

INVESTOR PRESENTATION FY 2016



PANDORA

AGENDA

FINANCIAL HIGHLIGHTS FY 2016

FINANCIAL REVIEW Q4 2016

FINANCIAL EXPECTATIONS 2017

APPENDIX



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.

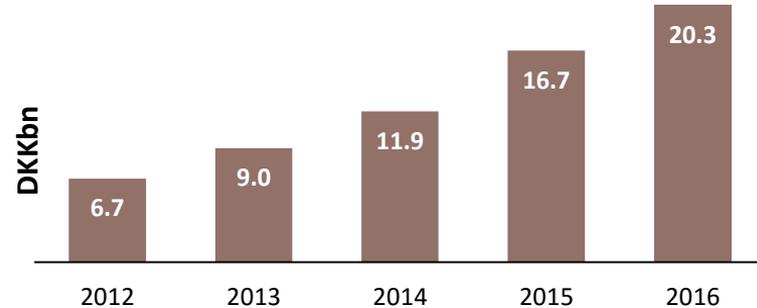
We do not intend, and do not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law or the rules of NASDAQ Copenhagen. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly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

ANOTHER GOOD YEAR FOR PANDORA

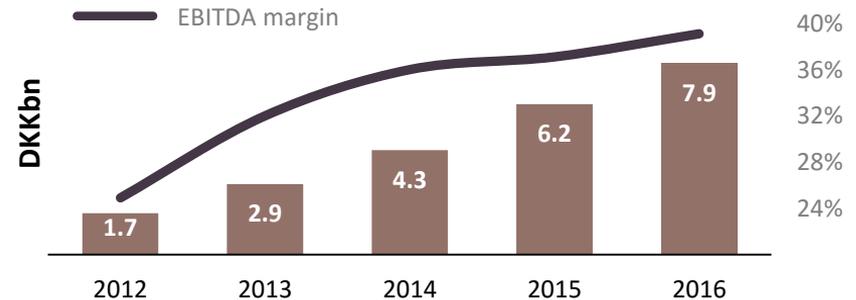
FY 2016 HIGHLIGHTS

- Total revenue increase 21% (or 24% in local currency) to DKK 20.3 billion
 - ~50% revenue growth from stores open more than 12 months and ~50% network expansion
- Net 336 new concept stores added in 2016
- EBITDA increase 27% to DKK 7.9 billion, corresponding to an margin of 39.1% (compared to 37.1% in 2015)
 - Supported by 1pp tailwind from commodities
- Free cash flow of DKK 5.4 billion
- PANDORA plans to return DKK 5.8 billion to shareholders
 - Total combined dividend of DKK 36 per share or DKK 4.0 billion in total
 - DKK 1.8 billion share buyback programme

5-YEAR REVENUE DEVELOPMENT



5-YEAR EBITDA DEVELOPMENT



IMPROVED CONSUMER EXPERIENCE IN THE UK



UK DEVELOPMENT	2015	2016	GROWTH
 NUMBER OF CONCEPT STORES	195	228	<u>33</u>
 LIKE-FOR-LIKES SALES OUT	~18%	~6%	
 PANDORA REVENUE (£mn)	241	301	<u>+25%</u>
ACTUAL EXAMPLE			
BIRMINGHAM 'CANNIBALISATION'	2015	2016	
 NUMBER OF CONCEPT STORES	7	11	<u>4</u>
 LIKE-FOR-LIKES SALES OUT	15%	2%	
 Sales-out revenue (£mn) (Average revenue per store)	20.6 (2.9)	26.0 (2.4)	<u>+26%</u>

COMMENTS
<ul style="list-style-type: none"> • 25% local currency growth in the UK on a fixed cost base (franchise revenue) • Strong and branded store network • 17 consecutive quarters positive like-for-like sales (15 of those with double digit like-for-like sales) • Retail expansion needed to clear queues and improve consumer experience

REVENUE GROWTH OF 19% IN LOCAL CURRENCY IN Q4 2016

REVENUE BY REGION

DKK million	Q4 2016	Growth Q4/Q4	Growth in local currency	FY 2016	Growth FY/FY	Growth in local currency
Americas	1,905	-3%	-4%	6,852	5%	6%
EMEA	3,378	21%	30%	9,556	27%	33%
Asia Pacific	1,319	40%	37%	3,873	46%	48%
Total	6,602	16%	19%	20,281	21%	24%

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

Concept stores that have been operating for more than 12 months

	Q4 2016 (incl. eSTORE)	Q4 2016 (excl. eSTORE)	Q4 2015 (excl. eSTORE)	FY 2016 (excl. eSTORE)
Americas	-1%	-3%	7%	-1%
EMEA	7%	4%	13%	7%
Asia Pacific	11%	9%	26%	13%
Group	5%	3%	13%	5%

COMMENTS

- 19% local currency revenue growth
 - 3pp negative impact from currency
- Americas revenue decline of 4% in local currency driven by network clean-up in North America
 - Closed around 700 points of sales in Q4 2016
- 30% local currency growth in EMEA
 - Primary revenue drivers are UK, Italy and France growing around 30%, 40% and 60% respectively
- Asia Pacific increase 37% in local currency
 - Growth driven by Australia and China, increasing revenue by around 30% and 100% respectively

COMPARING LIKE-FOR-LIKE SALES GROWTH 1-TO-1 WITH REPORTED GROWTH IS NOT MEANINGFUL

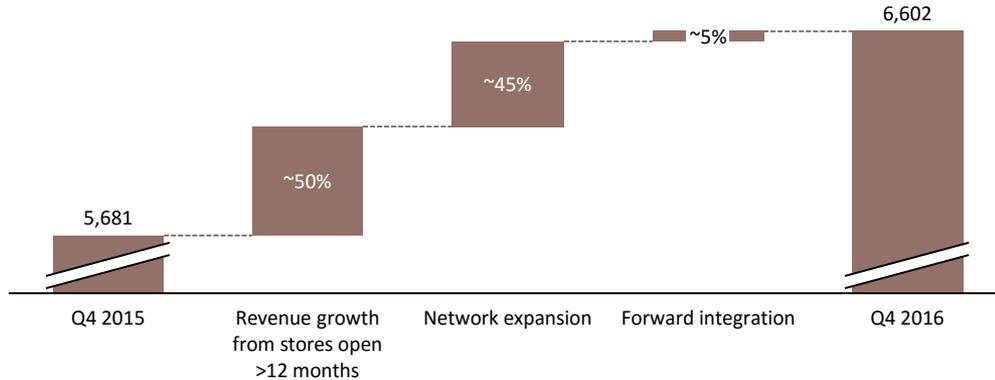
	 LIKE-FOR-LIKE SALES (Concept store sales-out only)	 REVENUE GROWTH IN STORES OPEN FOR >12 MONTHS (Mix of sell-in and sales-out,)	 TIMING OF SHIPMENTS (Sales-out and recognized revenue occur simultaneously)
 CONCEPT STORES	INCLUDED	INCLUDED	
PANDORA OWNED INCL. eSTORE	Retail prices Index 240	Retail prices 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	✗

- COMMENTS**
- Distributor sales have large impact on like-for-like but limited impact on PANDORA's reported revenue
 - All store types are included in revenue growth from stores open more than 12 months
 - Sales-out and reported revenue growth do typically not occur at the same time

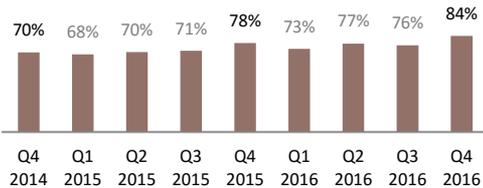
* Not included in reported concept store revenue, as PANDORA sells to distributor warehouses, who then distributes to various sales channels

BALANCED GROWTH BETWEEN NETWORK EXPANSION AND GROWTH IN EXISTING STORES

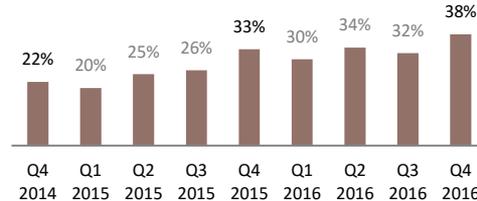
CONTRIBUTION TO GROWTH*



BRANDED REVENUE SHARE



O&O REVENUE SHARE



*Revenue growth from stores open >12 months: All stores, across all channels that have been open for more than 12 months.
 Network expansion: The net effect of opening and closing stores across all channels
 Forward integration: The net effect of PANDORA buying back distributor rights and franchisee stores

