COMPANY PRESENTATION Q3 2011

22 November 2011

PANDORA
UNFORGETTABLE MOMENTS

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KEY FINANCIALS Q3 2011

P&L, CF (% change Y/Y)

	Q3 2011	9M 2011
Revenue (DKK m) Growth DKK Growth LC	1,569 -12.2% -8.1%	4,706 7.7% 5.0%
EBITDA (DKKm) Growth	536 -33.6%	1,757 -3.8%
Net Profit (DKKm) Growth	341 -41.3%	1,482 18.4%
Free cash flow Cash conversion	37 10.9%	740 49.9%

MARGINS

	Q3 2011	Q3 2010
Gross Margin	73.6%	73.2%
EBITDA Margin	34.2%	45.1%
EBIT Margin	32.2%	41.6%

CASH CONVERSION, ROIC, DEBT

	Q3 2011	Q3 2010
Cash Conversion	10.9%	5.2%
ROIC	37.9%	37.9%
NIBD (DKKm) NIBD to EBITDA	1,118 0.4	2,021 0.8

1 Adjusted for revaluation of CWE earn-out provision of DKK 296 million in Q2 2011

2011 FINANCIAL OUTLOOK REMAINS UNCHANGED

2011 FINANCIAL OUTLOOK

- Revenues in line with 2010
- EBITDA margin in low thirties
- CAPEX DKK approx. 230 million
- Effective tax rate approx. 18%

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IMMEDIATE OPERATIONAL ACTIONS UNDERTAKEN AS OF AUGUST 2011

ACTION
• No further price increases anticipated in 2011 and 2012 • Adjusted recommended retail prices in selected markets through better entry prices and promotions • Review of future collections to ensure right sizing of assortment and price points • Absolute focus on in-store space management in existing stores • "Fitness for purpose" sales and marketing programmes • Concrete plans in place to open 118 new Concept stores in H2 2011 • Developing a more aggressive emerging markets programme

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STRATEGIC ACTIONS UNDERWAY

ACTION	STATUS
Interim CEO 60 days operational deep dive	**Completed** • Deep dive into operations at HQ, regions and markets • Operational & organisational changes either already implemented or underway
Strategic Review with external consultants	**Underway** • Test & confirm certain elements of strategy • Confirm delivery of sustainable growth in affordable luxury • Define channels role and optimal mix • Understand market maturity cycles • Learn from competitors and other success stories • To be completed by year end and shared February 2012

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INTERIM CEO FIRST 60 DAY LOOK & STRATEGIC REVIEW

LEARNINGS SO FAR

- Deterioration in trading caused by cumulative price increases in 2010 and 2011
- Suboptimal price and product architecture
- Poor sales and marketing programmes
- Poor execution in upgrades and store openings, especially in the emerging markets
- Focus now on restoring growth trajectory:
  - Re-establishing affordable luxury positioning
  - Improving operational execution
- Implementation is expected to take up to 18 months from August 2011

PRICING & RIGHT SIZING OF ASSORTMENT (1/2)

ISSUES	ACTION

• Significant negative cumulative impact from 2010 & 2011 price increases
  • Lost density at entry price points
  • Lost affordable luxury positioning
 	
• Strategy of trading up overestimated consumer appetite for higher price points
	• Price freeze for 2011 & 2012
	
	• Permanent or promotional price reductions on selected items
	
	• Review price points of Spring Summer 2012 collection
	  • Significantly higher density at entry price points
	
	• Redesigning price architecture of basic collections for implementation early 2012

