



PRESS RELEASE

PUMA's First Half Results in line with Guidance

Negative Impact of Volatile Currencies Continues

Herzogenaurach, 29 July 2014

2014 Second Quarter Facts

- Currency adjusted sales increase slightly to € 652 million
- Gross profit margin improves to 46.7%, up 70 basis points vs. last year
- OPEX stable despite World Cup marketing expenditures
- EBIT of € 13 million

2014 Half Year Facts

- Currency adjusted sales flat at € 1.38 billion
- Gross profit margin stable at 47.7%
- Slight OPEX reduction of 1.2%
- EBIT of € 71 million
- EPS amounts to € 2.66
- Free cash flow increases by € 40 million due to improved working capital
- Successful launch of Arsenal partnership

Key sales figures at a glance

Sales by regions and product segments	Q2		growth rates		1-6		growth rates	
€ million	2014	2013	Euro	currency adjusted	2014	2013	Euro	currency adjusted
Breakdown by regions								
EMEA	255,7	266,2	-4,0%	-1,4%	593,0	614,1	-3,4%	-0,5%
Americas	250,6	267,0	-6,2%	4,6%	485,8	527,2	-7,9%	2,1%
Asia/Pacific	145,9	159,1	-8,3%	-2,3%	299,2	332,5	-10,0%	-2,2%
Total	652,2	692,3	-5,8%	0,6%	1.377,9	1.473,9	-6,5%	0,0%
Breakdown by product segments								
Footwear	277,6	329,8	-15,8%	-9,1%	598,4	702,8	-14,9%	-8,0%
Apparel	241,1	227,0	6,2%	12,8%	487,0	483,1	0,8%	7,6%
Accessories	133,6	135,6	-1,5%	3,4%	292,5	288,0	1,6%	6,6%
Total	652,2	692,3	-5,8%	0,6%	1.377,9	1.473,9	-6,5%	0,0%

Bjørn Gulden, Chief Executive Officer of PUMA SE: "PUMA's second quarter sales and operating profit developed in line with our expectations. I was very happy with PUMA's visibility during the World Cup in Brazil. Feedback on both our dual-colored Tricks football boots and our national team jerseys with ACTV technology has been great. The sell-through of these products has been excellent and exceeded our expectations. In addition, we celebrated a successful Arsenal launch in July, followed by very good initial sales at Retail of Arsenal replica jerseys. We are now looking forward to launching our new "Forever Faster" marketing campaign in August, which is another step in the process of becoming the "fastest sports brand in the world". But, as I have said all along: We know that the repositioning of PUMA and the turnaround of the business will take time. However, I feel we are making progress on all our key strategic priorities and we have initiated the right projects to make 2014 the start of the turnaround."

Second Quarter 2014

Sales increase slightly

PUMA's consolidated sales in the second quarter of 2014 were in line with expectations, rising by 0.6% currency adjusted to € 652 million. However, due to continued currency weakness in Turkey, Russia, South Africa, India, Japan and the Americas, sales declined by 5.8% in Euro terms.

Performance in the Americas improves

In the **EMEA** region, sales declined by 1.4% currency adjusted to € 256 million as strong performances in the United Kingdom and Switzerland could not entirely offset a decline in French and Scandinavian wholesale revenues.

Sales in the **Americas** increased by 4.6% currency adjusted to € 251 million, as key account initiatives like the PUMA Labs at Footlocker contributed to the performance improvement in North America, and Latin America benefited from increased Teamsport sales, particularly in Chile and Mexico.

Sales in the **Asia/Pacific** region declined by 2.3% currency adjusted to € 146 million despite solid growth in Korea and India, as performance in Japan was pressured by the sales tax increase at the beginning of the quarter which led to a decline across categories.

Product segment trends continue

PUMA's currency adjusted **Footwear** sales declined by 9.1% in the second quarter to € 278 million despite improved Teamsport sales.

Apparel sales, however, improved by 12.8% currency adjusted to € 241 million as the World Cup supported strong performances in replica jerseys as well as training and fan wear, particularly for the Italian, Chilean and African teams.

Accessories sales also improved by 3.4% currency adjusted to € 134 million due to continued demand for PUMA's socks and bodywear. However, Golf equipment sales declined during the quarter due to the weaker golfing environment.

