



PRESS RELEASE

PUMA's 2012 Sales meet Expectations

Transformation and Cost Reduction Program impact Profitability

Herzogenaurach, February 14, 2013

2012 Fourth Quarter Highlights

- PUMA's consolidated sales climb by 11.7% in Euro terms to € 804.7 million.
- Gross profit margin declines to 44.6% due to inventory clearance.
- EBIT before special items falls slightly to € 42.8 million.
- Special items of € 98.2 million booked in the quarter.
- Net earnings come in at € -42.6 million, impacted by special items.

2012 Full Year Highlights

- PUMA's full year consolidated sales rise by 8.7% in Euro terms to just under € 3.3 billion.
- Gross profit margin abates to 48.3%.
- EBIT before special items softens by 12.8% to € 290.7 million.
- Special items of € 177.5 million caused by Transformation and Cost Reduction Program, Spain Arbitration and restructuring of businesses in Greece, Cyprus and Bulgaria.
- EBIT including special items totals € 113.2 million.
- EPS amount to € 4.69 after € 15.36 last year.

Key sales figures at a glance

Sales by regions and product segments	Q4		growth rates		1-12		growth rates	
€ million	2012	2011	Euro	currency adjusted	2012	2011	Euro	currency adjusted
Breakdown by regions								
EMEA	253,4	236,8	7,0%	5,2%	1.301,7	1.312,0	-0,8%	-1,6%
Americas	304,5	271,3	12,2%	8,6%	1.127,2	966,9	16,6%	10,6%
Asia/Pacific	246,7	212,3	16,2%	12,6%	841,7	730,1	15,3%	7,4%
Total	804,7	720,5	11,7%	8,7%	3.270,7	3.009,0	8,7%	4,6%
Breakdown by product segments								
Footwear	367,9	338,6	8,6%	6,0%	1.595,2	1.539,5	3,6%	-0,1%
Apparel	316,6	274,8	15,2%	11,8%	1.151,9	1.035,6	11,2%	6,6%
Accessories	120,1	107,0	12,3%	9,1%	523,6	433,9	20,7%	16,6%
Total	804,7	720,5	11,7%	8,7%	3.270,7	3.009,0	8,7%	4,6%

Outlook for the Financial Year 2013

- Transition Period defined within our strategy extended into 2013
- Launch of “The Nature of Performance” brand platform and new product innovations to revitalize Performance categories
- Management expects 2013 sales unchanged from the 2012 level
- Management envisages an increase in EBIT before special items of low- to mid-single digits and a significant improvement of net earnings

“Despite a continuously challenging market environment, particularly in Europe, PUMA delivered a strong sales performance in the fourth quarter, enabling us to meet our sales projections for the full year of 2012,” said **Franz Koch, CEO of PUMA SE**. “We have completed defining the scope of PUMA’s Transformation and Cost Reduction Program, and will continue with the implementation of all measures throughout 2013 to improve the company’s profitability. I want to reiterate that it is not our priority to push for sales growth at any cost, but instead focus on improving desirability for the PUMA brand.”

Strong performances in Asia and North America give impetus to PUMA's Fourth Quarter Sales Growth

PUMA delivered a strong sales performance in the fourth quarter of 2012. Boosted by double-digit sales growth in Asia and North America, PUMA's **consolidated sales** increased by nearly 12% in Euro terms or 8.7% currency adjusted to € 804.7 million from October 1 to December 31. The numbers were supported by the performance of Cobra PUMA Golf, with its products resonating exceptionally well with consumers.

Sales Performance by Segment

All of PUMA's product segments grew in the fourth quarter of 2012. **Footwear** was up by 8.6% in Euro terms to € 367.9 million. On the Performance side, PUMA's Faas footwear family continued to appeal to consumers while the PUMA Suede range fuelled sales in PUMA's Lifestyle footwear business.

Apparel climbed by 15.2% in Euro terms to € 316.6 million after increasing demand for Fitness & Training gear. **Accessories** rose by 12.3% in reported terms to € 120.1 million driven by our US joint ventures Janed and Wheat as well as our Cobra PUMA Golf business.