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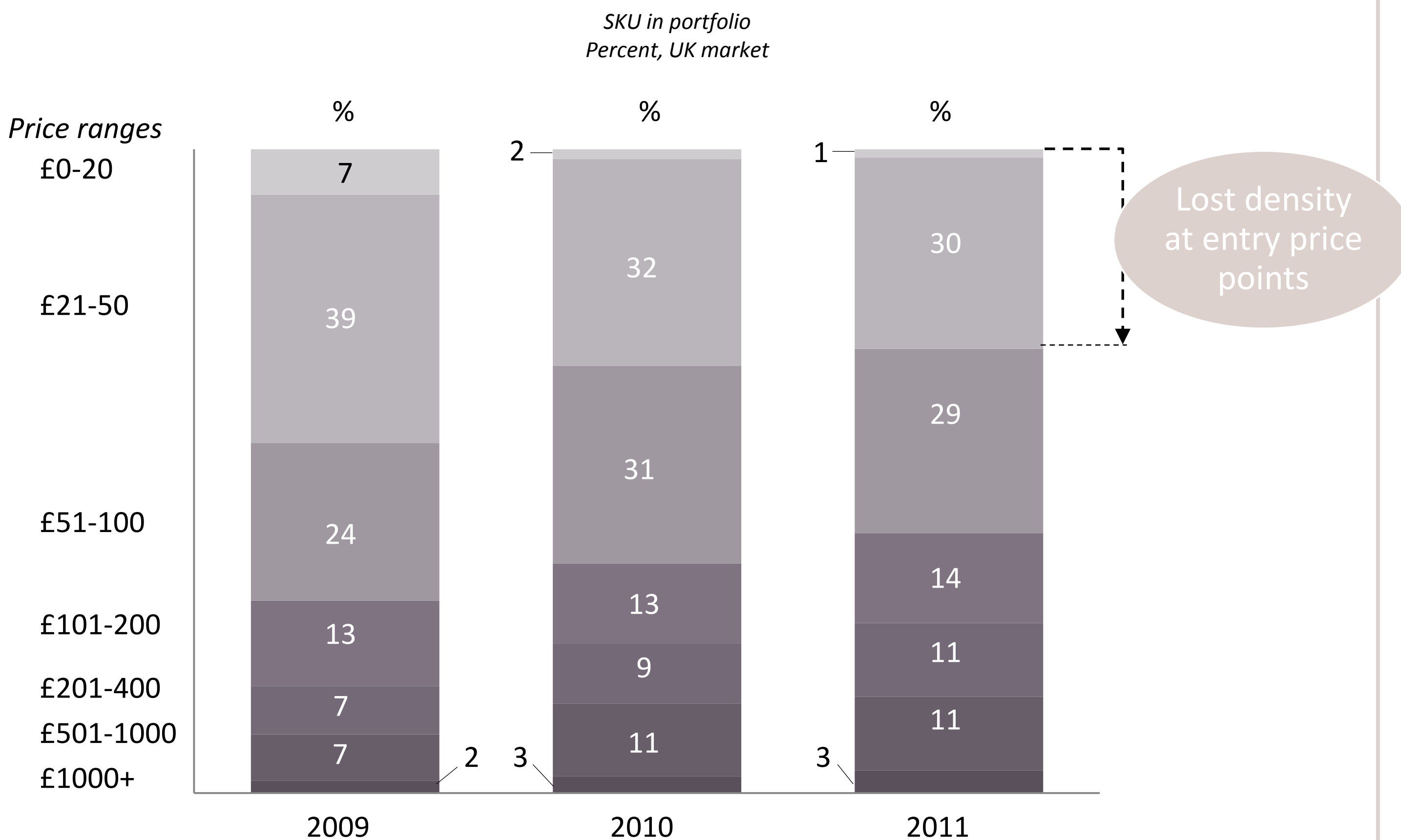
PRICING & RIGHT SIZING OF ASSORTMENT (2/2)
UK AS AN ILLUSTRATIVE EXAMPLE

PANDORA PRODUCT MIX BY PRICE RANGE



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IN STORE SPACE MANAGEMENT

ISSUES	ACTIONS

• Offer too dense and not tailored enough to address regional and store type differences	• Remerchandising our collection structure for implementation early 2012
	  • Significantly reduced global assortment
	  • Tailored regional offers to better address needs and preferences
	  • More differentiated store-type offerings
	  • More frequent product drops and limited editions to enhance freshness and appeal of offering

