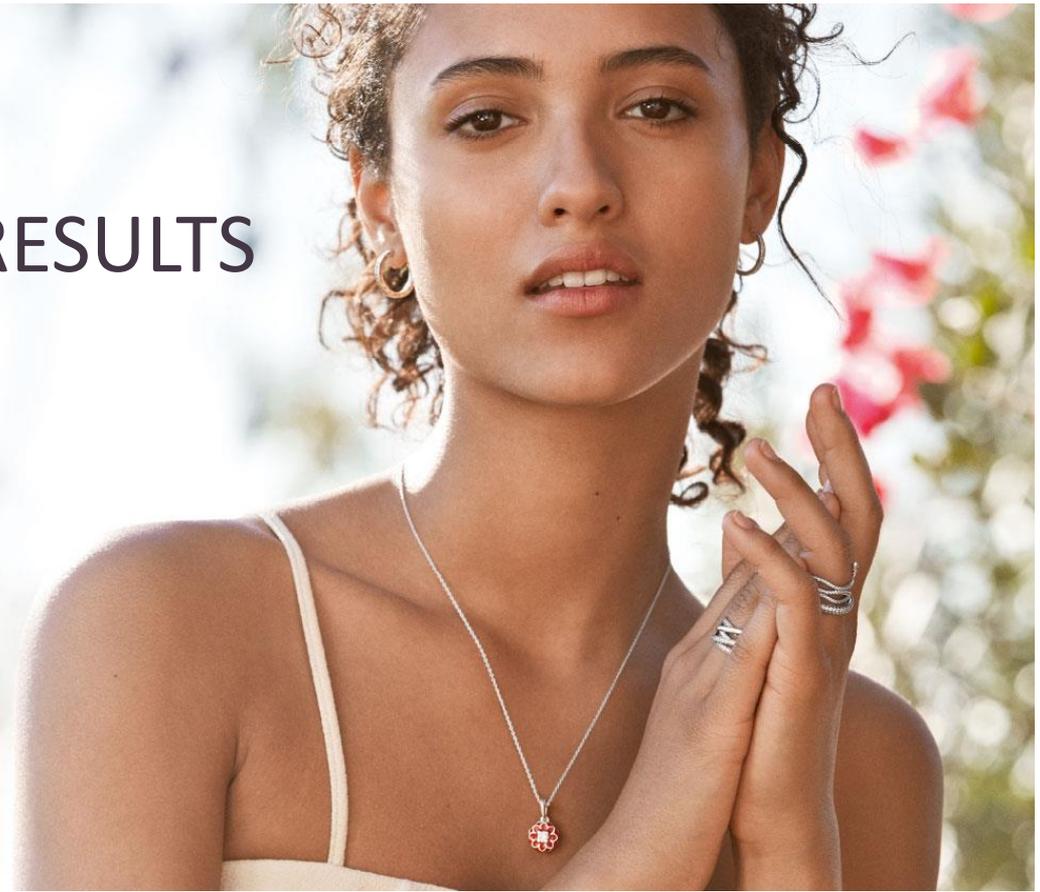


TELECONFERENCE Q2 2016 FINANCIAL RESULTS

10:00 CET, 9 AUGUST 2016



PANDORA

AGENDA

FINANCIAL HIGHLIGHTS Q2 2016

FINANCIAL EXPECTATIONS 2016

FINANCIAL REVIEW Q2 2016

SUMMARY



DISCLAIMER

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; and

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.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, our actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

We do not intend, and do not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law or the rules of NASDAQ Copenhagen. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this presentation.

FINANCIAL HIGHLIGHTS Q2 2016

HIGHLIGHTS

- Revenue in Q2 2016 was DKK 4,327 million, an increase of 20% (25% in local currency) compared to Q2 2015, driven by the three geographic regions impacted by:
 - Strong product launches and category diversity in all regions
 - 68 new concept stores opened in Q2 2016, and 366 in the last 12 months. Revenue from concept stores increased 39% and represented 63% of revenue compared with 54% in Q2 2015
 - eSTORE revenue contributed with around 4% of group revenue in Q2 2016 compared with around 2.5% in Q2 2015
- Continued relevant product offering resulting in 7% like-for-like growth in concept stores for the Group (excluding US eSTORE)
 - Continued double digit like-for-like growth in EMEA and Asia Pacific
 - Americas like-for-like was -1%, the US increased 2%
- EBITDA for Q2 2016 was DKK 1,609 million, up 23% compare with Q2 2015, corresponding to an EBITDA margin of 37.2%
- Free cash flow was DKK 576 million compared with DKK -268 million in Q2 2015
 - Q2 2015 was impacted negatively by DKK 642 million from a settlement with the Danish tax authorities
- DKK 4.0 billion share buyback programme on track – DKK 1.5 billion share buyback in Q2 2016