Sales Performance by Region

While PUMA's sales increased in all regions, performance in the **Asia/Pacific** region was exceptionally satisfactory during the fourth quarter. Sales rose by 16.2% to € 246.7 million while PUMA expanded in virtually all markets. Japan and India in particular excelled on the back of demand for evoSPEED Apparel products. Seasonal factors also played a part, with winter collections gaining traction with consumers, especially PUMA branded duffel coats and parka collections in Korea, China and Japan.

PUMA was also able to reverse the slight declines from previous quarters in the **EMEA** region, with sales rising by 7.0% in Euro terms to € 253.4 million. This performance was supported by strong growth in Germany, Sweden and Switzerland delivering satisfying growth rates. PUMA's Lifestyle footwear ranges sold well, especially the PUMA Suede in developed countries as well as our Motorsport collections in emerging markets.

In the **Americas**, PUMA continued to increase sales at a favorable rate, improving by 12.2% in reported terms to € 304.5 million. This growth was driven mainly by the Cobra PUMA Golf business as well as by undiminished demand for Fitness, Lifestyle and Motorsport products.

Sales Performance Retail

PUMA's **retail business** increased by a significant 23.0%, with the company operating 60 additional stores when compared to the fourth quarter of last year. As in the three previous quarters, our comparable store sales developed positively, while E-commerce sales rose by 23.4% over the same period.

Margin, Expenses and Profitability

PUMA's fourth quarter **gross profit margin** declined from 46.7% to 44.6%. The Footwear margin fell sharply from 46.6% to 41.8%, due to inventory clearances during the quarter and unfavorable hedging rates as well as a shift in the regional mix. The gross profit margin for Apparel, however, improved from 45.9% to 46.6% and Accessories declined from 49.0% to 48.0%.

Operating expenses in the fourth quarter continued to rise, by 10.0% from € 292.3 million to € 321.5 million. This was equivalent to 40.0% of sales and an OPEX ratio improvement from 40.6% in 2011. The absolute increase in operating expenses is mostly attributable to higher marketing and retail expenses on the back of our increased retail portfolio as well as continuing IT and supply chain infrastructure improvements.

The **EBIT** before special items fell by 11.2% to € 42.8 million in the fourth quarter from last year's € 48.1 million and also as a percentage of sales, from 6.7% to 5.3%.

In addition to the special items of € 79.3 million reported in the third quarter, PUMA recorded a further € 98.2 million in special items for the last three months of 2012. These additional items consist of the arbitral award in December related to the trademark rights in Spain, the restructuring of our distribution set-up and the closure of our subsidiaries in Greece, Cyprus and Bulgaria, as well as the streamlining of our product and endorsement portfolio.

The fourth quarter **financial result** further improved from € -8.9 million to neutral, largely as a result of a decline of foreign exchange impacts.

EBT in the fourth quarter fell from € 39.3 million to € -55.4 million. **Net earnings** consequently also declined from € 33.1 million to a loss of € -42.6 million in the quarter and **Earnings per share** followed suit, reduced from € 2.21 to € -2.85. These drops all stem from the special items booked in the quarter.

PUMA reaches 2012 Full Year Sales Target

2012 was an exceptional year for PUMA in many ways. The Football Euro Cup in June, the conclusion of PUMA's second Volvo Ocean Race in July and the Summer Olympics in August turned 2012 into a year full of major sports highlights. These events provided the perfect platform for PUMA to generate global brand visibility and desirability.

In terms of product, 2013 will be a pioneering year for PUMA, as the company re-energizes its Performance positioning through the introduction of a new **cross-category brand platform**: The Nature of Performance. The Nature of Performance unifies all of PUMA's performance categories with a consistent voice, look and feel and serves as the inspiration for a collection of innovative new products in the Football, Running, Training, Fitness and Golf categories.

PUMA's management began to implement the company's **Transformation and Cost Reduction Program** throughout the second half of 2012, laying the groundwork for substantial financial improvements going forward. The program entails the set up of a new business model in Europe by reducing the number of reporting entities from 23 countries to seven areas as well as a strong European management paradigm. The areas DACH (Germany, Austria, Switzerland), IBERIA (Spain, Portugal), UKIB (UK, Ireland and Benelux), SCANDINAVIA (Denmark, Finland, Norway, Sweden), EASTERN EUROPE (Estonia, Latvia, Lithuania, Poland and Slovakia, Czech Republic, Hungary), FRANCE and ITALY have all been implemented.