COMMENTS

- Revenue growth from stores open more than 12 months contributed with around 50% of the growth in Q4 2016
- Network expansion contributed with around 45% of revenue growth
- Forward integration, acquired stores and distribution rights, contributed with around 5% of the growth
- Highest branded share of revenue recorded at 84% of total revenue
- Highest O&O share of revenue recorded at 38%
 - The impact of more O&O vs. franchise is, that sales are booked later in the year

REVENUE DEVELOPMENT PER SALES CHANNEL

REVENUE PER SALES CHANNEL						
DKK million	Q4 2016	Growth Q4/Q4	Q4 2016 share of revenue	FY 2016	Growth FY/FY	FY 2016 share of revenue
Concept stores	4,878	31%	74%	13,306	37%	66%
- hereof PANDORA owned	2,359	37%	36%	6,266	55%	31%
Shop-in-shops	663	-6%	10%	2,516	4%	12%
- hereof PANDORA owned	181	2%	3%	617	34%	3%
Branded	5,541	25%	84%	15,822	30%	78%
Multibranded	528	-33%	8%	2,853	-7%	14%
Total direct	6,069	16%	92%	18,675	23%	92%
3 rd party distributors	533	15%	8%	1,606	5%	8%
Total revenue	6,602	16%	100%	20,281	21%	100%



COMMENTS

- O&O revenue from concept stores increased 37% and contributed with 36% of revenue
 - Total O&O share of revenue increased 6pp to 38%
- Shop-in-shop revenue decreased 6%, driven primarily by declining footfall and a tough retail environment
- Branded distribution generated 84% of revenue, up 6pp compared to Q4 2015
- Multibranded revenue declined 33% due to a net decrease of 1,829 points of sales
 - Primarily driven by North America, where around 700 points of sales were closed

STORE NETWORK DEVELOPMENT

STORE NETWORK

	Number of stores Q4 2016	Share of total Q4 2016	Net openings	
			Q4 2016 vs. Q3 2016	Q4 2016 vs. Q4 2015
Concept stores	2,138	26%	128	336
- hereof PANDORA owned	598	7%	35	124
Shop-in-shops	2,027	25%	40	353
- hereof PANDORA owned	111	1%	-1	-5
Branded	4,165	51%	168	689
Multibranded	3,966	49%	-958	-1,829
Total PoS	8,131	100%	-790	-1,140



COMMENTS

- 128 new concept stores opened in Q4 2016, to a total of 2,138 concept stores
 - Including the addition of net 35 O&O concept stores in Q4 2016, to a total of 598 O&O concept stores
- Net opening of 40 shop-in-shops in Q4 2016,
- 958 multibranded stores closed in the quarter, primarily as a consequence of the network cleanup in North America

SUCCESSFUL PRODUCT DIVERSIFICATION SUPPORT GROWTH

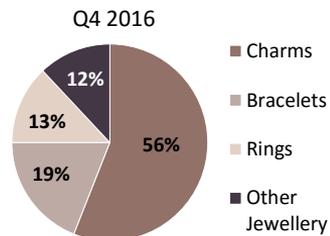
REVENUE PER PRODUCT CATEGORY

DKK million	Q4 2016	Growth Q4/Q4	Share of revenue	FY 2016	Growth FY/FY	Share of revenue
Charms	3,706	4%	56%	11,991	11%	59%
Bracelets	1,233	21%	19%	3,672	37%	18%
- Hereof Moments and ESSENCE	867	21%	13%	2,729	42%	13%
Rings	881	33%	13%	2,643	28%	13%
Other jewellery	782	81%	12%	1,975	72%	10%
Total revenue	6,602	16%	100%	20,281	21%	100%

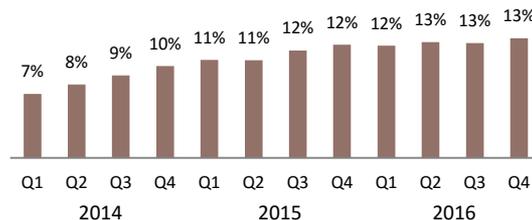
COMMENTS

- Charms increased 4%, driven by 30% growth in Asia Pacific and 10% in EMEA partially offset by Americas
 - Americas charms revenue impacted by returns from store closures
- Rings were up 33% and contributed with 13% of revenue for the quarter
- Earrings increased around 80%, and generated 6% of total revenue
- Necklaces increased around 75%
- Rings, Earrings and Necklaces contributed with 25% of the revenue for the quarter

CATEGORY SHARE % OF REVENUE



RINGS SHARE OF REVENUE % OF LAST 12 MONTHS REVENUE

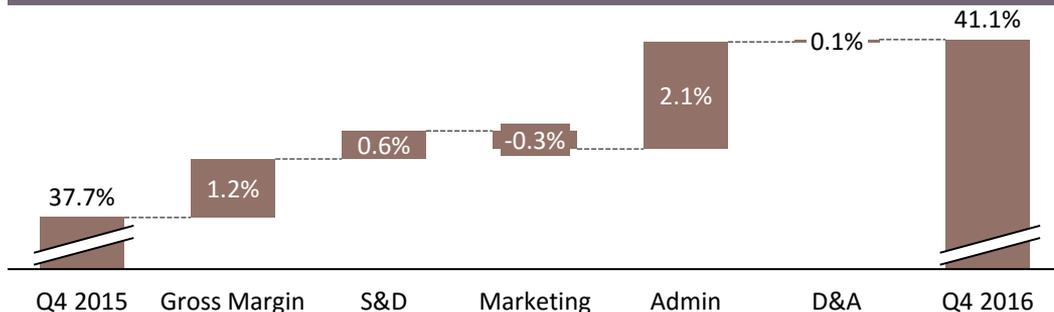


IMPROVED GROSS MARGIN AND OPEX DRIVE EBITDA MARGIN

COST AND PROFIT

DKK million	Q4 2016	Share of revenue Q4 2016	Share of revenue Q4 2015	FY 2016	Share of revenue FY 2016	Share of revenue FY 2015
Gross profit	4,963	75.2%	74.0%	15,223	75.1%	72.9%
Operational expenses (incl. D&A)	2,411	36.5%	38.8%	7,819	38.6%	38.1%
- hereof sales & distribution	1,185	17.9%	18.5%	4,011	19.8%	18.6%
- hereof marketing	716	10.8%	10.5%	1,827	9.0%	9.6%
- hereof administrative	510	7.7%	9.8%	1,981	9.8%	9.9%
Depreciation and amortisation	159	2.4%	2.5%	518	2.6%	2.4%
EBITDA	2,711	41.1%	37.7%	7,922	39.1%	37.1%

EBITDA MARGIN DEVELOPMENT Q4 2016 (Y/Y)



COMMENTS

- Gross margin increased 1.2pp, driven by increased O&O share and favourable raw material prices partially offset by currency moves
 - Gross margin impact of +/-1pp if 10% deviation on raw material prices
- Operational expenses improved by 2.3pp compared to Q4 2015
 - S&D ratio improved by 0.6pp driven by operational leverage
 - Increased media spend drives marketing expenses to 10.8% of revenue
 - Administrative ratio improved by 2pp to 7.7% of revenue, primarily due to leverage and a one-off costs of DKK 75 million in Q4 2015

REGIONAL AND GROUP EBITDA MARGINS

REGIONAL EBITDA

DKK million	Q4 2016	Growth Q4/Q4	EBITDA margin Q4 2016	FY 2016	Growth FY/FY	EBITDA margin FY 2016
Americas	614	2%	32.2%	2,503	12%	36.5%
EMEA	1,570	35%	46.5%	3,996	37%	41.8%
Asia Pacific	527	40%	40.0%	1,423	36%	36.7%
Group	2,711	26%	41.1%	7,922	27%	39.1%