Gross profit margin improves

PUMA's **gross profit margin** increased from 46.0% to 46.7% for the second quarter of 2014 as promotional activities declined compared to the same period last year. Footwear gross profit margin decreased from 44.1% to 42.7% due to the product and category mix. Apparel margins rose from 47.0% to 48.2% and the margin for Accessories increased from 49.2% to 52.4%.

OPEX flat

Operating expenditures were broadly unchanged for the quarter at € 297 million, despite increased marketing expenditures associated with the World Cup in Brazil.

Operating Result (EBIT) declines

The negative currency impact on sales and gross profit led to a decline in PUMA's **operating profit (EBIT)** from € 31 million to € 13 million for the second quarter of 2014. The EBIT ratio decreased from 4.5% to 1.9%.

Financial Result

The **financial result** improved from € -4.1 million to € -1.3 million in the second quarter. The result remained negative due mainly to currency conversion impacts.

Net earnings

PUMA's consolidated **net earnings** declined from € 18 million to € 4 million impacted in part by a slightly higher tax rate in the quarter due to tax expenses related to prior years. As a result, **earnings per share** decreased from € 1.17 to € 0.28 in the second quarter of the year.

Half Year 2014

Currency adjusted sales were flat in the first half of 2014 at € 1.38 billion. Continued currency weakness in the aforementioned countries led to a decline of 6.5% in Euro terms.

Varied regional performance in the first half

Sales in the **EMEA** region declined by 0.5% currency adjusted to € 593 million, where strong performances in the United Kingdom and Turkey were not enough to entirely offset lower sales in France and Scandinavia.

Currency adjusted sales in the **Americas** increased by 2.1% to € 486 million with improvements in some major markets including the USA and Canada, while Chile performed well in Latin America.

Asia/Pacific sales declined by 2.2% currency adjusted to € 299 million as decreases in Japan and Oceania could not be fully compensated for by increases in India and Korea.

Apparel and Accessories increase

In terms of product segments, **Footwear** sales declined by 8.0% currency adjusted to € 598 million in the first half of the year. Sales in **Apparel** increased by 7.6% currency adjusted to € 487 million, and **Accessories** sales also rose by 6.6% currency adjusted to € 292 million.

PUMA's Retail sales rise

PUMA's **retail sales** increased by 2.9% currency adjusted to € 270 million in the first half of 2014, equal to 19.6% of total sales, as comparable sales in our stores improved during the period.

Gross Profit Margin stable

PUMA's half year **gross profit margin** was unchanged at 47.7%. The decline in Footwear margin from 45.1% to 43.4% was offset by the increase in the Apparel margin from 49.4% to 50.9%. Accessories margin was stable at 50.9% for the first six months of the year.

Slight decline in half year OPEX

PUMA's **operating expenditure** improved slightly thanks to continued expenditure discipline despite the higher marketing costs associated with an event year. Half year OPEX improved by 1.2% from € 602 million to € 595 million.

Operating Result (EBIT) lower

Weak currencies continued to impact reported sales and gross profit. PUMA's **EBIT** therefore declined from € 110 million to € 71 million for the half year, equivalent to 5.2% of sales. The negative currency development during 2014, particularly in Emerging Markets, had a negative impact of approx. € 15 million on the EBIT, equal to 1.1% of net sales.

Financial Result

For the half year, PUMA's **financial result** improved from € -8.0 million to € -4.5 million. The negative result was caused mainly by the impact of foreign currency fluctuations.

Net Earnings / Earnings per share decline

Half year consolidated **net earnings** fell from € 68 million to € 40 million, with **earnings per share** declining from € 4.54 to € 2.66.

Net Assets and Financial Position

Working Capital position continues to improve

PUMA's continued emphasis on the balance sheet delivered positive results. **Inventories** declined by 7.9% to € 584 million and **trade receivables** also decreased by 9.8% to € 463 million. As **trade payables** remained stable, the Group's **working capital** improved by 13.0% to € 596 million.

Cashflow / Capex

PUMA's **Free Cashflow** improved from € -112 million to € -72 million for the first six months of 2014. This was mainly due to lower Working Capital requirements.