US PERFORMED WELL WITH 2% LIKE-FOR-LIKE AND A STRONG ESTORE DEVELOPMENT IN SPITE OF A GENERAL CHALLENGING RETAIL ENVIRONMENT

US PERFORMANCE IN LINE WITH EXPECTATIONS

POSITIVE LIKE-FOR-LIKE AND ESTORE DEVELOPMENT



8% (11% LC)
revenue increase
2% like-for-like growth



Strong performance
Traffic up 100% y/y

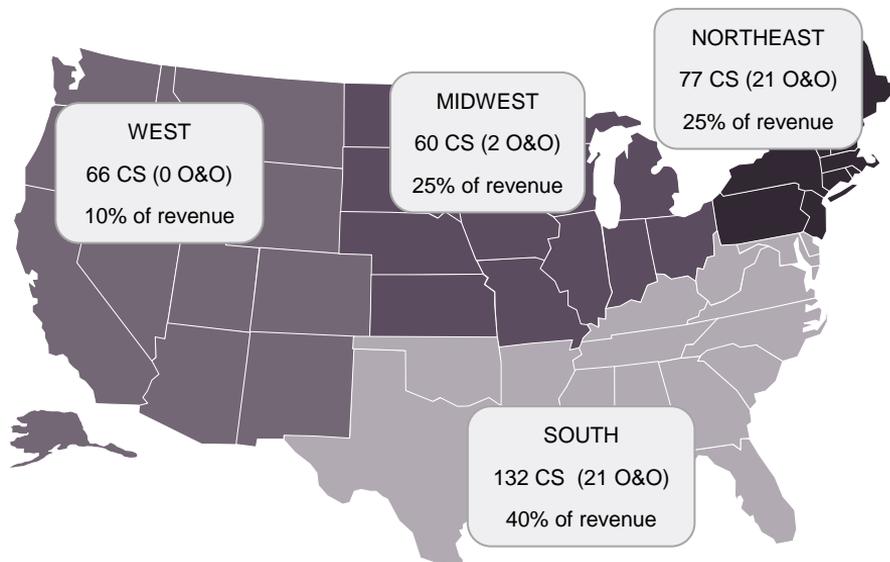


Rings share around Group level
Earrings double revenue



Network development in Q2:
7 concept stores (2 O&O)
111 shop-in-shops (98 Jared)
-388 multibranded stores

REGIONAL VIEW



2016 FINANCIAL EXPECTATIONS

FINANCIAL GUIDANCE 2016

| | 2016 | 2016 | 2015 |
|-----------------------------|-------------------|------------------------|--------|
| | GUIDANCE (new) | GUIDANCE (previous) | ACTUAL |
| Revenue, DKK billion | >20 | >20 | 16.7 |
| <i>EBITDA margin</i> | >38% | >38% | 37.1% |
| CAPEX, DKK billion | Approx. 1.2 | Approx. 1.0 | 1.1 |
| <i>Effective tax rate</i> | Approx. 21% | Approx. 21% | 31.3% |
| Concept store, net openings | >300 | >275 | 392 |



COMMENTS

- Revenue and EBITDA margin full year guidance maintained
 - Revenue of more than DKK 20 billion including a -3% impact from currency
 - EBITDA margin of more than 38%
- CAPEX is now expected to be DKK 1.2 billion
- Effective tax rate of approximately 21%
- Full year concept store openings upgraded to more than 300
 - Approx. 50% in EMEA; 25% in Americas; 25% in Asia Pacific

REGIONAL DEVELOPMENT

REVENUE BREAKDOWN BY REGION

| DKK million | Q2 2016 | Growth Q2/Q2 | Growth in local currency |
|--------------|--------------|--------------|--------------------------|
| Americas | 1,662 | 5% | 10% |
| EMEA | 1,873 | 28% | 32% |
| Asia Pacific | 792 | 43% | 51% |
| Total | 4,327 | 20% | 25% |

