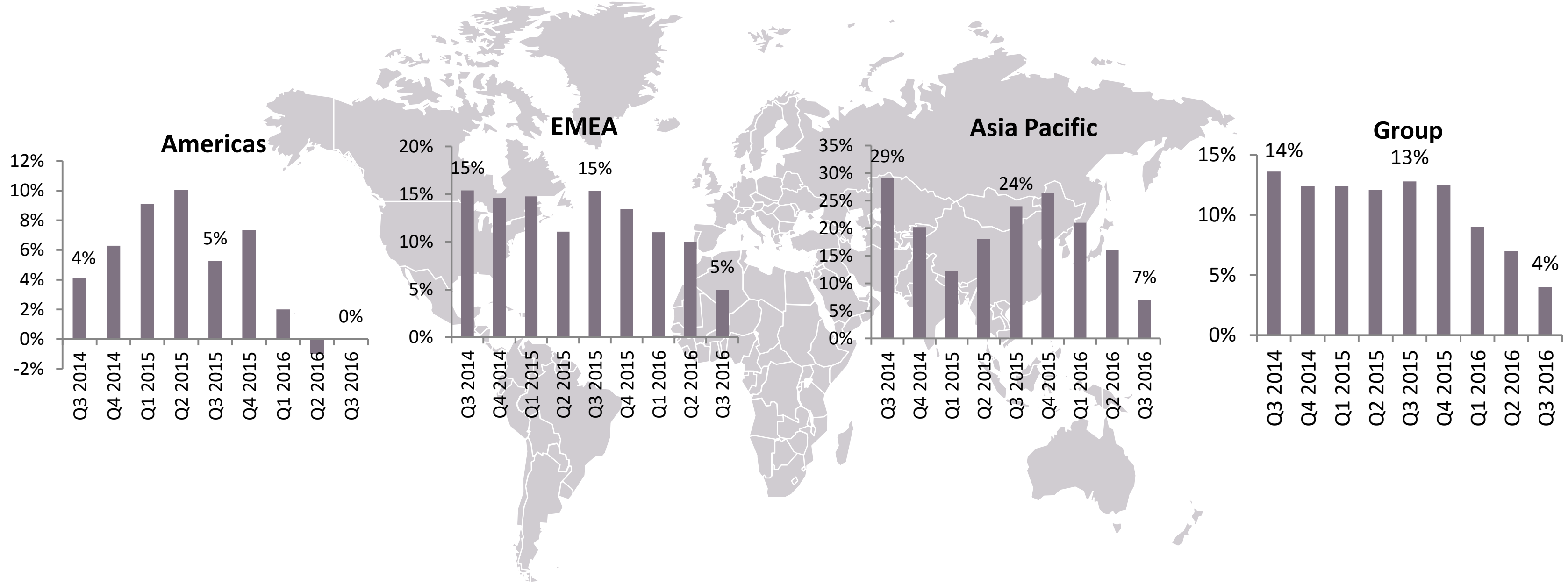
COMMENTS

- Distributor sales have large impact on like-for-like but limited impact on PANDORA's reported revenue
- All store types are included in organic growth
- Sales-out and recognized revenue do typically not occur at the same time

