EANS-News: PUMA AG announces its consolidated financial results for the Second Quarter and First Half-Year of 2009

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balance/Results for the Second Quarter and First Half 2009

Herzogenaurach (euro adhoc) - Herzogenaurach, Germany, August 7, 2009 - PUMA AG announces its consolidated financial results for the Second Quarter and First Half-Year of 2009

Highlights Second Quarter:

@@start.t2@@. Consolidated sales up more than 4% in Euro terms and flat currency-adjusted
. Gross profit margin at 50%
. First impact of cost savings program: total operating expenses below last year's level
. Operational result at EUR 63 million slightly above last year
. EPS at EUR 2.55 compared to EUR 2.98
. Strong improvement in inventories

Highlights First Six Months:
. Global brand sales reach almost EUR 1.4 billion
. Consolidated sales up almost 4% in Euro terms and slightly up currency-adjusted
. Gross profit margin remains above 51%
. Operating result before special items at EUR 177 million
. EPS before restructuring at EUR 8.51 compared to EUR 8.74 last year@@end@@

Outlook 2009:

@@start.t3@@. Management expects that market environment remains challenging for the second half of 2009
. The implemented reengineering and restructuring program will continue as planned
. Continuing strong focus on working capital and cash flow improvement@@end@@

Jochen Zeitz, CEO: "Despite an ongoing challenging market environment and the global economic recession, PUMA achieved a solid performance in the first half of 2009. The restructuring and reengineering program has already shown first effects and we will continue to strictly proceed while focusing on efficient measures to strengthen the brand and its products in the coming quarters."

Sales and Earnings Development

Global branded sales Sales under the PUMA brand, which include consolidated and license sales, reached EUR 636.5 million during the second quarter, a currency-adjusted decrease of 2.6% and an increase of 1.2% in Euro terms. Altogether, the quarter marked a solid performance in a globally challenging environment.

During the first six months, branded sales declined currency-neutral 2.9%. In Euro terms, sales increased 0.3% reaching EUR 1,374.1 million. On a currency- neutral basis, Footwear sales were down by 1.1% to EUR 745.6 million and Apparel 7.0% to EUR 460.9 million. Accessories increased by 1.3% to EUR 167.7 million.

Licensed business The licensed business decreased in the second quarter by 32.2% currency- adjusted to EUR 36.2 million and by 37.5% to EUR 76.4 million for the first half due to the take-over of a licensee. Based on licensed sales, the company realized a royalty and commission income of EUR 5.2 million in the second quarter versus EUR 6.4 million in the previous year's quarter and EUR 10.2 million versus EUR 13.4 million year-to-date.

Consolidated sales Currency-adjusted consolidated sales were flat compared to last year but increased in Euro terms a solid 4.1% to EUR 600.3 million. On a currency-neutral basis, Footwear was down 2.0% reaching EUR 330.0 million, and Apparel decreased 5.7% to EUR 203.8 million. Accessories improved by a strong 41.2% to EUR 66.4 million, which is mainly due to first time consolidations.

After six months, consolidated sales were up 0.4% on a currency-neutral basis and 3.8% in Euro terms to EUR 1,297.7 million. In spite of a challenging market environment, sales in the Americas region increased,whereas EMEA and Asia/Pacific were below last year's level. In total, Footwear sales were EUR 727.1 million, representing a currency-neutral decrease of 1.4% and Apparel sales decreased 7.0% to EUR 426.3 million due to high comparables, which resulted from replica sales relating to the Football Euro Cup last year. Accessories were up a strong 49.1% to EUR 144.3 million.

Gross profit remains above 51% The overall market environment paired with a change in the regional sales mix caused the reduction in gross profit margin in the second quarter from last year's 52.5% to 50.0%. After six months, a gross profit margin of 51.1% was achieved compared to 53.0%. Footwear reported 49.7% versus 53.4%, Apparel 52.3% compared to 52.5% and Accessories increased to 54.9% versus 52.1% last year.