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

Concept stores (excluding eSTOREs) that have been operating for more than 12 months

| | Q2 2016 | Q2 2015 | FY 2015 |
|--------------|-----------|------------|------------|
| Americas | -1% | 10% | 7% |
| EMEA | 10% | 11% | 14% |
| Asia Pacific | 16% | 18% | 22% |
| Group | 7% | 12% | 13% |

COMMENTS

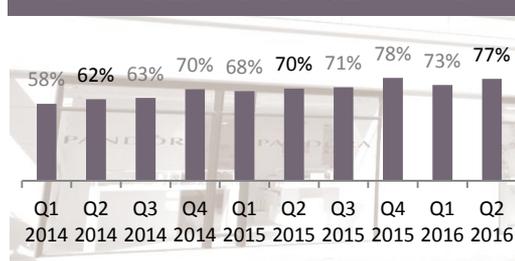
- 20% revenue growth driven by one third organic growth and two thirds network growth
 - 5pp negative impact from currency
- Americas revenue increase driven by the US
 - 2% like-for-like growth in the US
 - US eSTORE important revenue driver
- Continued strong growth in EMEA
 - Italy and France increased revenue with around 40% and 70% respectively with high double digit like-for-like growth
 - UK and Germany increased with low double digit like-for-like growth
- Asia Pacific growth driven by China and Pacific

REVENUE DEVELOPMENT PER SALES CHANNEL

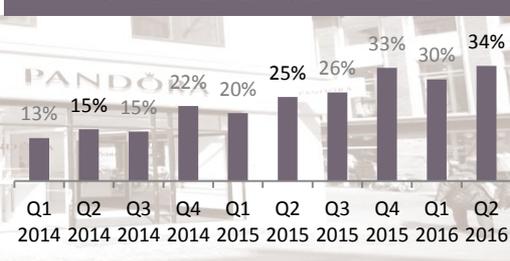
REVENUE PER SALES CHANNEL

| DKK million | Q2 2016 | Growth Q2/Q2 | Share of revenue |
|------------------------------------|--------------|--------------|------------------|
| Concept stores | 2,716 | 39% | 63% |
| - hereof PANDORA owned | 1,324 | 65% | 31% |
| Shop-in-shops | 626 | 11% | 14% |
| - hereof PANDORA owned | 143 | 64% | 3% |
| Branded | 3,342 | 33% | 77% |
| Multibranded | 703 | -1% | 16% |
| Total direct | 4,045 | 25% | 93% |
| 3 rd party distributors | 282 | -24% | 7% |
| Total revenue | 4,327 | 20% | 100% |

BRANDED REVENUE SHARE



O&O REVENUE SHARE



COMMENTS

- O&O revenue from concept stores increased 65% and contributed with 31% of revenue
 - Total O&O share of revenue increased 9pp to 34%
- Concept store revenue driven by all regions
- Shop-in-shop revenue increased 11%, driven by high growth in EMEA and Asia Pacific, offset partially by Americas as Q2 2015 was impacted by sell-in of the Disney collection
- Branded share of total revenue increased by 7pp to 77%
- Multibranded revenue declined 1% due to the closing of 1,261 points of sale
- 3rd party distributor revenue decline impacted by integration of China, Singapore & Macau