LIKE-FOR-LIKE SALES DEVELOPMENT BY REGION

LIKE-FOR-LIKE SALES DEVELOPMENT (Y/Y GROWTH)*

* Numbers do not include PANDORA eSTOREs



AGENDA AND KEY MESSAGES

Building a brand in an unbranded world

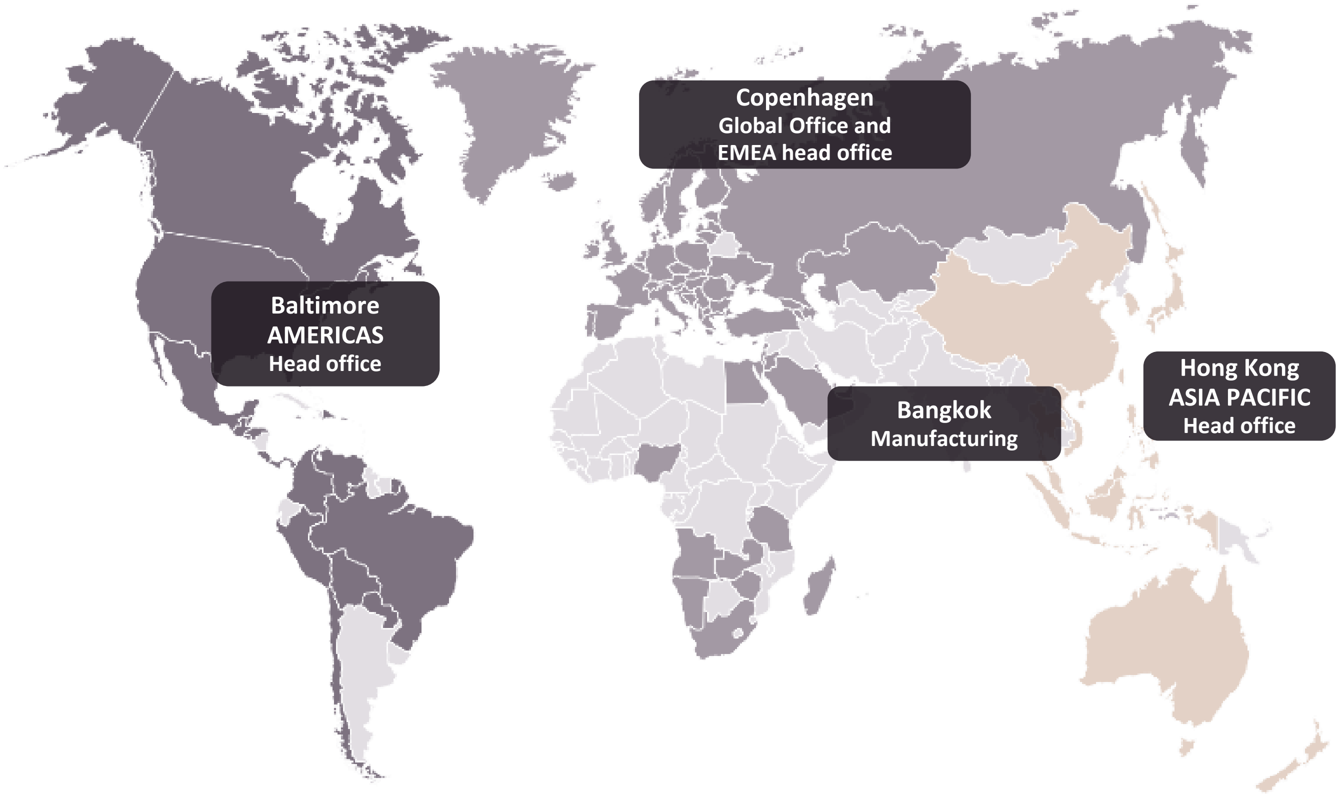
Providing a full jewellery offering

Focus on branded stores

Global expansion & scalable production

- Global appeal for products and brand – 100 countries
- 12,000 colleagues in our production in Thailand