• PANDORA´s ”Create & Combine” uniqueness not emphasized enough	• Evolution of store design and functionalities • Review POS materials to improve consumer understanding of ”Create & Combine” uniqueness
• New categories suboptimally introduced • Staging and support levels	• Review staging of New Product Introduction and prioritize support activities and levels

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”FITNESS FOR PURPOSE” SALES AND MARKETING PROGRAMMES

ISSUES	ACTIONS
• PANDORA´s ”Create & Combine” uniqueness not emphasized enough	• Focus on ”Create & Combine” unique concept and individual consumer stories as of 2012 campaigns
• Centrally driven programmes have not addressed adequately local differences, needs and wishes • Inadequate balance between support to branding and driving purchasing behavior	• Decentralise and rebalance of individual markets' support programmes and tools
• Potential of rich and intense ”one to one” consumer relationship not exploited	• Build ”Top-class” CRM program to leverage consumer loyalty by 2012

	Q3 2010	Q3 2011	y/y change
PANDORA Club	994k	1,993k	x 2
Facebook fans	61k	754k	x 12

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RETAIL AND EMERGING MARKETS PROGRAMME

ISSUES	ACTIONS

• Branded stores roll out and upgrading had lost steam
  • Not enough new doors open
  • Still too many low value, poor presentation doors worldwide
	• Review distribution platform and develop tailored roadmap across key markets worldwide by Q1 2012
	  • Accelerating closure of low value white dealers in developed markets
	  • Increased efforts to upgrade high potential doors and open Concept Stores and Shop in Shops in particular

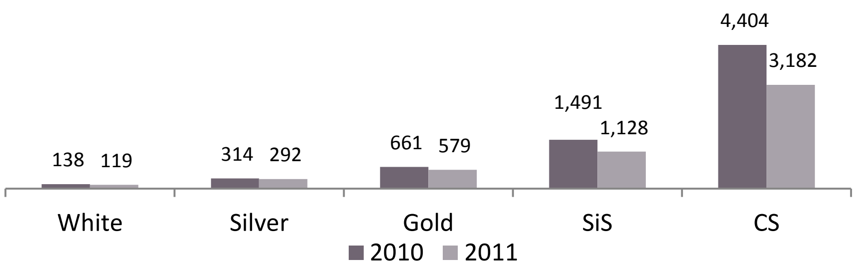
• Proficiency levels in franchising varies across markets	• New programme to achieve ”Best in Class” status (2012)
• Emerging markets roll out has not been aggressive enough	• Immediate focus on Asia • Step up efforts in Eastern Europe (Russia) • Review opportunities in South America

ACCELERATED FOCUS ON BRANDED DISTRIBUTION AND EMERGING MARKETS

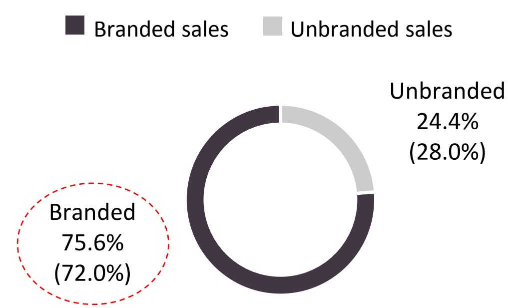
	Q3 2011 No. of stores	Q2 2011 No. of stores	Q3 2010 No. of stores	% of total	Openings Q3 2011	Openings H1 2011
Concept stores	568	493	329	5.5%	75	72
Shop-in-Shop	1,061	1,011	866	10.2%	50	53
Gold	1,728	1,605	1,529	16.6%	123	82
Total branded	**3,357**	**3,109**	**2,724**	**32.3%**	**248**	**207**
Silver	2,672	2,694	2,271	25.7%	(22)	236
White	4,371	4,571	5,391	42.0%	(200)	(687)
Total	**10,400**	**10,374**	**10,386**	**100.0%**	**26**	**(244)**

End of Q3 2011	Russia	China	Japan	Rest of Asia	Total	Openings Q3 2011	Openings H1 2011
Concept stores	22	5	3	30	60	23	13
Shop-in-Shop	3	5	7	15	30	14	3
Total	**25**	**10**	**10**	**45**	**90**	**37**	**16**

REVENUE PER POS BY CHANNEL Q3 2011 YTD (DKK'000)[1]



REVENUE SPLIT BY CHANNEL 9M[1]



Total DKK 1,513m

[1]) Based on direct distribution only.