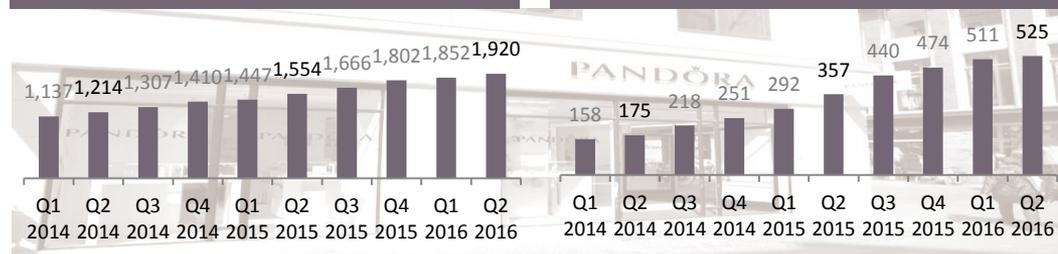
STORE NETWORK DEVELOPMENT

STORE NETWORK

| | Number of stores Q2 2016 | Share of total Q2 2016 | Net openings | |
|------------------------|-----------------------------|---------------------------|------------------------|------------------------|
| | | | Q2 2016 vs. Q1 2016 | Q2 2016 vs. Q2 2015 |
| Concept stores | 1,920 | 22% | 68 | 366 |
| - hereof PANDORA owned | 525 | 6% | 14 | 168 |
| Shop-in-shops | 1,827 | 20% | 161 | 252 |
| - hereof PANDORA owned | 118 | 1% | -1 | 24 |
| Branded | 3,747 | 42% | 229 | 618 |
| Multibranded | 5,172 | 58% | -336 | -1,261 |
| Total PoS | 8,919 | 100% | -107 | -643 |

TOTAL CONCEPT STORES

O&O CONCEPT STORES



COMMENTS

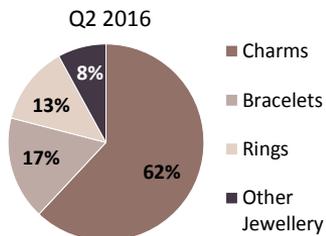
- 68 new concept stores opened in Q2 2016, to a total of 1,920 concept stores
 - Including the addition of 14 O&O concept stores in Q2 2016, to a total of 525 O&O concept stores
- Net opening of 161 shop-in-shops in Q2 2016, impacted by the collaboration with Jared by the upgrade of 98 multibranded stores to shop-in-shops
- 1,261 multibranded stores closed in the last 12 months, including Jared upgrades
 - Multibranded store closings primarily in the US, Italy, Germany, France and Spain

PRODUCT CATEGORY DEVELOPMENT

REVENUE PER PRODUCT CATEGORY

| DKK million | Q2 2016 | Growth Q2/Q2 | Share of revenue | Share of growth |
|--|--------------|--------------|------------------|-----------------|
| Charms | 2,697 | 10% | 62% | 33% |
| Bracelets | 736 | 34% | 17% | 26% |
| - Hereof Moments and ESSENCE collections | 587 | 63% | 14% | 31% |
| Rings | 544 | 42% | 13% | 22% |
| Other jewellery | 350 | 67% | 8% | 19% |
| Total revenue | 4,327 | 20% | 100% | 100% |

CATEGORY SHARE % OF REVENUE



RINGS SHARE OF REVENUE % OF LAST 12 MONTHS REVENUE



COMMENTS

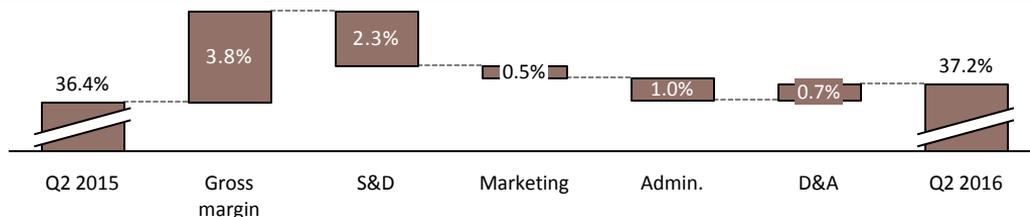
- Charms increased 10%, driven by Asia Pacific and EMEA partially offset by Americas
 - Flat revenue growth from Charms in the US, due to launch in shop-in-shops and multibranded stores of the Disney collection in Q2 2015
- Bracelets increased with 34% driven by 9 new bracelets launched in H1 2016
- Rings were up 42% and contributed with 13% of revenue for the quarter
- Earrings increased more than 80%, and generated around 4% of total revenue
- Necklaces increased close to 60%
- Rings, Earrings and Necklaces added more than 40% of the growth for Q2 2016

