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EANS-News: PUMA AG announces its Consolidated Financial Results for the First Quarter of 2011

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Earnings

Herzogenaurach (euro adhoc) - Herzogenaurach, Germany, April 26, 2011 - PUMA AG announces its Consolidated Financial Results for the First Quarter of 2011

Highlights January - March 2011:

Consolidated sales increased by 13.2% in Euro terms to a record high of EUR 773 million
Gross profit margin back to a strong, sector leading 52.4%
EBIT 2.1% above last year at EUR 111.0 million
Net earnings improved by 7.1% to EUR 77.7 million
EPS increased to EUR 5.17 from EUR 4.81 last year

Outlook 2011:

Based on the success of the past quarter and the positive business development, Management targets the milestone of EUR 3 billion in sales for the full year 2011.

To support business growth and the "Back on the Attack" growth strategy, investments in marketing, sales, product development as well as process optimization will continue to affect the OPEX ratio.

Despite expected moderate price increases in sourcing costs related to raw materials and wages for the 2nd half, Management still foresees continuous improvement of net earnings by mid single-digits.

Jochen Zeitz, CEO: "The first quarter performance was a strong start to 2011 and our Back on the Attack growth plan, as PUMA managed to generate strong sales growth. We were even able to mitigate the negative impact we saw from the disastrous events in Japan last month as our Asian/ Pacific region contributed with an increase in sales to the overall solid company performance. For the full year 2011 we continue to expect an increase in net earnings in the mid single-digit percentage range with sales targeting the EUR 3 billion milestone for the first time. PUMA continues to execute on the Back on the Attack company growth plan and performs at levels consistent with reaching the long-term target of EUR 4 billion in sales by 2015. The recent approval of our shareholders

to convert PUMA from the German Aktiengesellschaft PUMA AG to the European Corporation PUMA SE will provide our company with a broader international profile, helping to tap into the many opportunities the international Sportlifestyle market offers.

Sales and Earnings Development January-March 2011

Global Brand Sales

Worldwide PUMA brand sales - comprised of consolidated and license sales - rose by 12.5% in Euro terms (8.8% currency adjusted) to EUR 811.1 million from EUR 720.8 million last year.

Consolidated Sales PUMA's first quarter consolidated sales reached EUR 773.4 million, rising 9.3% in currency adjusted terms and an impressive 13.2% in Euro terms when compared to the first quarter of 2010. This represents PUMA's best ever first quarter. All product segments showed considerable growth: Footwear up 6.8% currency adjusted at EUR 417.2 million, Apparel up 2.2% at EUR 241.8 million, and Accessories posting a superb 42.4% increase at EUR 114.4 million. The strong performance in the Accessories product segment was also supported by the inclusion of Cobra Golf into the consolidation. In regional terms, sales in EMEA grew by 4.4% currency adjusted to EUR 374.5 million, Asia/ Pacific posted a gain of 6.9% to EUR 163.9 million and PUMA continued its excellent performance in the Americas with sales growing by 19.9% to EUR 235.1 million.

Gross Profit Margin The gross profit margin remained at an industry leading 52.4%, which is testament to PUMA's continuing efforts to maximize returns and efficiencies. The Footwear segment had a gross profit margin of 51.3%, up from 50.9%. Apparel stood at 53.7%, down slightly from 53.9%. Accessories were at 54.0%, also down slightly from 55.7%.

Operating Expenses

Operating expenses before special items rose by 21.6% to EUR 298.6 million during the first quarter of 2011. As a percentage of sales, this represents an increase from 35.9% to 38.6% compared to last year. Reasons for this rise include currency fluctuations, as well as additional investments in Marketing, Sales and Product Design to fuel our "Back on the Attack" growth plan.

EBIT

Operating profit came in as expected, improving to EUR 111.0 million from EUR 108.7 million. This represents 14.4% of consolidated sales, down slightly from a rate of 15.9% at this time last year.

Financial Result / Income from associated companies

The financial result improved from EUR -1.4 million to EUR -0.2 million, including EUR 0.9 million from our investment in Wilderness.

Earnings before Taxes PUMA's EBT rose from EUR 107.3 million to EUR 110.8 million. Tax expenses declined from EUR 34.8 million to EUR 33.1 million and the tax rate dropped from 32.4% to a normalized tax rate of 29.9%.

Net Earnings Consolidated net earnings increased to EUR 77.7 million from EUR 72.5 million in 2010, an increase of 7.1%. Earnings per share rose from EUR 4.81 to EUR 5.17, and diluted earnings per share rose from EUR 4.80 to EUR 5.15.

Net Assets and Financial Position

Equity

Total assets (as of 31st March 2011) increased by 11.3% from EUR 2.068,5 million to EUR 2.303,2 million. This rise stems mainly from the expansion of the consolidated group, as Cobra Golf is included this year. The equity ratio declined slightly from 61.2% to 60.6%. However, in absolute figures, shareholders' equity increased by 10.3% to EUR 1.395,9 million from EUR 1.265,7 million. As a consequence, PUMA's balance sheet remains very strong.

Working Capital

PUMA's overall Working Capital went up by 13.9% to EUR 598.1 million. On the asset side, inventories went up by 24.9% from EUR 371.8 million to EUR 464.3 million, supporting our expected sales growth in the upcoming quarters and trade receivables also increased, up 11.0% from EUR 520.4 million to EUR 577.8 million. Considering the change in scope and the strong increase in sales during the quarter, the trade receivables developed positively. On the liabilities side, trade liabilities rose 25.8% from EUR 270.4 million to EUR 340.2 million.

Cashflow/Capex

The Free Cashflow (before acquisitions) came in at EUR -113.5 million versus EUR -71.6 million last year. The additional outflow was caused mainly by the increase in working capital and tax payments. The payments for acquisitions are related to the purchase of the remaining shares of PUMA China, as announced in our third quarter results last year. For Capex, the company spent EUR 10.8 million versus EUR 7.7 million in last year's first

quarter. The increase derives from investments in the improvement of organizational processes and IT, which are necessary components of our growth strategy.

Cash Position

Total cash (as of 31st March 2011) dropped by 29.1% to EUR 300.8 million from EUR 424.2 million last year. Bank debts were reduced by 25.9% from EUR 52.3 million to EUR 38.8 million. As a result, the net cash position decreased 29.6%, from EUR 371.9 million to EUR 262.0 million.

Share buyback

PUMA continued with its share buy back program and purchased 51.720 shares for EUR 10.9 million during the first quarter.

Other Events

PUMA AG converts to a Societas Europaea (SE)

As previously reported, PUMA's shareholders returned a positive vote in April's Annual General Meeting on the conversion from a German 'Aktiengesellschaft', or AG, to a European 'Societas Europaea', or SE. The conversion is expected to be completed latest by July.

Outlook 2011

As the first quarter visibly demonstrates, PUMA's "Back on the Attack" strategy is already taking effect, with higher investment in marketing and product being offset by significant increases in sales with a stable gross profit margin. Taking into account the risk of higher input prices in the form of raw materials and wages for the second half of the year, PUMA's outlook for 2011 continues to be favourable. We continue to expect an improvement in net earnings in the mid single digit range for 2011 whilst targeting the EUR 3 billion milestone in sales.

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 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 principles 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. Sport Fashion features collaborations with renowned designer labels such as Alexander McQueen, Yasuhiro Mihara and Sergio Rossi. The PUMA Group owns the brands PUMA, Cobra and Tretorn. 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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