AVAILABLE IN 100 COUNTRIES



FY 2015

AMERICAS
DKK 6.5bn
501 concept stores
39% of revenue

EMEA
DKK 7.5bn
1,033 concept stores
45% of revenue

ASIA PACIFIC
DKK 2.7bn
268 concept stores
16% of revenue

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WE CREATED MORE THAN 100 MILLION PIECES OF JEWELLERY

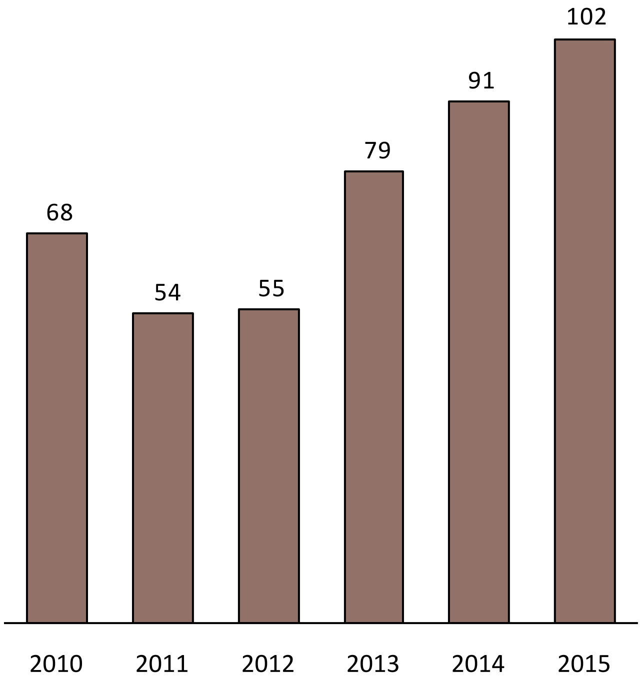
SCALABLE HIGH VOLUME PRODUCTION IN THAILAND

30 PAIRS OF HANDS

100 MILLION PIECES

2.6 BILLION STONES

MILLION PIECES OF JEWELLERY PRODUCED



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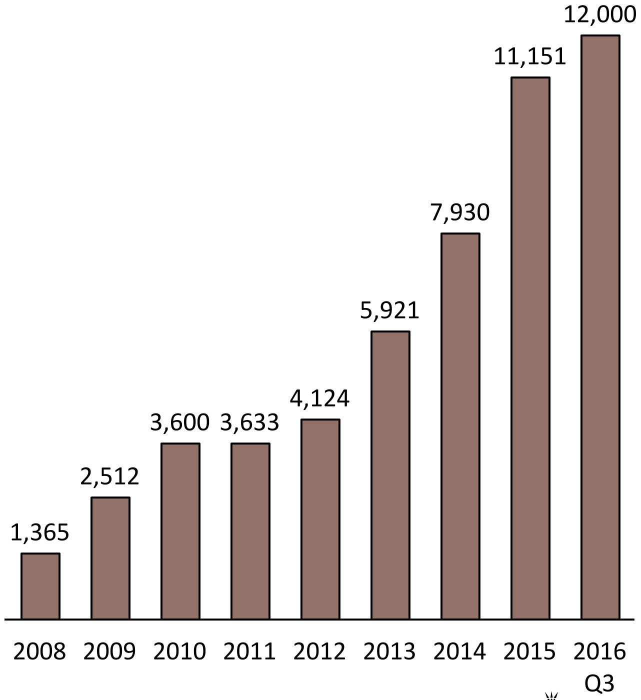
Source: Based on Annual Reports and Pandora Ethics Report 2015

HAND FINISHED BY OUR 12,000 COLLEAGUES IN THAILAND

PRODUCTION IN GEMOPOLIS AND SOON IN LAMPHUN

OF COLLEAGUES IN THAILAND



Source: Based on Interim Report 2016 Q3, Annual Report 2015 and earlier Annual Report

DIGITAL OPPORTUNITIES WITHIN EACH OF OUR GROWTH DRIVERS

Building a brand in an unbranded world	Consumer insights Marketing and branding
Providing a full jewellery offering	Products and services
Focus on branded stores	Distribution channels
Global expansion & scalable production	Organisational capabilities Operations and infrastructure

DEEP DIVE ON DIGITAL OPPORTUNITIES

Products and services

- Customise jewellery (Bracelet designer)
- WiFi in stores
- Smart jewellery
- Design own jewellery
- Recognise customer in store

Consumer insights

- Retail insight
- Social Media listening
- Brand tracking
- Point of sale system
- Big data

Marketing and branding

- CRM
- PANDORA Club
- Bloggers, Key Opinion Leaders, Facebook, Instagram etc.
- Loyalty cards

Distribution channels

- Zero to 18 eSTOREs in 4 years
- Multilevel channel – same prices
- Omni-channel
- Experience products online in 3d