COMMENTS

- EBITDA increased 26% to DKK 2.7 billion driven by all regions
 - Americas' margin increased 1.5pp positively impacted by improved gross margin and leverage in the existing store base, partially offset by the store closures in North America
 - EMEA's margin increased 3.4pp driven by increased operating leverage due to higher revenue and improved gross margin
 - Asia Pacific's margin decreased 0.1pp

CONTINUED STRONG CASH FLOW SUPPORTED BY WORKING CAPITAL FOCUS

WORKING CAPITAL AND CASH MANAGEMENT

DKK million	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Inventory	2,729	3,166	2,929	2,474	2,357
- Share of revenue (last 12 months)	13.5%	16.4%	15.7%	13.8%	14.1%
Trade receivables	1,673	1,976	1,253	1,361	1,360
- Share of revenue (last 12 months)	8.2%	10.2%	6.7%	7.6%	8.1%
Trade payables	1,622	1,309	1,239	1,259	1,329
- Share of revenue (last 12 months)	8.0%	6.8%	6.6%	7.0%	7.9%
Operating working capital	2,780	3,833	2,943	2,576	2,388
- Share of revenue (last 12 months)	13.7%	19.8%	15.8%	14.4%	14.3%
Free cash flow	2,849	577	576	1,356	1,464
CAPEX	249	324	352	274	319
NIBD to EBITDA (last 12 months)	0.3x	0.6x	0.5x	0.4x	0.3x
Selected KPIs					
Days Sales of Inventory					
- last 6 months of COGS (183 days)	179	262	236	169	173
Days Sales of Outstanding					
- last 3 months of wholesale revenue (90 days)	37	56	39	37	32

COMMENTS

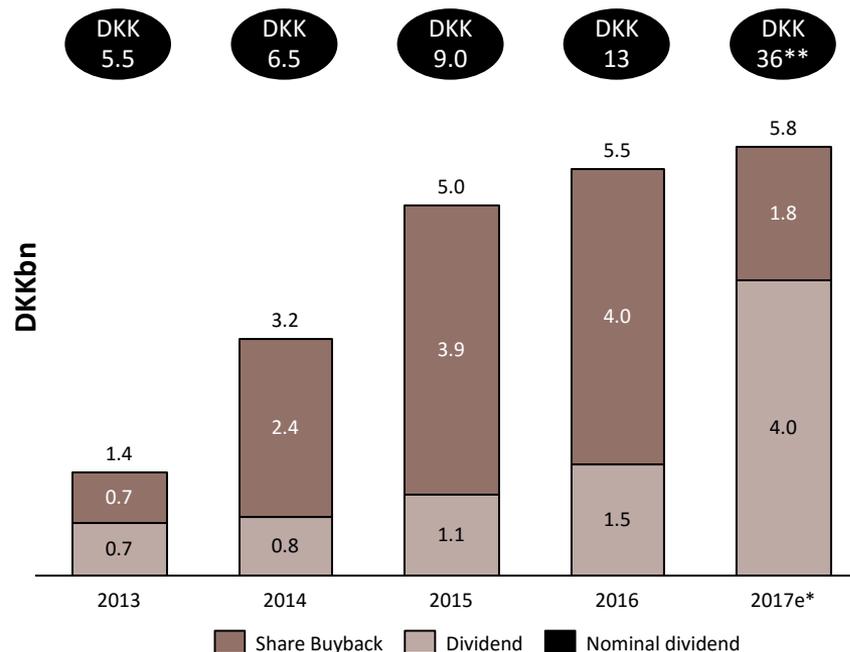
- Operating working capital was 13.7% of revenue compared with 14.3% in Q4 2015 and decreased compared to Q3 2016
 - The Q/Q decrease in inventory is related to the expected de-stocking following a strong Q4 2016
 - The Q/Q decrease in receivables is due to a strong cash collection
 - The Q/Q increase of payables is driven by increasing activity across the group
- CAPEX investments amounted to DKK 249 million in the quarter
- NIBD to EBITDA was 0.3x by the end of Q4 2016, on par with Q4 2015

HEALTHY CASH FLOW ENABLES PANDORA TO DISTRIBUTE DKK 5.8 BILLION

HIGHLIGHTS

- Capital structure ratio target of 0–1x NIBD/EBITDA
 1. Repayment of interest bearing debt if outside the capital structure policy
 2. Funding of value creating business opportunities
 3. Distribution to shareholders
- Board of Directors plan to distribute DKK 4.0 billion in dividends in 2017 (in total DKK 36 per share)
 - DKK 1 billion in ordinary dividend
 - DKK 3 billion in extraordinary quarterly dividends
- Share buyback programme for 2016 finalised
 - Cancellation of 3.9% of the total share capital
- New share buyback programme of up to DKK 1.8 billion initiated, finalised no later than 6 February 2018

5-YEAR CASH DISTRIBUTION DEVELOPMENT



* Share buyback programme in 2017 will begin on 7 February, and conclude no later than 6 February 2018

** The dividend in 2017, is a combination of an ordinary dividend of DKK 9 per share, and three extraordinary quarterly dividends of DKK 9 per share

2017 FINANCIAL EXPECTATIONS

FINANCIAL GUIDANCE 2017

	2017	FY 2016
	GUIDANCE	ACTUAL
Revenue, DKK billion	23 – 24	20.3
<i>EBITDA margin</i>	<i>Approx. 38%</i>	39.1%
CAPEX, share of revenue	Around 5% of revenue	5.9% of revenue
<i>Effective tax rate</i>	<i>Approx. 21%</i>	21.2%
Concept store, net openings	>275	336



COMMENTS

- Revenue between DKK 23 billion and DKK 24
 - Expect single digit revenue growth in Q1 2017
- EBITDA margin of around 38%
 - Commodity prices and foreign exchange, primarily USD, will negatively impact margins compared to FY 2016
- CAPEX at around 5% of revenue
- Effective tax rate of approximately 21%
- Concept store openings of more than 275 of which ~1/2 will be PANDORA owned stores

SUMMARY



SUMMARY

- Revenue for 2016 increase 21% or 24% in local currency
- Concept store base increased to more than 2,100 stores
 - Clean-up of multibranded store network continued
- EBITDA margin was 39.1% resulting in DKK 5.4 billion in free cash flow
- Proposed cash return of DKK 5.8 billion in 2017

- Revenue for 2017 expected to increase to DKK 23-24 billion
- The branded store expansion will continue, including an increased focus on PANDORA owned stores
- Geographic focus to expand to less explored geographies, including Latin America and India