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ASSESSMENT OF STOCK AT RETAILER LEVEL

POTENTIAL ACTIONS

- Certain clients have an unsatisfactory stock turn mainly on discontinued and slow moving products
- Various initiatives for 2012 are under consideration:
  - Discontinue slow moving products
  - Adapt sales packages
  - Promotions at retail level to flush out discontinued products
  - Terminal sales through retail and e-commerce outlets
  - One-off exchanges for fresh new products
- Considered actions will have no cash-out effect
- Final analysis and actions reported with full year financial results

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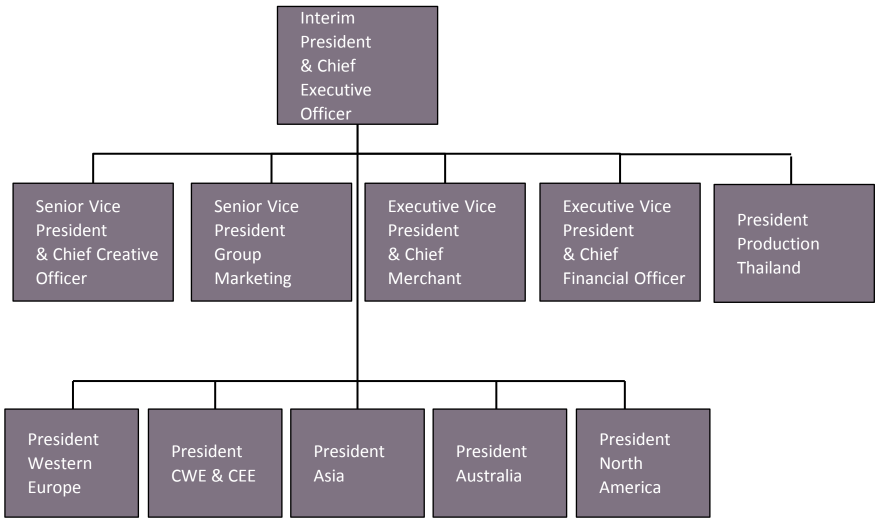
RE-ORGANISATION TO DEAL WITH SHORT TERM CHALLENGES AND FUTURE GROWTH