The Transformation and Cost Reduction Program includes the closure of approximately 90 unprofitable stores, mostly in established markets, which has also begun. However, PUMA will

continue to open new stores in selected profitable locations throughout 2013, primarily in emerging markets. PUMA expects to be operating 540 stores at the end of 2013 compared with 590 stores at the end of 2012.

PUMA has also assessed its sponsorship portfolio and terminated **endorsement contracts** that are either unprofitable or are no longer part of PUMA's core categories going forward. Within this context, PUMA has decided to focus its activities in the Sailing category on endorsing the America's Cup and ORACLE TEAM USA for 2013. Beyond 2013, PUMA will cease the production of Sailing products, and focus instead on its Outdoor business, for which Sailing has served as the perfect springboard. PUMA has also decided to exit all European Rugby activities, including the endorsement of the Irish Rugby Football Union beyond the 2013/14 season.

Full year sales increase to almost € 3.3 billion

Consolidated sales for the **Full Year** climbed 8.7% in Euro terms or 4.6% currency adjusted to € 3,270.7 million. With this record result, PUMA achieved its sales target for the full year.

Sales Performance by Region

While sales in **EMEA** softened by 0.8% in Euro terms to € 1.3 billion due to a weaker performance in Western Europe, there were strong performances in Germany, Russia and Turkey in 2012. The **Americas** delivered a satisfying performance, including North America, Mexico and Argentina, increasing in Euro terms by 16.6% to € 1.13 billion. **Asia/Pacific** was equally strong, rising by 15.3% to € 841.7 million, supported by good numbers in Japan and India in particular.

Sales Performance by Segment

In terms of segments, **Footwear** grew 3.6% in Euro terms to € 1.6 billion. **Apparel** rose by 11.2% to € 1.15 billion, while **Accessories** posted an impressive 20.7% increase to € 523.6 million also bolstered by consolidation effects of the new joint ventures.

Retail sales climb by € 109.0 million

Sales in our owned and operated **retail** outlets rose by 21.2% in 2012 to € 623.9 million, an increase of € 109.0 million from 2011. This is due in part to the expansion of our retail base compared to the end of 2011. As a percentage of total turnover, retail sales rose from 17.9% to 19.1%. E-commerce also posted a gain, up 16.5% for the year.

Gross profit margin eases to 48.3%

For the full year, PUMA's **gross profit margin** moved down from 49.6% to 48.3% in 2012. This was due to a combination of factors, most notably inventory clearance, the regional mix and also continued input cost pressure in the form of wage inflation in the Far East. The Footwear margin declined from 49.1% to 46.5%. Apparel rose slightly, from 49.6% to 49.8% whereas Accessories fell, from 51.6% to 50.5%.

Operating expenses

PUMA's full year **operating expenses** rose by 11.0% in 2012, from € 1,177.8 million to € 1,307.5 million, slightly ahead of and equal to 40.0% of sales. Marketing and Retail rose by 10.7% to € 609.3 million, and also slightly as a percentage of sales to 18.6% after 18.3% last year, caused by supporting a double event year and the increasing number of stores operated by PUMA. Other Selling Expenses rose 11.4% to € 431.1 million. Similarly, Research, Design and Development costs rose 10.3% to € 84.9 million as PUMA continues to emphasize its product pipeline. General and Administrative Expenses were up 5.0% to € 205.0 million. Despite this, the expense ratio declined from 6.5% to 6.3% in 2012 due to cost saving measures. The Company reported other operating income of € 22.9 million compared to € 32.2 million in 2011.

Earnings before special items

EBIT before special items declined 12.8% to € 290.7 million as a result of higher costs and lower than expected margins. As a percentage of sales this is equal to 8.9% for the year compared to last year's 11.1%.

Special Items

PUMA recorded € 124.9 million in **special items** that are related to the Transformation and Cost Reduction Program. These have been incurred mainly by restructuring the European region, optimizing the retail portfolio, adjusting the product and endorsement portfolio, and reorganizing our global functions and local subsidiaries.

As announced on 20 December 2012, the former Spanish distributor and license holder Estudio 2000 S.A., who owned several PUMA trademark rights in Spain, was obliged to vest these to PUMA in accordance with the award of the arbitration panel. According to this ruling, the transfer of the trademark rights is subject to a one-time payment of € 42.2 million to Estudio 2000 S.A., which led to a one-off expense of € 24.6 million in 2012.

