

UPDATE OF FINANCIAL REPORTING STRUCTURE

20 APRIL 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; 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.

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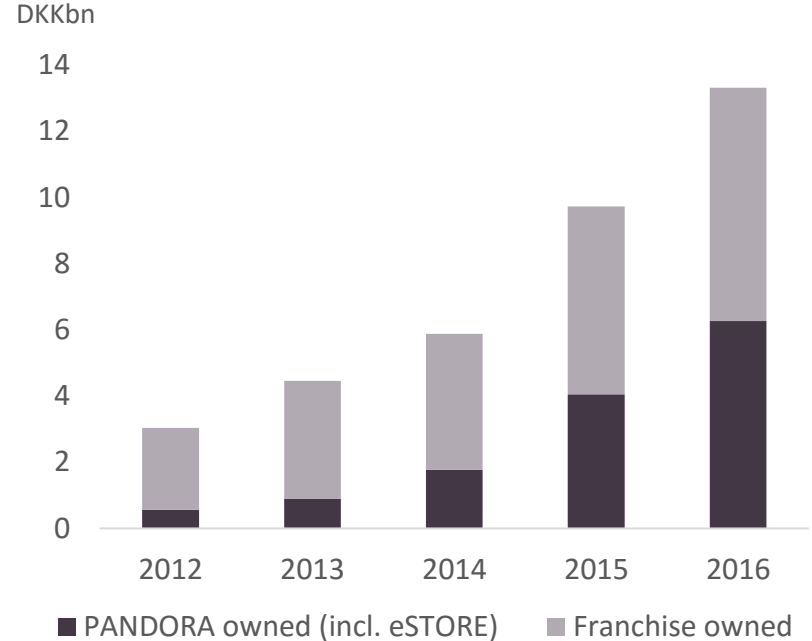
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RATIONALE FOR THE UPDATE

A CLEARER REPRESENTATION OF PERFORMANCE

- PANDORA is a branded manufacturer with control over the full value chain
- The share of PANDORA owned concept store revenue has increased at a CAGR of 80% since 2012 and is projected to surpass reported revenue from franchise concept stores in 2017
- The increasing share of revenue from PANDORA owned concept stores increases our control with the brand and we recognize full retail revenue
- The updated reporting will better reflect the underlying drivers of the business and will be in line with peers' reporting structure

CONCEPT STORE REVENUE



NOTE: Revenue from 3rd party distributors is not included

INCREASED TRANSPARENCY ON REVENUE FROM PANDORA OWNED STORES

PRIMARY CHANGES

- Growth in revenue from PANDORA owned retail will be split into:
 - Local currency growth and DKK
 - LFL sales growth (incl. eSTORE)
 - Revenue contribution from network growth
 - Growth from acquired stores
- Growth in wholesale revenue and in 3rd party distributors revenue will be split into local currency growth and DKK
- The following will be discontinued:
 - LFL across concept store (PANDORA owned, franchise, distributor) for Group and regions
 - Revenue on store types per region

REVENUE PER CHANNEL

Revenue per sales channel

DKK million	Q4 2016	Q4 2015	Growth in		Share of revenue
			DKK	local currency	
PANDORA owned retail	2,540	1,893	34%	36%	38%
Wholesale	3,529	3,323	6%	10%	53%
3rd party distribution	533	465	15%	17%	8%
Total revenue	6,602	5,681	16%	19%	100%

PANDORA owned retail revenue

DKK million	Q4 2016	Q4 2015	Growth in		Share of revenue
			DKK	local currency	
PANDORA owned concept stores	2,359	1,716	37%	40%	36%
- Hereof eSTORE	527	373	41%	49%	8%
Other points of sale (retail)	181	177	2%	2%	3%
Total	2,540	1,893	34%	36%	38%

Wholesale revenue

DKK million	Q4 2016	Q4 2015	Growth in		Share of revenue
			DKK	local currency	
Franchise concept stores	2,519	2,007	26%	31%	38%
Other points of sale (wholesale)	1,010	1,316	-23%	-22%	15%
Total	3,529	3,323	6%	10%	53%

REVENUE FROM SEVEN LARGEST MARKETS AND IMPROVED VISIBILITY ON PRODUCT CATEGORIES

OTHER CHANGES

- Revenue figures will be provided for PANDORA's seven largest markets
- Improved transparency on product categories:
 - Revenue from Earrings and Necklaces & Pendants reported separately
 - One Bracelet category
- The number of store types will be reduced to:
 - Concept stores (including the eSTORE)
 - Other points of sales (covering shop-in-shops and multibranded stores)

MARKETS AND PRODUCTS

Revenue growth in selected markets

DKK million	Q4 2016	Q4 2015	Growth in DKK	Growth in local currency	Share of revenue
US	1,377	1,456	-5%	-6%	21%
UK	1,046	979	7%	30%	16%
Italy	568	402	41%	42%	9%
France	447	280	60%	60%	7%
Germany	373	356	5%	5%	6%
Australia	653	471	39%	32%	10%
China	254	129	97%	108%	4%

Revenue per product category

DKK million	Q4 2016	Q4 2015	Growth, DKK	Growth in local currency	Share of revenue
Charms	3,706	3,568	4%	7%	56%
Bracelets	1,233	1,019	21%	24%	19%
Rings	881	663	33%	38%	13%
Earrings	410	222	85%	91%	6%
Necklaces and pendants	372	207	78%	82%	6%
Total revenue	6,602	5,681	16%	19%	100%

UPDATES TO HAVE EFFECT FROM Q1 2017

IMPLEMENTATION

- The updated reporting structure will come into effect from the Q1 2017 interim report (9 May 2017)
- To assist investors and analysts with the transition, comparative figures based on the updated format are provided for the prior eight quarters
[at <http://investor.pandoragroup.com/>]



THANK YOU