Capital expenditure rose from € 19 million to € 31 million as PUMA continued to invest in the opening and refurbishment of selected retail stores, as well as office and IT equipment.

Net Cash Position

PUMA's **Net Cash Position** at the end of the first half of the year improved from € 233 million to € 267 million.

Brand Update

At the 2014 FIFA World Cup™ in Brazil, PUMA's eight partnered teams secured a strong on-pitch visibility, participating in almost half of all games in the tournament. The World Cup proved to be a great stage for PUMA's innovative football products: Both our national team jerseys featuring PUMA's apparel innovation PWR ACTV as well as PUMA's prominent pink and blue interpretation of its revolutionary evoPOWER and evoSPEED football boots 'Tricks', which

could be seen in three quarters of all games, were eye-catchers, creating lots of positive headlines. Combined with high engagement rates on our social media channels, PUMA achieved its best ever sell-through of football boots, with Tricks now widely sold out.

Starting July 1st PUMA has become the official kit partner of top English Premier League club Arsenal FC. The company kicked off its new partnership with the launch of the much-anticipated new Arsenal Home, Away and Cup kits for the 2014/15 season. The jerseys were revealed through a spectacular twenty meter high water projection on London's River Thames viewed from the North Bank, transforming the EDF Energy London Eye into the iconic Clock End. The jerseys generated impressive sell-through in its first week on sale.

The fastest sports in the world, Formula 1, is currently dominated by the world's fastest team, PUMA-supplied Mercedes AMG Petronas, with 9 wins in the first 11 races. In a thrilling Hungarian Grand Prix ahead of Formula 1's four-week summer break, Lewis Hamilton finished third after starting from the back of the grid. The Briton reduced the deficit to his teammate Nico Rosberg, who is still leading the drivers' standings by 11 points after his sensational win of the German Grand Prix at Hockenheim a week before. With PUMA-partnered Ferrari driver Fernando Alonso currently ranking fourth in the standings, almost all the top drivers are equipped with PUMA race wear and the Evo Speed SLW Pro, the lightest shoe in the Motorsports world.

Strategy Update

Our strategy encompasses the repositioning of PUMA as the World's Fastest Sports Brand, the improvement of our product engine, the optimization of our distribution quality and increasing the speed within our organization and infrastructure. In the second quarter we continued to progress well on all our key strategic priorities that are crucial to ensuring that 2014 marks the start of the turnaround.

In terms of our brand repositioning, we have created the biggest marketing campaign in PUMA's history and are now ready to communicate the repositioning of PUMA as a true Sports Brand to our consumers and retail partners. The campaign demonstrates how our great athletes like Usain Bolt, Mario Balotelli, Rickie Fowler, Marta, Lexi Thompson and Ferrari are the epitome

of our brand values: Brave, confident, determined, and joyful. The campaign will be kicked-off on August 7th in North America, Latin America and Asia-Pacific and will be rolled out to Europe and EEMEA shortly afterwards. The launch of this campaign marks the start of a long-term marketing strategy, with continuous investment up to the Rio de Janeiro Olympic Games in 2016 and beyond.

To improve our product engine, we initiated key projects to improve our product designs, develop more innovative technologies, and increase the commerciality of our product range. The first results have already been implemented for the coming Spring/Summer 2015 season, and the feedback from our retail partners, as well as our initial indications for H1/2015, make us very confident that we are heading in the right direction.

In order to improve the quality of our revenues and distribution, we are developing joint product and marketing programs with our key retailers to showcase our brand in the right retail environment and push sell-through with our partners. The PUMA Lab at Foot Locker, which we launched in Feb 2014, has developed very positively and we increased the presence to 126 doors in the US. The success of the PUMA Lab has not only improved our business with Footlocker but also generated a positive spill-over effect on to other key retailers in the US marketplace – both with performance and lifestyle accounts. In 2015, we will continue to foster our collaborations and will launch further product and marketing programs with our most important key accounts in every Region.