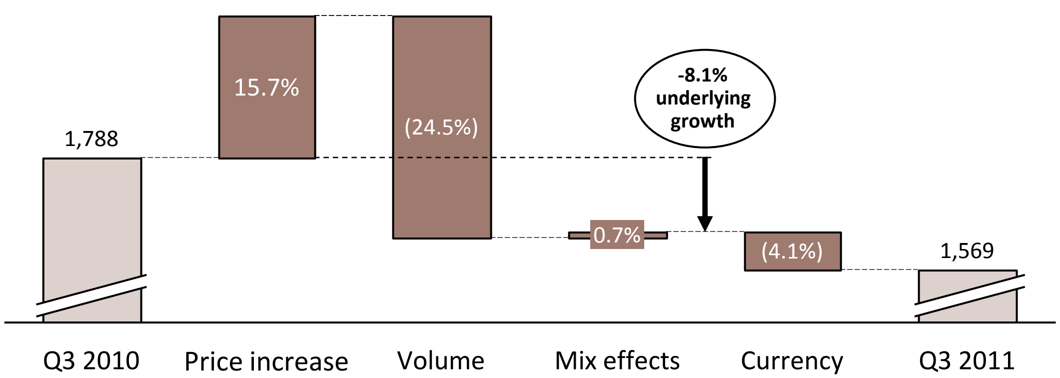


REORGANISATION

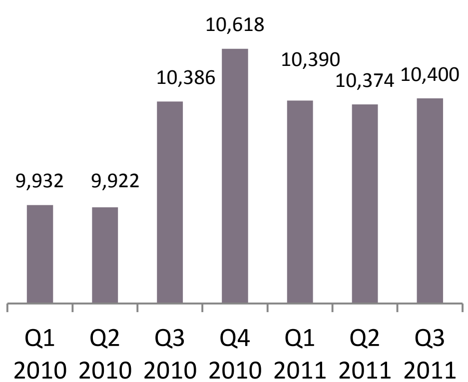
- All regions will report directly to the CEO
- Stephen Fairchild joins PANDORA as Chief Creative Officer
- New Chief Merchant position to proactively manage our product architecture and branded sales support
- New President appointed for PANDORA Asia
- European leadership team reinforced by combining UK, France and the Nordic markets

REVENUE DEVELOPMENT IMPROVED IN COURSE OF Q3 2011 – HELPED BY SIGNIFICANT SHIPMENTS OF FALL COLLECTIONS IN THE US

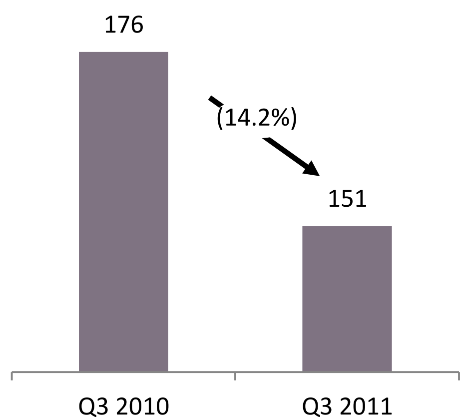
REVENUE (DKKm)



PoS (END OF PERIOD)



REVENUE[1] PER PoS



COMMENTS

- Q3 2011 revenue -12.2% y/y
  - July revenue down more than -30%...
  - August & September revenue down less than -5%
  - Revenue per POS -14.2%
- Helped by significant shipments of fall collections in the US
- Q3 2010 revenue in the UK and Germany positively affected by early delivery of Christmas orders

[1] Revenue per PoS in DKK '000s; Ratios calculated based on the average of PoS between the beginning and the end of the period

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MAJOR MARKETS DEVELOPMENT

REVENUE BREAKDOWN BY GEOGRAPHY (DKKm)

	Q3-2011	Q2-2011	Q1-2011	Q3-2010	% growth	% LC growth[1]
Americas	**755**	**724**	**782**	**725**	**4.1%**	**13.0%**
US	614	545	677	644	(4.7%)	3.6%
Other	141	179	105	81	74.1%	
Europe	**618**	**483**	**743**	**865**	**(28.6%)**	**(27.1%)**
UK	222	166	219	333	(33.3%)	(29.7%)
Germany	173	119	162	184	(6.0%)	
Other	223	198	362	348	(35.9%)	
Asia Pacific	**196**	**185**	**220**	**198**	**(1.0%)**	**(3.0%)**
Australia	138	134	174	171	(19.3%)	(24.2%)
Other	58	51	46	27	114.8%	
Total	**1,569**	**1,392**	**1,745**	**1,788**	**(12.2%)**	**(8.1%)**

[1] Growth in local currency. Revenue in Q3 2011 is adjusted for the exchange rate development.

COMMENTS

- 4 major markets - US, UK, Germany and Australia - (73.1% of Group revenues) saw revenue drop-off in early Q3, resulting in negative aggregated growth in Q3 2011 y/y
- US helped by Fall deliveries
- Q3 2010 revenue in the UK and Germany positively affected by early delivery of Christmas orders
- Significant weakening of USD and GBP and strong appreciation of AUD y/y