APPENDIX



CONCEPT STORES PER MARKET

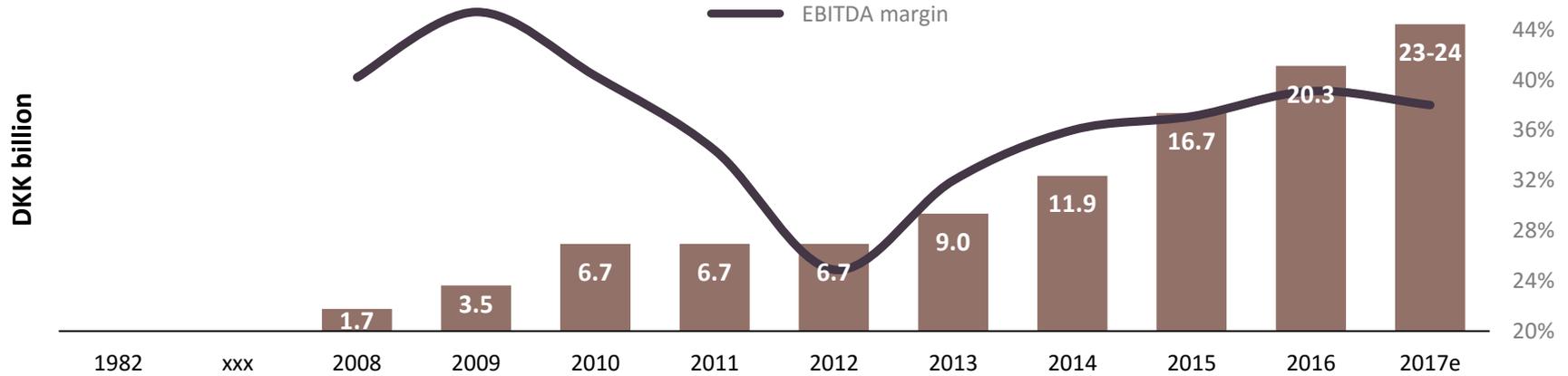
	Number of concept stores Q4 2016	Number of concept stores Q3 2016	Number of concept stores Q4 2015	Growth Q4 2016 /Q3 2016	Growth Q4 2016 /Q4 2015	Number of O&O Q4 2016	Growth O&O stores Q4 2016 /Q3 2016
US	346	340	319	6	27	46	-
Brazil	89	82	68	7	21	50	4
Canada	78	73	71	5	7	2	-
Caribbean	24	21	18	3	6	-	-
Mexico	19	17	14	2	5	-	-
Rest of Americas	32	26	11	6	21	-	-
Americas	588	559	501	29	87	98	4
UK	228	217	195	11	33	13	-
Russia	208	205	206	3	2	-	-
Germany	156	157	158	-1	-2	142	-2
Italy	75	66	52	9	23	27	5
France	71	60	55	11	16	27	4
Spain	55	50	35	5	20	-	-
Poland	43	41	39	2	4	20	2
South Africa	32	30	29	2	3	-	-
Ireland	29	27	22	2	7	-	-
Belgium	25	24	24	1	1	-	-
Ukraine	23	22	19	1	4	-	-
Portugal	22	20	16	2	6	-	-
Netherlands	20	21	19	-1	1	20	-1
United Arab Emirates	19	19	14	-	5	19	-
Czech Republic	17	14	13	3	4	10	-
Romania	15	13	10	2	5	9	-
Israel	14	14	13	-	1	-	-
Austria	14	12	12	2	2	7	2
Denmark	14	11	11	3	3	14	3
Turkey	13	13	10	-	3	13	-
Greece	13	13	11	-	2	-	-
Rest of EMEA	100	87	70	13	30	20	2
EMEA	1,206	1,136	1,033	70	173	341	15
Australia	112	109	101	3	11	17	-
China	97	81	53	16	44	97	16
Hong Kong	29	28	25	1	4	25	-
Malaysia	27	25	24	2	3	-	-
Singapore	14	14	15	-	-1	11	-
New Zealand	13	12	12	1	1	-	-
Philippines	16	11	8	5	8	-	-
Rest of Asia Pacific	36	35	30	1	6	9	-
Asia Pacific	344	315	268	29	76	159	16
All markets	2,138	2,010	1,802	128	336	598	35

PANDORA AT A GLANCE



- Founded in 1982 by Per and Winnie Enevoldsen
- The PANDORA charm bracelet was launched in 2000
- Present in more than 100 countries across six continents
- PANDORA's cornerstone product is the collectible charm bracelet, complemented by a range of other jewellery
- Positioned within the affordable luxury segment of fine jewellery
- Vertically integrated business model, from in-house design and production to global marketing and distribution

A FANTASTIC GROWTH STORY



The journey begins Consolidation Globalisation Next phase

- ❖ '82: Founded by Per
- ❖ '05: Large scale production
- ❖ '00: Signature bracelet
- ❖ '08: Axcel Acquisition
- ❖ '03-'05: Entry in US, DE, UK & AUS
- ❖ '10: IPO
- ❖ '10: Several large production facilities
- ❖ '11: 500 Concept stores
- ❖ '15: +15.000 employees
- ❖ '15: 100m units produced
- ❖ '14: 1,000 Concept stores
- ❖ '17: Production across Thailand
- ❖ '16: 2,000 Concept stores

PRODUCT DEVELOPMENT

SIMPLE DESIGNS IN YEAR 2000



EVOLVED AND SOPHISTICATED PRODUCTS TODAY

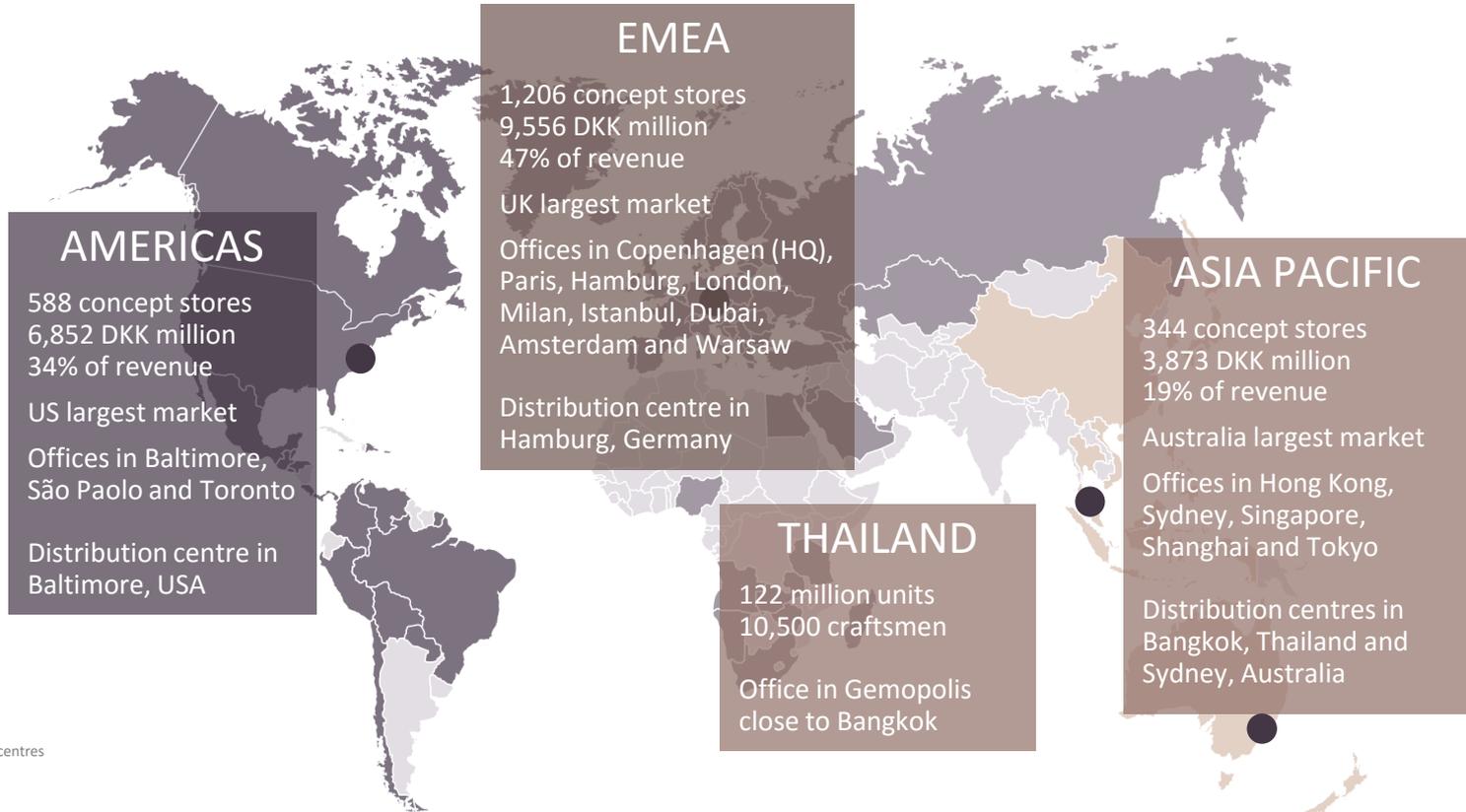


VERTICALLY INTEGRATED BUSINESS MODEL

PANDORA operates and manages a vertically integrated business model, from in-house design and production to global marketing and direct distribution in most markets.