P&L OVERVIEW

COST AND PROFIT

| DKK million | Q2 2016 | Growth Q2/Q2 | Share of revenue Q2 2016 | Q2/Q2 (pp) | Share of revenue Q2 2015 |
|----------------------------------|--------------|--------------|--------------------------|------------|--------------------------|
| Gross profit | 3,260 | 27% | 75.3% | 3.8 | 71.5% |
| Operational expenses (incl. D&A) | 1,772 | 32% | 41.0% | 3.8 | 37.2% |
| - hereof sales & distribution | 894 | 35% | 20.7% | 2.3 | 18.4% |
| - hereof marketing | 405 | 27% | 9.4% | 0.5 | 8.9% |
| - hereof administrative | 473 | 32% | 10.9% | 1.0 | 9.9% |
| Depreciation and amortisation | 121 | 59% | 2.8% | 0.7 | 2.1% |
| EBITDA | 1,609 | 23% | 37.2% | 0.8 | 36.4% |
| Net financials | 57 | | | | |
| Income tax expenses | 324 | | | | |
| Net profit | 1,221 | 34% | 28.2% | 2.9 | 25.3% |

EBITDA MARGIN DEVELOPMENT (Y/Y)



COMMENTS

- Gross margin increased 3.8pp, driven by increased O&O share and favourable raw material prices
 - Gross margin impact of +/-1pp if 10% deviation on raw material prices
- Operational expenses were DKK 1,772 million, corresponding to 41% of revenue
 - S&D ratio increased 2.3pp driven primarily by higher revenue share from PANDORA owned stores
 - Marketing expenses was 9.4% of revenue, a 0.5pp increase, primarily driven by PR and media
 - Administrative expenses increased 32%, corresponding to 10.9% of revenue, impacted by the transition to a new IT service provider (1pp)

REGIONAL AND GROUP EBITDA MARGINS

REGIONAL EBITDA

| DKK million | Q2 2016 | Growth Q2/Q2 | EBITDA margin Q2 2016 | Q2/Q2 (pp) | EBITDA margin Q2 2015 |
|--------------|--------------|--------------|-----------------------|-------------|-----------------------|
| Americas | 670 | 11% | 40.3% | 2.0% | 38.3% |
| EMEA | 683 | 49% | 36.5% | 5.2% | 31.3% |
| Asia Pacific | 256 | 3% | 32.3% | -12.6% | 44.9% |
| Group | 1,609 | 23% | 37.2% | 0.8% | 36.4% |



COMMENTS

- Improved gross margin across all regions, driven by higher O&O share and lower hedged commodity prices
- EBITDA increased 23% to DKK 1,609 million driven by all regions
 - Americas' EBITDA margin increased 2pp primarily driven by a one-off due to reclaimed duty payments regarding prior years
 - EMEA's margin increased 5pp driven by increased operating leverage, while Q2 2015 was negatively impacted by a return provision in Germany (3pp)
 - Asia Pacific's margin decreased 13pp due to the expansion in China and Singapore

BALANCE SHEET AND CASH FLOW

WORKING CAPITAL AND CASH MANAGEMENT

| DKK million | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 | Q2 2015 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Inventory | 2,929 | 2,474 | 2,357 | 2,584 | 2,161 |
| Trade receivables | 1,253 | 1,361 | 1,360 | 1,392 | 1,009 |
| Trade payables | 1,239 | 1,259 | 1,329 | 1,036 | 979 |
| Operating working capital | 2,943 | 2,576 | 2,388 | 2,940 | 2,191 |
| - Share of revenue (last 12 months) | 15.8% | 14.4% | 14.3% | 19.6% | 15.7% |
| Free cash flow | 576 | 1,356 | 1,464 | 263 | -268 |
| CAPEX | 352 | 274 | 319 | 384 | 239 |
| NIBD to EBITDA (LTM) | 0.5x | 0.4x | 0.3x | 0.4x | 0.2x |



COMMENTS

- Operating working capital was 15.8% of revenue on par with Q2 2015 and increased compared to Q1 2016 primarily due to inventory build up ahead of the Autumn/Winter collection
- Free cash flow was DKK 576 million
- Increase in CAPEX investments was related to the production facilities in Thailand, a new HQ in Copenhagen, IT investments and new O&O stores
- NIBD to EBITDA ratio within capital structure policy

Q2 2016 SUMMARY



SUMMARY

- Revenue increased 20% (25% in local currency)
- Continued roll out of concept stores with the addition of 68 new concept stores during the quarter
- Gross margin was 75.3%
- EBITDA margin was 37.2%
- Free cash flow was DKK 576 million
- Revenue and EBITDA guidance maintained
 - CAPEX increased to approximately DKK 1.2 billion
 - Concept store openings increased to more than 300

Q&A