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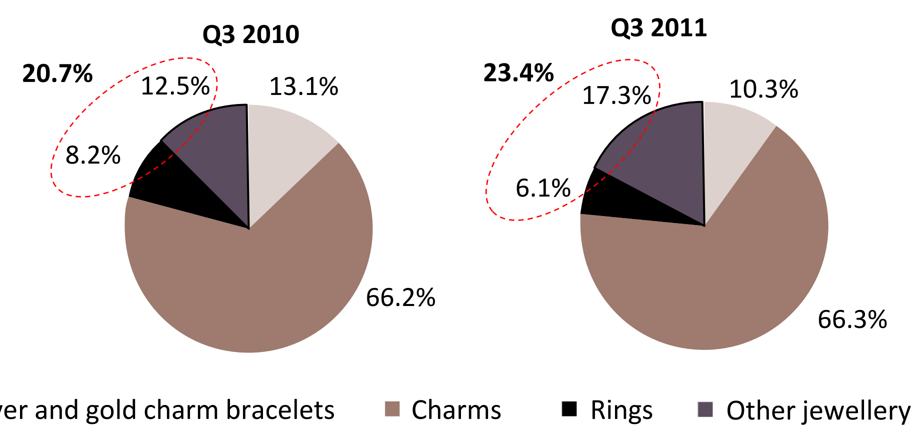
PERFORMANCE AFFECTED BY LOWER CHARMS AND RINGS SALES - OVERALL BRACELET SALES FLAT

PRODUCT MIX (DKKm)

	Q3-2011	Q2-2011	Q1-2011	Q3-2010	% growth
Charms	1,040	995	1,251	1,184	(12.2%)
Silver and gold charms bracelets	162	132	220	235	(31.1%)
Rings	96	89	102	146	(34.2%)
Other jewellery	271	176	172	223	21.5%
Total	**1,569**	**1,392**	**1,745**	**1,788**	**(12.2%)**

PRODUCT SPLIT AS PERCENTAGE OF TOTAL REVENUE



COMMENTS

- Performance affected by lower charms and rings sales…
- … as Retail trade is destocking
- Q3 2010 revenue in the UK and Germany positively affected by early delivery of Christmas orders
- However, total bracelet sales in line with last year
- Other Jewellery revenue driven by the introduction of new bracelet concepts

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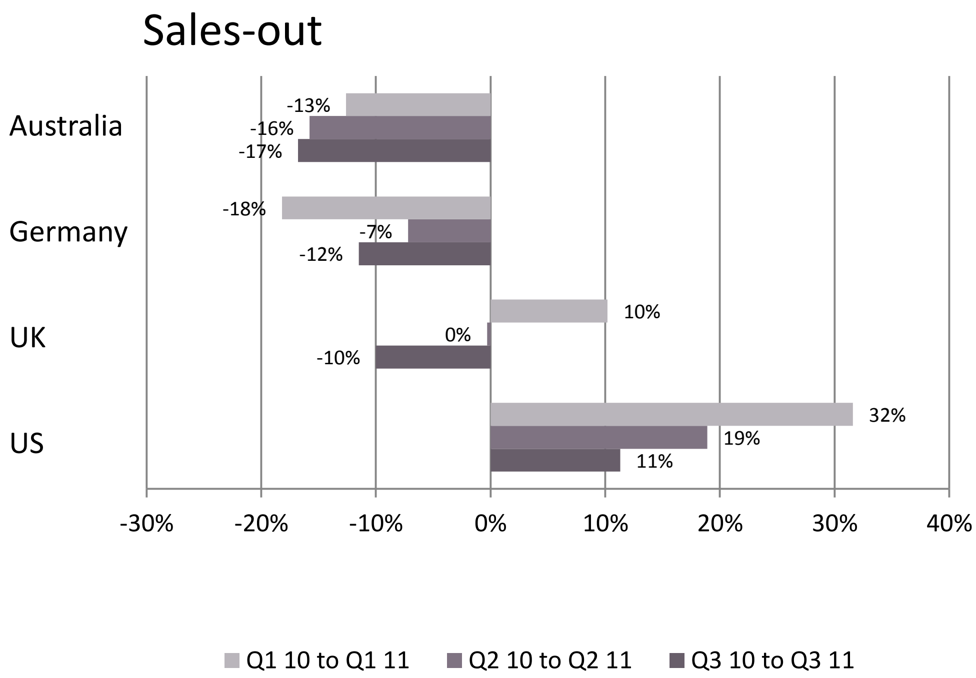
DIVERGENCE IN PERFORMANCE OF CONCEPT STORES BY REGION