Organisation and capabilities

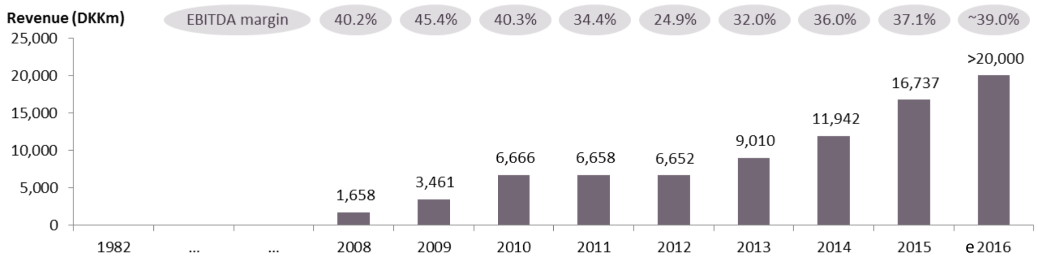
- Strong global IT function
- Weave digital thinking into:
  - Processes
  - Structures
  - Business decisions

Operations and infrastructure

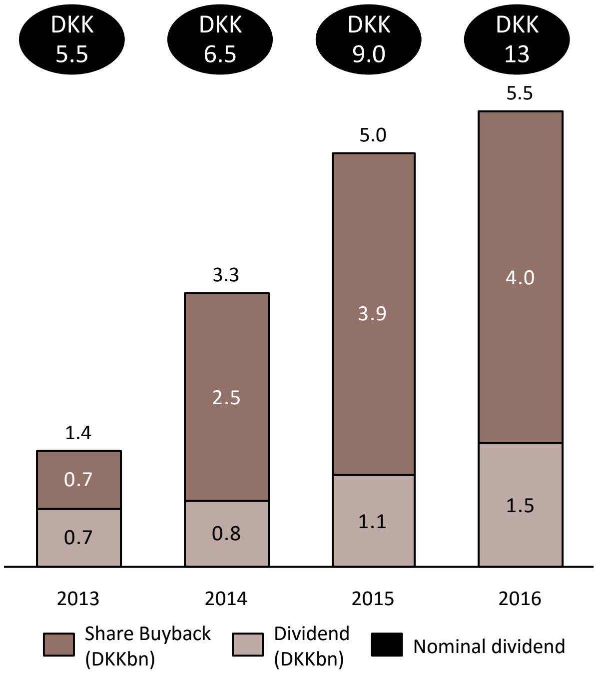
- Scalability
- Outsourcing
- 3d drawings
- 3d printing of prototypes
- 3d printing of masters
- 3d printing in stores

STRONG GROWTH AND CASH FLOW

GROWTH, NETWORK EXPANSION & BRAND BUILDING



WHILE RETURNING CASH TO OUR OWNERS



LOOKING AHEAD…

GUIDANCE FOR FULL YEAR 2016

	2016		2015
	GUIDANCE (current)*	GUIDANCE (previous)	ACTUAL
Revenue (DKK billion)	**>20**	>20	16.7
EBITDA margin	***~39%***	*>38%*	*37.1%*
CAPEX (DKK billion)	**Approx. 1.2**	Approx. 1.2	1.1
Effective tax rate	***Approx. 21%***	*Approx. 21%*	*31.3%*
Concept store, net openings	**>325**	>300	392

* Updated on 1 November 2016

GROWTH DRIVERS IN THE YEARS TO COME

NETWORK

- Open 200-300 concept stores annually
  - Enter new markets
  - Expand in existing markets
  - Develop and upgrade the network

SAME-STORE-GROWTH

- In-store execution and retail excellence
- Diversify across product categories
  - Focus on rings (2013)
  - Focus on earrings (2016)
- Innovate products
  - Pave (2012)
  - Disney (2014)
  - Rose (Global roll out: 2016)

KEY MESSAGES

Building a brand in an unbranded world	Affordable jewellery (25-125 EUR) for women The 2nd most known jewellery brand in the world
Providing a full jewellery offering	Charms and bracelets as the spearhead product Expanding to new categories – rings and earrings
Focus on branded stores	From zero to 2,000 concept stores in 10 years Mix of franchisee and PANDORA owned stores
Global expansion & scalable production	Global appeal for products and brand – 100 countries 12,000 colleagues in our production in Thailand

PANDORA – A SUCCESSFUL GROWTH STORY