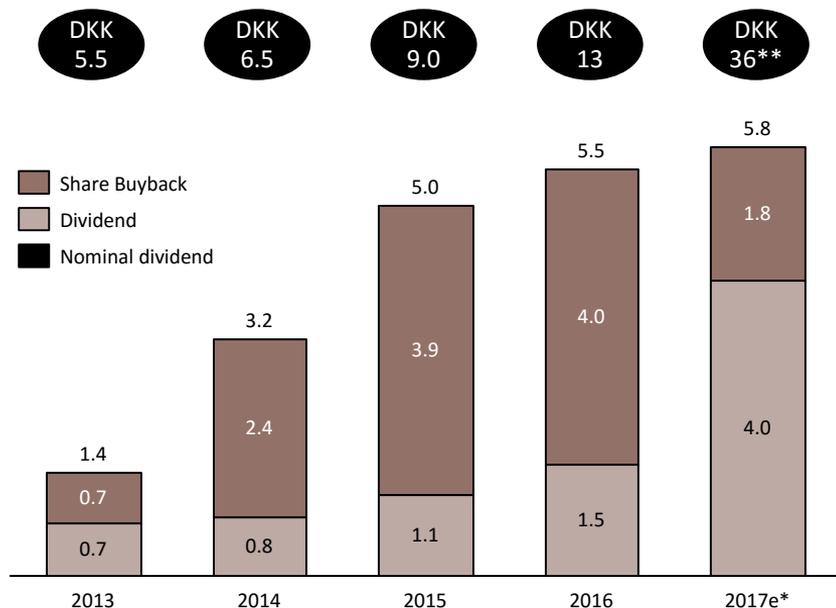


PANDORA OVERVIEW (FY 2016)



CAPITAL STRUCTURE AND CASH ALLOCATION

DIVIDEND AND SHARE BUYBACK (DKKbn)



* Share buyback programme in 2017 will begin on 7 February, and conclude no later than 6 February 2018

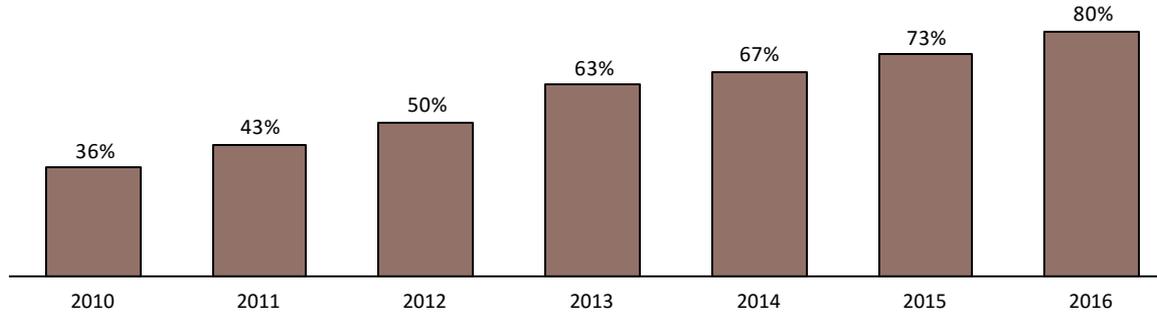
** The dividend in 2017, is a combination of an ordinary dividend of DKK 9 per share, and three extraordinary quarterly dividends of DKK 9 per share

DISTRIBUTION OF CASH

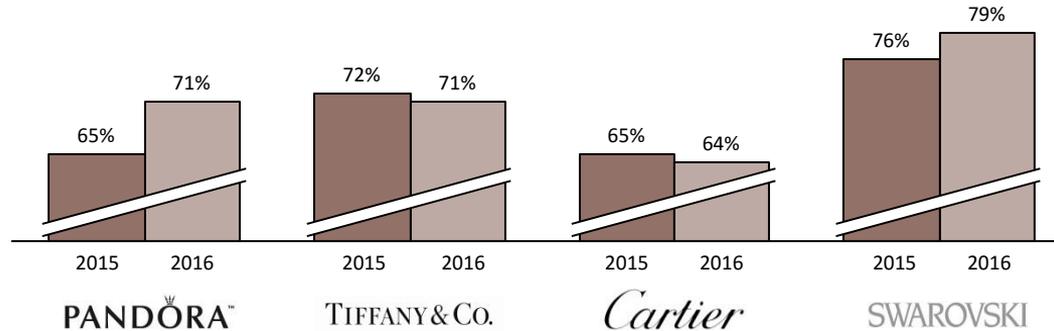
- Provide sufficient financial flexibility, while maintaining a stable financial structure and a conservative balance sheet
- Capital structure ratio of 0–1x NIBD to EBITDA – Aim to keep at the lower end of target interval
- Temporarily exceed range in case of larger acquisitions
 1. Repayment of interest bearing debt if outside the capital structure policy
 2. Funding of value creating business opportunities
 3. Distribution to shareholders
- Aspire to increase the total annual nominal dividend per share
- Share buyback programme to supplement dividends

BUILD A GLOBAL BRAND

AIDED BRAND AWARENESS [25 Markets]



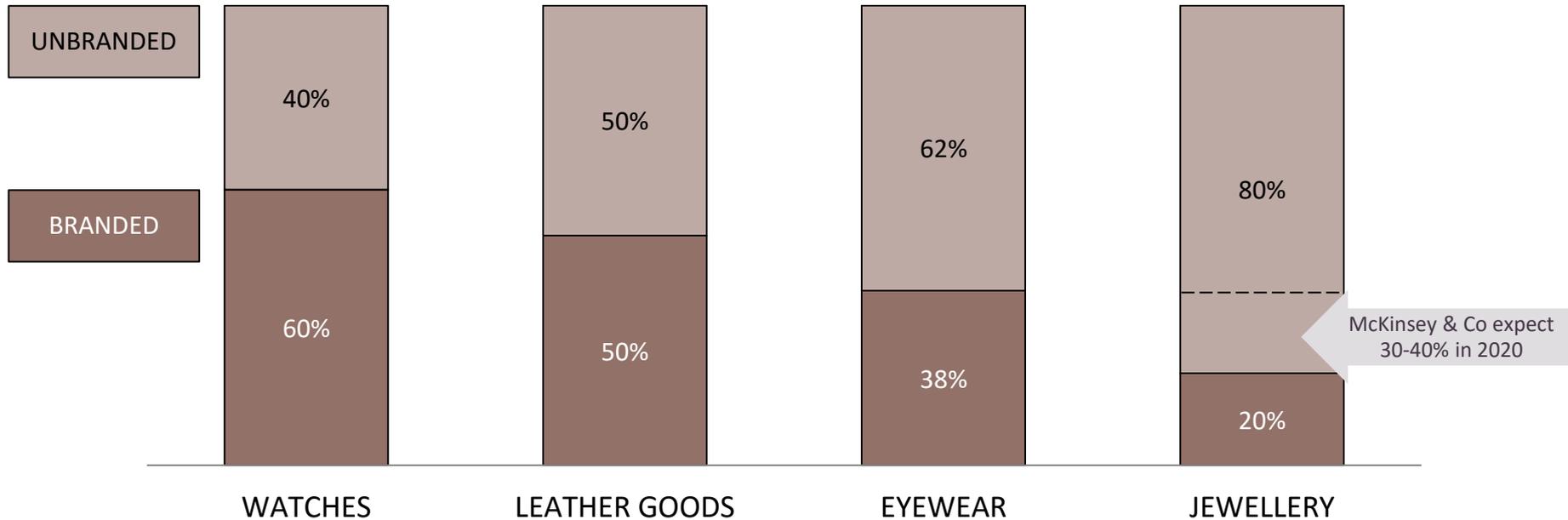
JEWELLERY COMPANIES - AIDED BRAND AWARENESS [31 Markets]



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 66% unweighted in 2014.