LIKE FOR LIKE CONCEPT STORES – SALES-OUT DEVELOPMENT



COMMENTS

- Sales-out in Concept stores increased in the US…
- … But continued to decline in the UK, Germany and Australia

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GM DRIVEN BY PRICE INCREASES PARTIALLY OFFSET BY RAW MATERIAL PRICES

GROSS PROFIT (DKKm) AND GROSS MARGIN (%)

	Q3 2011	Q3 2010	2010	2009
Gross Profit	1,155	1,309	4,725	2,471
Gross Margin %	73.6%	73.2%	70.9%	71.4%
Adjustments				
Unrealised losses/(gains) on Commodity Derivatives				(20)
Reversal of Internal Profit on Inventory from Australia				66
Reversal of Internal Profit on Inventory from former Dutch Distributor				8
IPO Salary bonus production			10	
Reversal of Internal Profit on Inventory from CWE			50	
Adj. Gross Profit	1,155	1,309	4,785	2,525
Adj. Gross Margin	**73.6%**	**73.2%**	**71.8%**	**73.0%**

COMMENTS

- GM positively affected by global price increases
- Negatively affected by increasing raw material prices
- Excluding hedging and inventory time lag, underlying GM would have been approximately 62% based on average gold and silver prices in Q3 2011
- Gross margin impact of approx. 300 bps if 10% deviation on commodities

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COSTS IMPACTED BY STRUCTURAL CHANGES

EBITDA, EBIT (DKKm) AND MARGIN (%)

	Q3 2011	Q3 2010	2010	2009
Gross margin				
% of revenue	73.6%	73.2%	70.9%	71.4%
DKKm	1,155	1,309	4,725	2,471
Distribution costs				
% of revenue	28.8%	22.8%	26.1%	21.5%
DKKm	452	409	1,733	743
Of which marketing costs				
% of Revenue	14.0%	9.5%	11.1%	8.3%
DKKm	220	170	743	288
Administrative costs				
% of revenue	12.6%	8.8%	8.6%	8.8%
DKKm	197	157	576	304
EBIT				
% of revenue	32.2%	41.6%	36.2%	41.1%
DKKm	506	743	2,416	1,424
D&A	30	64	268	148
EBITDA	536	807	2,684	1,572
% of revenue	34.2%	45.1%	40.3%	45.4%

COMMENTS

- Distribution costs comparable positively affected by DKK 46 million from amortisation of distribution rights in Pandora CWE
- Q3 2011 Distribution costs negatively affected by expansion in new markets, compensation to former French distributor and increased cost on the central sales and distribution organisation in Copenhagen
- Q3 2011 Marketing costs increase driven by continued significant investments in marketing
- Q3 2011 Administrative costs increase related to the use of external consultants, IT projects and severance of former CEO

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DIVERGENCE IN EBITDA MARGIN BY REGION

EBITDA MARGIN

	Q3 2011	Q2 2011	Q1 2011	Q3 2011 vs Q2 2011 (% pts)	Q3 2010	Q2 2010	Q3 2011 vs Q3 2010 (% pts)
Americas	53.8%	55.9%	51.4%	(2.1%)	53.1%	53.6%	0.7%
Europe	30.3%	25.5%	44.5%	4.8%	53.4%	42.0%	(23.1%)
Asia Pacific	36.7%	33.5%	42.7%	3.2%	43.4%	41.3%	(6.7%)
Unallocated costs[1]	(8.2%)	(5.6%)	(6.8%)	(2.6%)	(7.0%)	(6.6%)	(1.2%)
Group EBITDA margin	**34.2%**	**36.8%**	**40.6%**	**(2.6%)**	**45.1%**	**40.7%**	**(10.9%)**