Operating expenses

Due to first effects from the reengineering and restructuring program, operating expenses decreased in the second quarter by 1.8% to EUR 242.2 million or from 42.8% to 40.3% of sales. During the first half, operating expenses increased only 1.8% to EUR 496.2 million, representing a cost ratio of 38.2% versus last year's 39.0%.

Marketing/Retail expenses decreased 3.6% to EUR 253.1 million as last year's Olympic Games and Euro Cup required a higher spending level. As a result, the cost ratio declined from 21.0% to 19.5% of sales. Other selling expenses increased by 14.4% to EUR 158.9 million, or from 11.1% to 12.2% of sales, mainly due to first time consolidations and currency impacts. Expenses for product development and design were up 14.7% to EUR 28.9 million, or as a percentage of sales from 2.0% to 2.2%. Other general and administration expenses were down a strong 9.3% and totaled EUR 55.3 million, representing 4.3% of sales versus 4.9% last year. Depreciation which is included in operating expenses increased by 16.3% to EUR 31.0 million due to full year effects from last year's retail expansion.

Operational result before special items

PUMA achieved a solid operating result of EUR 63.1 million in the second quarter versus EUR 62.3 million last year. As a percentage of sales this relates to a margin of 10.5% compared to 10.8%. After six months the operating result was down 5.9% from EUR 188.1 million to EUR 177.1 million. The operating margin stood at 13.6% compared to 15.0% last year.

Special Items - Restructuring charge

The reengineering and restructuring program that led to a one-time charge of 110 million in the first quarter will, for the most part, be finalized at the end of 2010. The program should provide for a more efficient business platform aligned to an expectedly challenging environment in the upcoming quarters. Taking the special items into account, EBIT after six months amounted to EUR 67.1 million compared to EUR 188.1 million last year.

Financial result

The financial result reflects negative EUR 2.1 million for the second quarter versus an income of EUR 0.1 million last year. Negative EUR 3.7 million impacted the first half, while last year showed an income of EUR 1.0 million. Significantly lower interest rates and the accumulation of interest on purchase price liabilities led to this negative impact on the financial result.

Earnings The company's pre-tax profit (EBT) accounts for EUR 61.0 million in the second quarter versus EUR 62.4 million last year. Net earnings totaled EUR 38.5 million versus EUR 45.6 million, a decline of 15.6%. This results in earnings per share of EUR 2.55 compared to EUR 2.98 in the quarter.

Before restructuring costs, EBT accounts for EUR 173.4 million versus EUR 189.2 million for the first half and net earnings for EUR 128.4 million versus EUR 135.7 million, a decline of 5.4%. As a consequence, earnings per share were at EUR 8.51 compared to EUR 8.74. The operational tax ratio was calculated at 26.5% versus last year's 28.5%.

Taking into account the restructuring costs, EBT was at EUR 63.4 million and net earnings at EUR 44.0 million in the first half of the year. Earnings per share were at EUR 2.92 versus EUR 8.74 last year.

Regional Development

Sales in the EMEA region reached EUR 288.3 million in the second quarter, a currency-adjusted decrease of 1.4%. Year-to-date, sales were down by 2.3% to EUR 654.4 million, representing 50.4% of consolidated sales. Gross profit margin was at a strong 53.5% compared to 54.5% last year.

Second quarter sales in the Americas were up 6.9% currency-adjusted, reaching EUR 168.6 million. First half sales increased 9.2% to EUR 346.7 million. The region now accounts for 26.7% of consolidated sales. Gross profit margin stood at 47.1% compared to 48.9% last year. In the US market, sales increased by 4.8% to $ 132.7 million in the second quarter and by 4.1% to $ 271.4 million after six months.

Sales in the Asia/Pacific region decreased in the second quarter by 4.5% currency-adjusted to EUR 143.4 million and 2.8% after six months reaching EUR 296.7 million. The total region accounts for 22.9% of sales. Gross profit margin reached 50.5% versus 53.6% last year.