We have also continued to optimize our organizational structure and setup by making it faster. Our PUMA Village development center was closed on May 2nd. Our developers have moved to the sample rooms in our supplier factories and are now closer to the production process. As of May 31st, we have finalized the relocation of our Lifestyle Business Unit from London to our Headquarters in Herzogenaurach and closed the London office accordingly. The relocation of our Global and European Retail Organization from Oensingen, Switzerland, to our Headquarters in Herzogenaurach is progressing well and will be finalized as planned by the end of September.

Outlook for the Financial Year 2014

2014 continues to be a turnaround year for PUMA, where the brand will be re-established in the market place and brought back to a path of profitable and sustainable growth in the mid-term. To support this turnaround, PUMA will continue to invest strongly in marketing and sports assets, while maintaining tight control on other operating expenditures.

Given PUMA's results in the first half of the year, we continue to expect flat full year currency adjusted net sales and a slight increase in the gross profit margin, as PUMA replaces lower tier distribution with higher tier distribution channels. OPEX is still expected to increase significantly based on increased Marketing investments, particularly in the second half of the year. PUMA's full year guidance for EBIT and Net Earnings (approx. 5% and 3% of net sales respectively) remains unchanged from the first quarter; we reiterate that the continued volatile currency movements may have a negative impact of around 50 basis points on the EBIT and Net Earnings margin for the year.

Change of Managing Director

Andy Koehler, Chief Operating Officer (COO), informed the Administrative Board that he wishes to leave PUMA for personal reasons, effective 31 July 2014. During his time at PUMA, Andy Koehler laid the strategic groundwork to accelerate the transformation process in his area of responsibility. PUMA is thankful for his contributions and wishes him all the best for his professional and personal future. He will be available to the Kering Group as a consultant.

Lars Radoor Soerensen has been appointed Chief Operating Officer (COO) of PUMA SE as of 1 August 2014. Lars joined PUMA in November 2013 and has led the areas of Business Processes and Intelligence as well as Information Technology. Prior to joining PUMA, Lars was previously the Chief Operating Officer at Bestseller and Esprit and before that he held leadership roles at Adidas and Lego. PUMA is confident that Lars is the right person to lead its operations and looks forward to having him as its new COO.

Income Statement	Second Quarter			Full Year		
	Q2/2014 € million	Q2/2013 € million	Deviation	1-6/2014 € million	1-6/2013 € million	Deviation
Sales	652,2	692,3	-5,8%	1.377,9	1.473,9	-6,5%
Cost of sales	-347,5	-373,6	-7,0%	-721,1	-771,2	-6,5%
Gross profit	304,7	318,7	-4,4%	656,9	702,7	-6,5%
- in % of consolidated sales	46,7%	46,0%		47,7%	47,7%	
Royalty and commission income	4,7	4,6	1,8%	9,3	9,5	-1,4%
Other operating income and expenses	-296,8	-292,2	1,6%	-595,0	-602,0	-1,2%
Operating result (EBIT)	12,6	31,2	-59,7%	71,2	110,1	-35,4%
- in % of consolidated sales	1,9%	4,5%		5,2%	7,5%	
Financial result / Income from associated companies	-1,3	-4,1	-67,2%	-4,5	-8,0	-43,9%
Earnings before taxes (EBT)	11,2	27,1	-58,6%	66,7	102,1	-34,7%
- in % of consolidated sales	1,7%	3,9%		4,8%	6,9%	
Taxes on income	-3,8	-6,6	-43,0%	-19,7	-28,6	-31,1%
- Tax rate	33,6%	24,5%		29,6%	28,0%	
Net earnings attributable to non-controlling interests	-3,3	-2,9	11,6%	-7,2	-5,7	25,7%
Net earnings	4,2	17,5	-76,2%	39,8	67,8	-41,3%
Earnings per share (€)	0,28	1,17	-76,2%	2,66	4,54	-41,3%
Earnings per share (€) - diluted	0,28	1,17	-76,2%	2,66	4,54	-41,3%
Weighted average shares outstanding				14,940	14,939	0,0%
Weighted average shares outstanding - diluted				14,940	14,940	0,0%