COMMENTS

- Americas margin in line with last year
- Europe margin particularly affected by lower revenues from 3rd party distributors as well as UK
- Also increased operating expenses (CWE) and costs related to taking over distribution in France in 1 July 2011
- Asia Pacific EBITDA margin decline driven by declining revenues in Australia

[1] Unallocated costs includes HQ costs, central marketing and administration cost in Thailand

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NET INTEREST IMPACTED BY UNREALISED FX LOSS

INTEREST, TAX AND MINORITIES (DKKm)

DKKm	Q3 2011	Q3 2010	2010	2009
EBIT	**506**	**743**	**2,416**	**1,424**
Financial expenses	(112)	(35)	(218)	(279)
Financial income	22	1	54	44
Profit before tax ***Adjusted Profit before tax***	**416**	**709**	**2,252**	**1,189**
Income tax expenses	(75)	(128)	(381)	(184)
Effective tax rate *Adjusted Effective tax rate*	18.0%	18.0%	16.9%	15.5%
Group net profit ***Adjusted Group net profit***	**341**	**581**	**1,871**	**1,005**
Minority interests	-	-	(25)	(35)
Net profit attributable to shareholders ***Adjusted Net profit attributable to shareholders***	**341**	**581**	**1,846**	**970**

COMMENTS

- Net financial expenses amounted to DKK 90 million in Q3 2011
- Financial expenses significantly impacted by unrealized FX loss of DKK 93 million (USD appreciation)

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WORKING CAPITAL DRIVEN BY INVENTORY AND ACCOUNTS RECEIVABLE

WORKING CAPITAL

DKKm	Q3 2011	Q2 2011	Q1 2011	Q3 2010
Inventory	1,964	1,697	1,464	1,204
Trade receivables	984	630	678	998
Trade payables	179	175	221	187
Operating working capital	**2,769**	**2,152**	**1,921**	**2,015**
% of revenue[1]	*39.5%*	*29.8%*	*26.8%*	*35.1%*
Other receivables	206	362	639	407
Tax receivables	48	70	72	53
Provisions[4]	155	125	89	108
Income tax payable	618	545	474	403
Other payables	489	373	408	325
Net working capital before derivatives	**1,761**	**1,541**	**1,661**	**1,639**
% of revenue[1]	*25.1%*	*21.3%*	*23.2%*	*28.5%*
Derivatives	69	(79)	(369)	(124)
Net working capital after derivatives	**1,830**	**1,462**	**1,292**	**1,515**
% of revenue[1]	*26.1%*	*20.2%*	*18.0%*	*26.4%*
Free cash flow	**37**	**227**	**476**	**30**
Cash conversion[2]	**10.9%**	**36.3%**	**92.4%**	**5.2%**
Adjusted cash conversion[2]	***10.9%***	***68.8%***	***92.4%***	***5.2%***
ROIC[3]	**37.9%**	**45.1%**	**47.0%**	**37.9%**

COMMENTS

- Operating working capital increase driven by inventory and account receivables
  - Primarily gold and silver prices
  - Delayed effect of adjusting production to lower revenue
- Cash conversion affected by somewhat higher cash flow and lower net profit

[1] % of revenue in relation to last twelve months' revenue. DKK 7,003m for the period ended 30 September 2011
[2] Calculated as free cash flow / net profit
[3] Calculated as last 12 months' EBIT / Invested capital (at end of period)
[4] Excluding earn-out

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Q3 IN SUMMARY

- Revenue down 12.2%
- EBITDA margin of 34.2%
- ROIC of 37.9%

- Immediate operational actions
- Interim CEO 60 days operational deep dive performed
- Strategic review with external consultants underway
- Radical corrective actions implemented and underway will deliver results in 2012

- Unchanged 2011 guidance
  - Revenue in line with 2010
  - EBITDA margin in the low thirties.

- PANDORA's growth opportunities remain exceptional:
  - Committed franchisees
  - Growing number of engaged consumers
  - Unique "Create & Combine" concept and products
  - Vertically integrated business model
  - Expanding global footprint
  - Untapped opportunities in emerging markets

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QUESTIONS AND ANSWERS

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