Net Assets and Financial Position

Equity

As of June 30, 2009, total assets climbed by 15.0% to EUR 2,047.8 million. Due to the higher balance sheet total, the equity ratio stood at 56.6% after 60.7% in the previous year.

Working capital

In reporting terms, inventories grew 3.0% to EUR 432.1 million. Inventories were down 0.7% on a comparable basis, showing a strong improvement versus end of Q1. Accounts receivables were up 6.2% (3.1% on a comparable basis), reaching EUR

@@start.t4@@502.8 million. Working capital totaled EUR 540.6 million (ex acquisition EUR 524.9 million) compared to EUR 552.1 million last year, manifesting a strong improvement in this area from the first quarter.

Capex/Cashflow

For Capex, the company spent EUR 24.6 million in the first half versus EUR 50.6 million last year. Due to the reduced capital expenditure as well as a solid improvement in working capital, PUMA's free cashflow reached EUR 45.1 million@@end@@

compared to an outflow of EUR 23.6 million in last year's comparison, representing a strong improvement over last year. An outflow of EUR 61.0 million (last year: EUR 19.7 million) is related to acquisition cost. Taking the acquisition cost into account, the free cashflow was EUR -15.8 million compared to EUR -43.3 million last year.

Cash position

Total cash end of June stood at EUR 302.7 versus EUR 288.2 million last year. Bank debts were down from EUR 65.6 million to EUR 44.8

million. As a result, the net cash position increased from EUR 222.6 million to EUR 257.9 million year over year, underlying PUMA's strong focus on efficient cash management.

Outlook 2009 - Market environment remains challenging

A solid first half performance and a pro-active restructuring and reengineering program, which has achieved improvements in operating expenses, working capital and free cashflow, have enabled PUMA to protect its industry leading key- financial parameters. Further improvements should be realized over the next 18 months as the program continues to yield additional efficiencies and cost savings. However, we remain highly cautious and anticipate a continued challenging and volatile retail industry due to the decline of private consumption as a result of the weakness in the global economy, which may negatively impact sales in second half.

This document contains forward-looking information about the Company's financial status and strategic initiatives. Such information is subject to a certain level of risk and uncertainty that could cause the Company's actual results to differ significantly from the information discussed in this document. The forward-looking information is based on the current expectations and prognosis of the management team. Therefore, this document is further subject to the risk that such expectations or prognosis, or the premise of such underlying expectations or prognosis, become erroneous. Circumstances that could alter the Company's actual results and procure such results to differ significantly from those contained in forward-looking statements made by or on behalf of the Company include, but are not limited to those discussed be above.

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PUMA is one of the world's leading sportlifestyle companies that designs and develops footwear, apparel and accessories. It is committed to working in ways that contribute to the world by supporting Creativity, SAFE Sustainability and Peace, and by staying true to the values of being Fair, Honest, Positive and Creative in decisions made and actions taken. PUMA starts in Sport and ends in Fashion. Its Sport Performance and Lifestyle labels include categories such as Football, Running, Motorsports, Golf and Sailing. The Black label features collaborations with renowned designers such as Alexander McQueen, Yasuhiro Mihara and Sergio Rossi. The PUMA Group owns the brands PUMA, Tretorn and Hussein Chalayan. The company, which was founded in 1948, distributes its products in more than 120 countries, employs more than 9,000 people worldwide and has headquarters in Herzogenaurach/Germany, Boston, London and Hong Kong. For more information, please visit www.puma.com

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WKN:     696960
Index:   Midcap Market Index, MDAX, CDAX, Classic All Share, HDAX,
         Prime All Share
Börsen:  Frankfurt / regulated dealing/prime standard
         Berlin / free trade
         Hamburg / free trade
         Stuttgart / free trade
         Düsseldorf / free trade
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