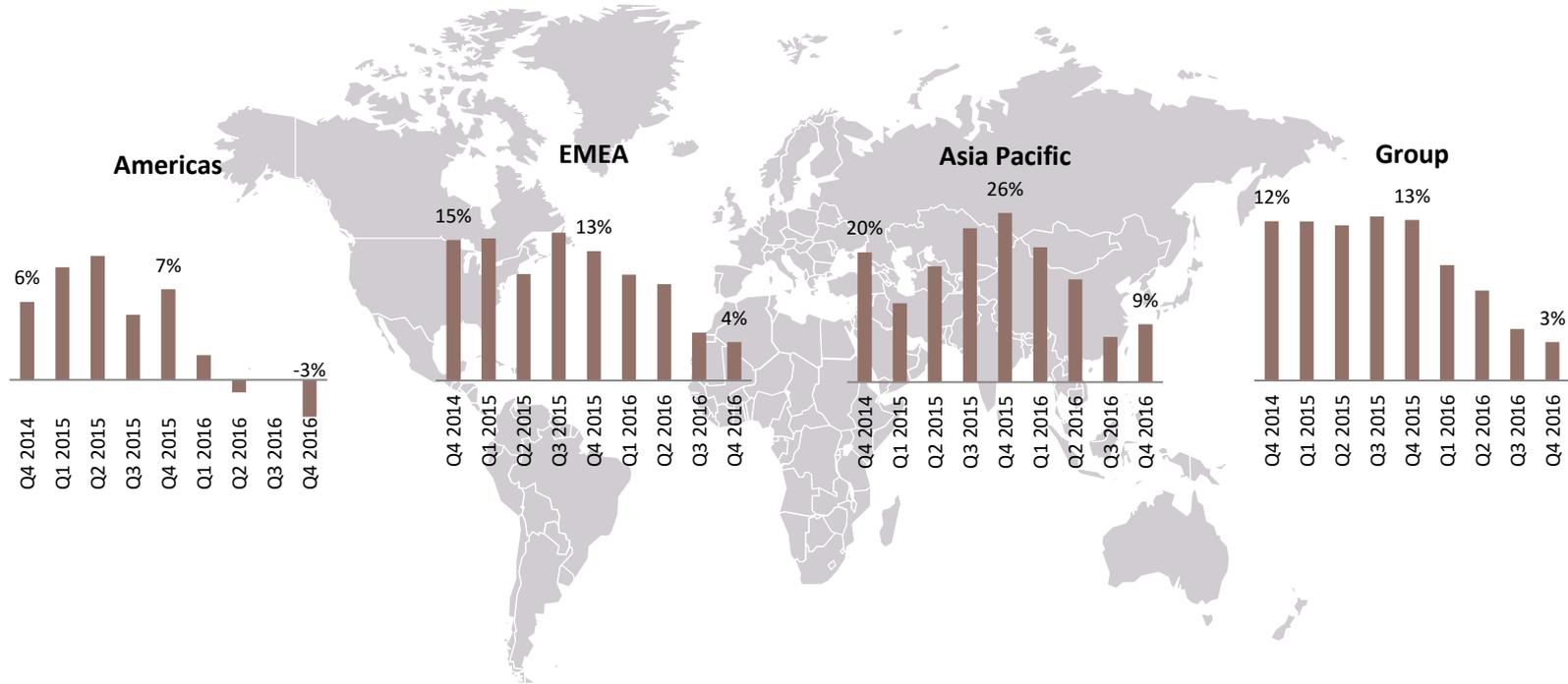
20% OF THE GLOBAL JEWELLERY MARKET IS BRANDED – AND SHARE IS GROWING



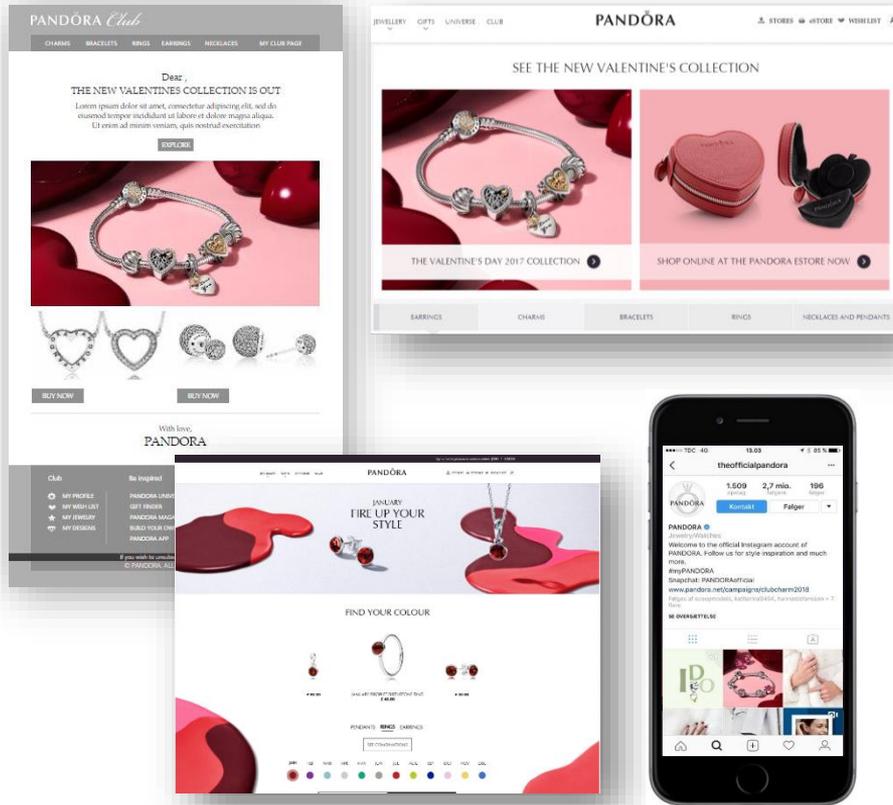
Based on PANDORA's analysis of multiple sources, including a market study commissioned by PANDORA from Bain & Company and information otherwise obtained from McKinsey, Verdicit, A&M Mindpower Solutions and IBIS World.
Source: McKinsey projection in 'A multifaceted future: The jewellery industry in 2020'.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

LIKE-FOR-LIKE SALES DEVELOPMENT BY REGION

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



PANDORA ONLINE



ONLINE PLATFORMS

PANDORA eSTOREs available in 17 countries across the three regions, incl. China, Australia, Hong Kong, Italy, the UK, the US etc. (Q4 2016)

+10.7 million Facebook fans

+9.5 million (4 million have a wish list)
PANDORA Club members

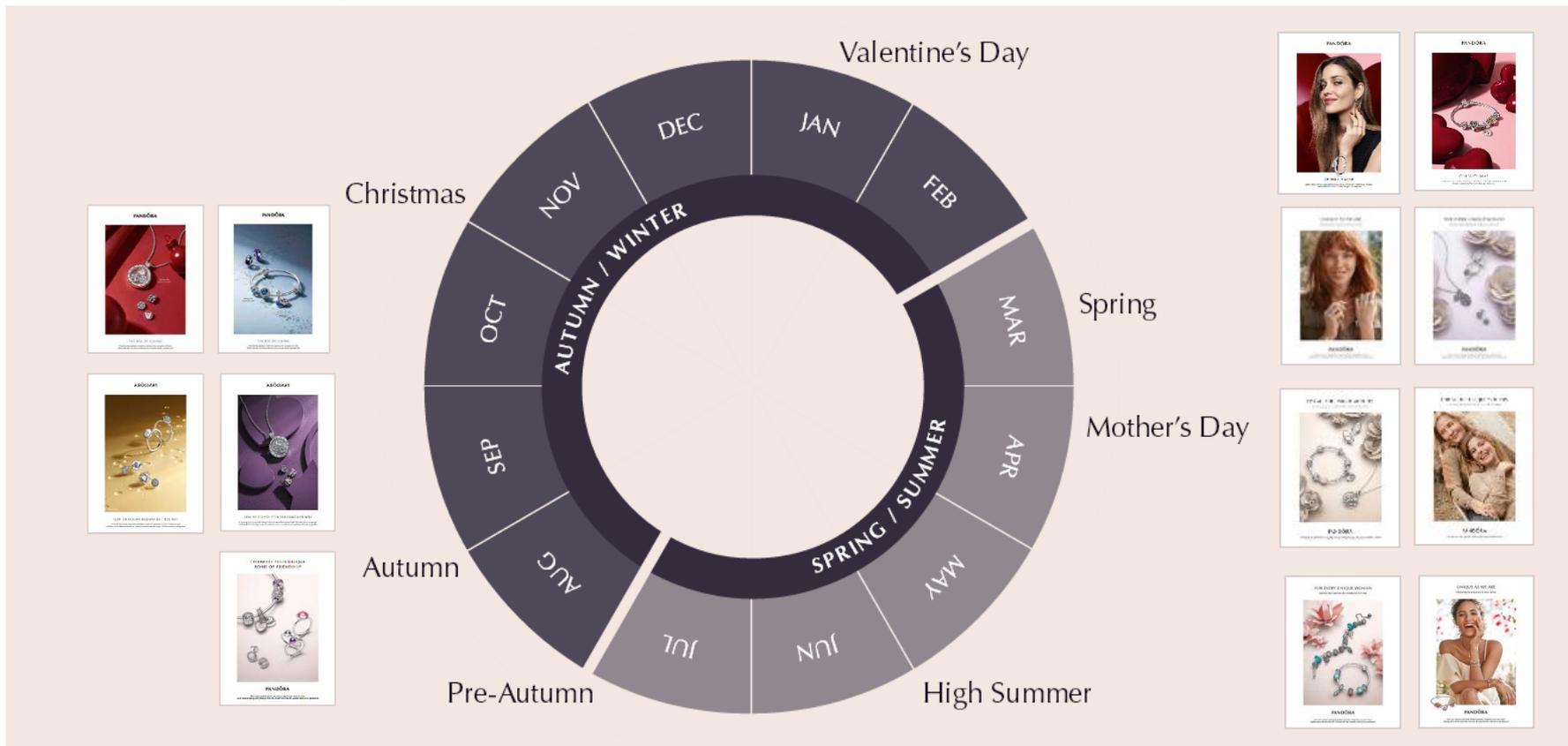
142 million visits
on www.pandora.net in 2016