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Balance Sheet	Jun. 30,'14 € million	Jun. 30,'13 € million	Devi- ation	Dec. 31,'13 € million
ASSETS				
Cash and cash equivalents	300,0	334,7	-10,4%	390,1
Inventories	584,3	634,6	-7,9%	521,3
Trade receivables	463,0	513,3	-9,8%	423,4
Other current assets (Working Capital related)	182,7	157,8	15,8%	167,8
Other current assets	2,3	19,1	-88,0%	11,6
Current assets	1.532,3	1.659,6	-7,7%	1.514,2
Deferred taxes	170,7	140,3	21,7%	164,2
Other non-current assets	643,2	723,7	-11,1%	630,1
Non-current assets	813,9	864,0	-5,8%	794,3
Total Assets	2.346,2	2.523,6	-7,0%	2.308,5
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current financial liabilities	33,4	43,8	-23,7%	25,1
Trade payables	437,2	435,3	0,5%	373,1
Other current liabilities (Working Capital related)	196,6	185,0	6,3%	211,1
Other current liabilities	55,4	108,0	-48,7%	81,6
Current liabilities	722,7	772,0	-6,4%	690,8
Deferred taxes	44,5	53,9	-17,5%	50,3
Pension provisions	28,2	30,0	-5,9%	28,1
Other non-current liabilities	37,3	37,3	0,0%	42,1
Non-current liabilities	110,0	121,2	-9,2%	120,4
Shareholders' equity	1.513,5	1.630,4	-7,2%	1.497,3
Total Liabilities and Shareholders' equity	2.346,2	2.523,6	-7,0%	2.308,5

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Cashflow Statement	1-6/2014 € million	1-6/2013 € million	Devi- ation
Earnings before taxes (EBT)	66,7	102,1	-34,7%
Financial result and non cash effected expenses and income	27,1	23,7	14,5%
Cashflow - gross	93,8	125,8	-25,4%
Change in net working capital	-94,6	-147,2	-35,7%
Taxes and interest payments	-36,5	-45,9	-20,6%
Cashflow from operating activities	-37,3	-67,3	-44,6%
Payments for acquisitions	-2,3	-20,6	-88,8%
Payments for investments in fixed assets	-31,3	-19,1	63,9%
Other investing activities	-1,1	-5,4	-80,6%
Cashflow from investing activities	-34,7	-45,1	-23,2%
Free Cashflow	-72,0	-112,5	-36,0%
Free Cashflow (before acquisition)	-69,7	-91,9	-24,2%
Dividends paid to equity holders of the parent company	-7,5	-7,5	0,0%
Dividends paid to non-controlling interests	-15,3	-8,7	76,9%
Proceeds from short term borrowings	0,0	58,0	-100,0%
Other changes	6,7	2,7	142,5%
Cashflow from financing activities	-16,1	44,6	-136,2%
Effect on exchange rates on cash	-2,0	-4,7	-57,8%
Change in cash and cash equivalents	-90,1	-72,5	24,2%
Cash and cash equivalents at beginning of financial year	390,1	407,3	-4,2%
Cash and cash equivalents end of the period	300,0	334,7	-10,4%

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Media Relations:

Kerstin Neuber - Corporate Communications - PUMA SE - +49 9132 81 2984 - kerstin.neuber@puma.com

Investor Relations:

Carl Baker – Finance - PUMA SE - +49 9132 81 3188 – carl.baker@puma.com

Notes to the editors:

- This press release and financial reports are posted on www.about.puma.com.
- PUMA SE stock symbol:
Reuters: PUMG.DE, Bloomberg: PUM GY,
Börse Frankfurt: ISIN: DE0006969603– WKN: 6969603

Notes relating to forward-looking statements:

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.

PUMA

PUMA is one of the world's leading Sports Brands, designing, developing, selling and marketing footwear, apparel and accessories. For over 65 years, PUMA has established a history of making fast product designs for the fastest athletes on the planet. PUMA offers performance and sport-inspired lifestyle products in categories such as Football, Running, Training and Fitness, Golf, and Motorsports. It engages in exciting collaborations with renowned design brands such as Alexander McQueen and Mihara Yasuhiro to bring innovative and fast designs to the sports world. The PUMA Group owns the brands PUMA, Cobra Golf, Tretorn, Dobotex and Brandon. The company distributes its products in more than 120 countries, employs more than 10,000 people worldwide, and is headquartered in Herzogenaurach/Germany. For more information, please visit <http://www.puma.com>