20 years spent watching videos
on our site in 2016, 3x timer higher than in 2015

PANDORA iPhone and Android apps
downloaded more than 5.1 million times

Other social media platforms
Instagram, YouTube, Pinterest, Twitter and more

SEVEN LAUNCHES (DROPS) EACH YEAR



PRODUCTION IN THAILAND

PANDORA IN THAILAND

- PANDORA has produced jewellery in Thailand since 1989
- Highly skilled workforce – around 10,500 in-house trained craftspeople
- Standardised production processes combining modern production techniques with centuries-old craftsmanship traditions
- Scalable production – state-of-the-art crafting facilities

WHY CRAFTING IN THAILAND?

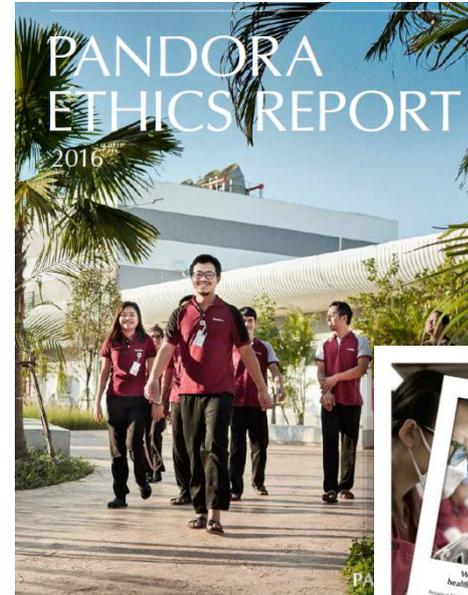
- One of the world's largest jewellery exporting countries
- Long tradition for high-quality jewellery production
- Good infrastructure for jewellery production and easy access to raw material suppliers
- High-quality craftsmanship from skilled, engaged workers at competitive salary levels



CORPORATE SOCIAL RESPONSIBILITY

PANDORA is committed to advancing responsible business practices from the sourcing of gemstones, precious metals and other materials to the crafting and marketing of our jewellery. We ensure this through:

- **United Nations Global Compact**
 - Commitment to ten principles for responsible business practices
- **Responsible Jewellery Council**
 - PANDORA Group RJC Certified in August 2012
 - Engaged in RJC's Standards Committee
- **Supplier Standards**
 - One Code of Conduct for all PANDORA suppliers
 - CSR Supplier programme to ensure ethical sourcing
- **PANDORA CSR Reports**
 - We communicate regularly on our progress in advancing responsible business practices
- **PANDORA Ethics**
 - A comprehensive CSR programme that help us define and implement our ethical policies, tools and guidelines
- **CSR site on www.pandoragroup.com/csr**
 - Learn more about PANDORA's CSR Policy and approach



BUSINESS STRATEGY WITH COMPELLING GROWTH DRIVERS



FULL JEWELLERY PRODUCT OFFERING

- Offer affordable luxury jewellery
- Further activate existing assortment
- Protect and develop charms and bracelets categories
- Continue our move into other jewellery categories



ONE BRAND – TARGETED SEGMENTS

- Strengthen the perception of PANDORA as a jewellery brand
- One brand – across the globe
- Employ a segmented approach



BRANDED RETAIL EXCELLENCE

- Focus on concept stores – franchise is our preferred model
- Develop e-commerce and build omni-channel capabilities
- Deliver consistent consumer experience and excellent retail executions



BALANCED GLOBAL BUSINESS

- Seek growth opportunities by expanding in new and emerging markets
- Further penetrate and realise potential in developed markets

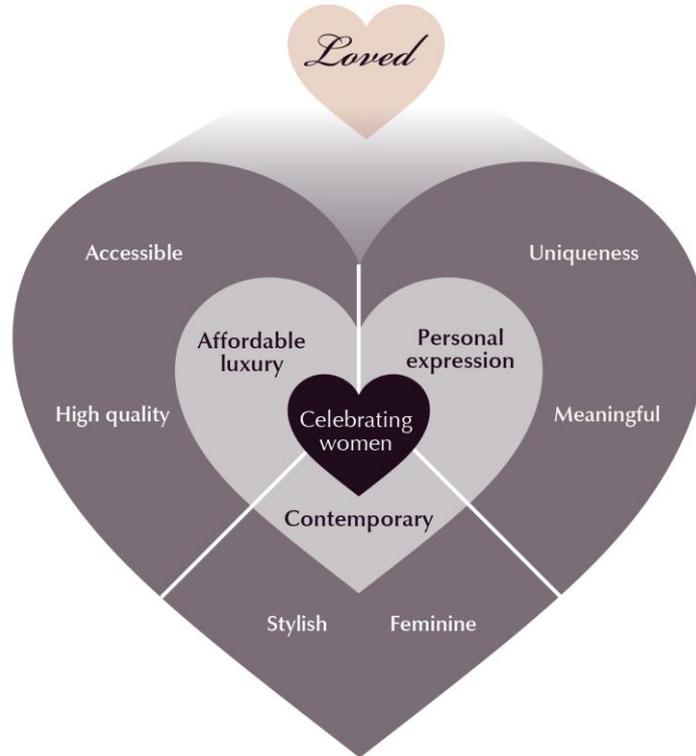
PANDORA BRAND DNA

PANDORA jewellery is accessible to a wide target audience due to broad pricing and distribution.

Step-by-step buying allows every woman to evolve her personal collection and trade up over time

PANDORA jewellery is hand-finished and made from genuine metals to ensure long-lasting jewellery

PANDORA's designs are timeless, yet constantly renewed to appear modern in the eyes of consumers. PANDORA jewellery uses romantic design elements to create a rich universe with strong associations to love and family life



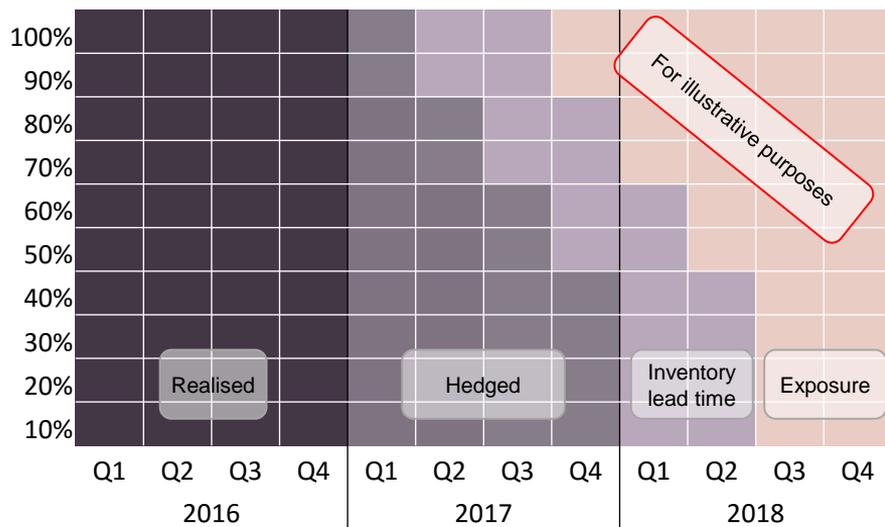
PANDORA jewellery can be mixed and matched to create a personal look for any occasion, blending the casual and formal based on the mood of the moment

The PANDORA woman always carries her own personal story – each element reminds her of a special moment

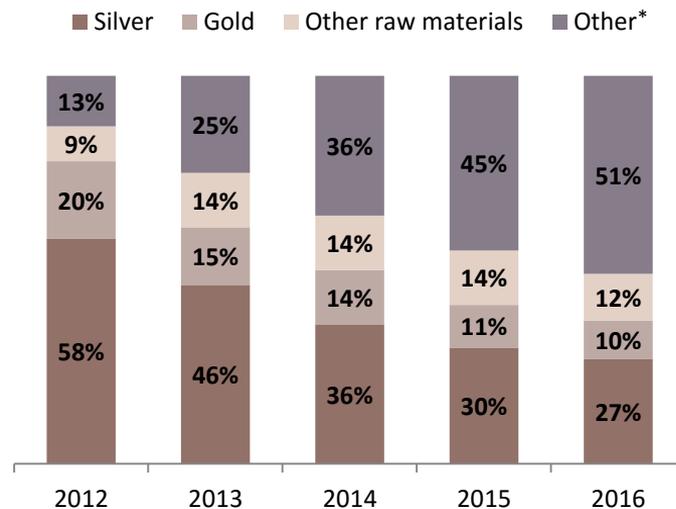
PANDORA's design universe is feminine and light, with warm colours, targeting women with life experience, aged 25-49

HEDGING POLICY AND RAW MATERIALS SHARE OF PANDORA'S PRODUCTION COSTS

COMMODITY HEDGING POLICY



RAW MATERIAL SHARE OF COST OF GOODS SOLD



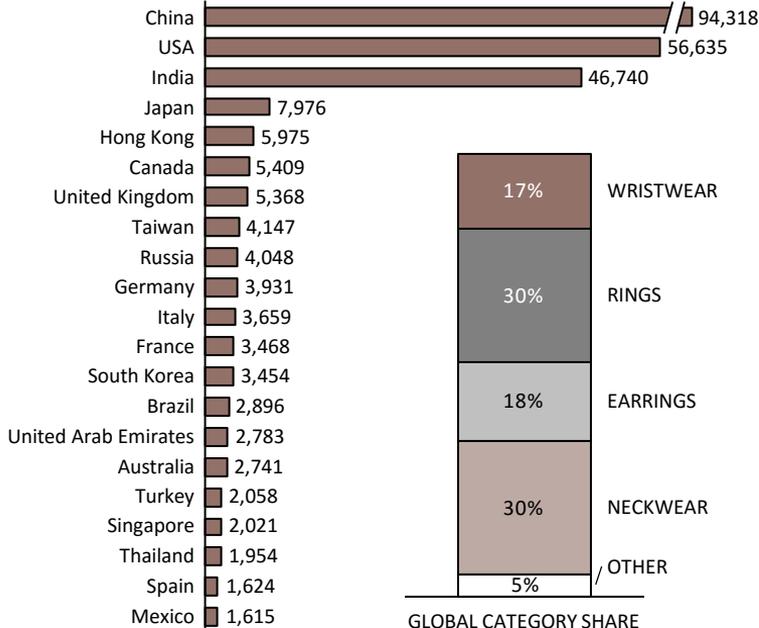
* Other includes employee costs, licenses, variance to standard costs, depreciations, etc.

- PANDORA hedging policy is to hedge approximately 100%, 80%, 60% and 40%, respectively, of expected gold and silver consumption in the following four quarters.

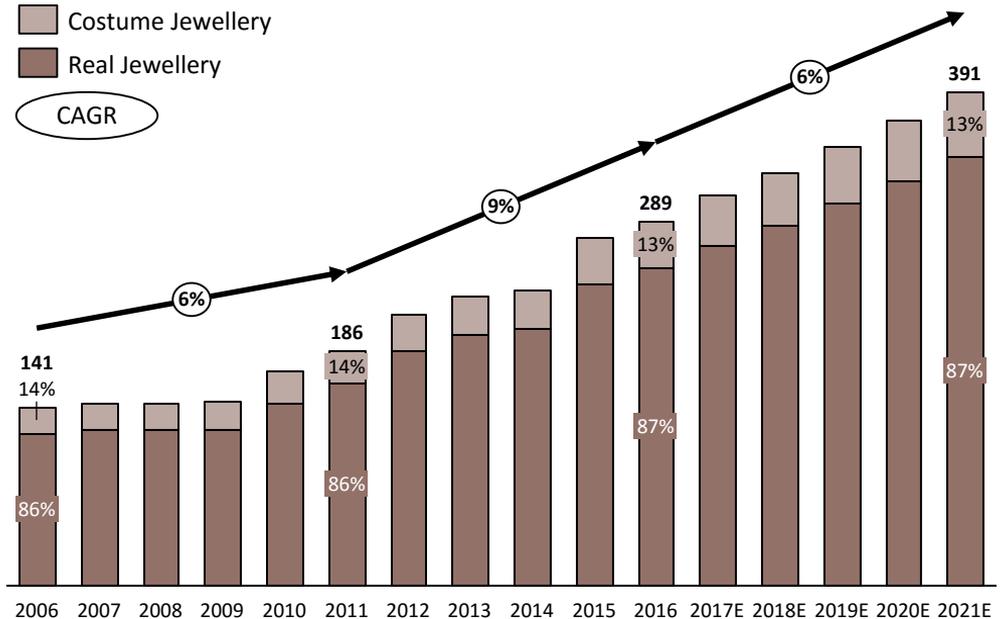
- 'Other' as share of total cost of goods sold increases as products become increasingly labour intensive and as the price of raw materials decrease from 2012 and onwards

GLOBAL JEWELLERY MARKET

LARGEST JEWELLERY MARKETS (2016: EURm)



JEWELLERY MARKET EXPECTED TO INCREASE WITH A CAGR OF 6% (EURbn)



Note: All figures are based on current prices and year-on-year exchange rates
 Source: EUROMONITOR RESEARCH

STORE TYPES – GUIDING PRINCIPLES

CONCEPT STORES



- Size: 40-80m²
- Full product assortment
- Dedicated PANDORA staff
- PANDORA facade, fixtures and furniture

SHOP-IN-SHOPS



- Size: above 8m² in defined area
- Full product assortment
- Dedicated PANDORA staff
- PANDORA fixtures and furniture

MULTI-BRANDED STORES



- Size: up to 8m²
- Part of assortment
- No dedicated staff
- PANDORA display and optionally some fixtures and furniture

LIKE-FOR-LIKE GROWTH DEFINITION

- Based on retail revenue in local currency
- Concept stores open for >12 months
- Includes retail value from O&O, franchisees and distributors, but excludes revenue from eSTOREs

REVENUE FROM STORES OPEN MORE THAN 12 MONTHS

- Based on Pandora reported revenue
- All stores across sales channels (incl. eSTOREs) open >12 months
- Includes reported revenue (mix of sell-in and sell-out)

CONTACT DETAILS

INVESTOR RELATIONS

Magnus Thorstholm Jensen
Vice President, Head of Investor Relations
+45 7219 5739
mtje@pandora.net



Brian Granberg
Investor Relations Officer
+45 7219 5344
brgr@pandora.net



Louise Gylling Jørgensen
Investor Relations Coordinator
+45 7219 5236
logj@pandora.net



SHARE INFORMATION

Trading symbol	PNDORA
ADR trading symbol	PANDY
Identification number/ISIN	DK0060252690
GICS	25203010
Number of shares	117,056,821
Sector	Apparel, Accessories & Luxury Goods
Segment	Large
Share capital	117,056,821
Nominal value	1
Free float (incl. treasury shares)	100%