For Greece, Cyprus and Bulgaria, PUMA has appointed Sportswind, a local distributor, to take over PUMA's business activities in these countries, as PUMA wants to focus its efforts, initiatives and investments on its key strategic markets. The distribution agreement should reduce PUMA's business risks in these markets substantially while at the same time improve its sales. PUMA will close its own operations in due course in these three markets. The restructuring of the aforementioned distribution and operations resulted in additional one-time costs of € 28.0 million.

Operational result after Special Items

The **EBIT** after special items for 2012 was € 113.2 million, or 3.5% as a percentage of sales.

The **financial result** for 2012 improved significantly and was € -0.9 million compared to € -12.8 million in 2011 due to lower foreign exchange impacts in PUMA's financing activities.

Full year **EBT** was therefore € 112.3 million, or 3.4% of sales, while the tax ratio remained stable at 28.9%.

As a result of our Transformation and Cost Reduction Program in 2012, **net earnings** for the financial year 2012 were € 70.2 million, compared to € 230.1 million last year and **EPS** was therefore equal to € 4.69 and down from last year's € 15.36.

Net Assets and Financial Position

Equity

The **equity ratio** rose from 62.2% to 63.1%, which indicates continued improvement in our capital base, despite the lower net earnings in 2012.

Working Capital

PUMA's overall **Working Capital** increased by 16.8% to € 623.7 million, due in particular to a decline of working capital related liabilities at the balance sheet date. On the asset side, testament to PUMAs strict management, **Inventories** rose only slightly, by 2.9% to € 552.5 million and **Trade receivables** actually decreased despite the rise in sales, down 4.9% to € 507.0 million.

Cashflow / Capex / Cash Position

Free cashflow before acquisitions for the full year improved by 37.1% from € 61.0 million to € 83.5 million in 2012 mainly due to lower tax payments. With regards to our **Capex**, PUMA's outgoings increased by 14.1% to € 81.2 million related to store openings and IT investments. Payments for acquisitions more than doubled to € 91.7 million, consisting for the most part of PUMA's purchase of all outstanding Dobotex shares at the beginning of the year. As a consequence, the **net cash position** decreased by 12.1% to € 363.2 million.

Dividend

The Administrative Board will propose at the Annual General Meeting on May 7, 2013, that a **dividend** of € 0.50 per share (€ 2.00 in the previous year) be paid for the financial year 2012. This is a result of the reduced earnings caused by the special items undertaken under the Transformation and Cost Reduction Program, the restructuring of the distribution in southern east European countries and the Arbitration ruling in Spain.

Share buyback

The company did not buy back any of its own shares throughout the year, including the fourth quarter of 2012. As of the balance sheet date, PUMA owned 143.185 of its own shares, equal to € 32.2 million.

Outlook

Management expects that PUMA's sales in 2013 will remain at a level consistent with that of 2012. This is due to the fact that the implementation of the Transformation and Cost Reduction Program will continue throughout 2013, making it a transitional year before PUMA will once again generate desirable, profitable sales growth. However, as PUMA's Transformation and Cost Reduction Program is geared towards improving the company's profitability, management envisages an increase in EBIT before special items in the low- to mid-single digits while net earnings should improve significantly.

Income Statement	Fourth Quarter			Full Year		
	Q4/2012 € million	Q4/2011 € million	Devi- ation	1-12/2012 € million	1-12/2011 € million	Devi- ation
Sales	804,7	720,5	11,7%	3.270,7	3.009,0	8,7%
Cost of sales	-445,5	-384,2	16,0%	-1.691,7	-1.515,6	11,6%
Gross profit	359,2	336,3	6,8%	1.579,0	1.493,4	5,7%
- in % of consolidated sales	44,6%	46,7%		48,3%	49,6%	
Royalty and commission income	5,1	4,2	22,2%	19,2	17,6	9,2%
Other operating income and expenses	-321,5	-292,3	10,0%	-1.307,5	-1.177,8	11,0%
Operating result before special items	42,8	48,1	-11,2%	290,7	333,2	-12,8%
- in % of consolidated sales	5,3%	6,7%		8,9%	11,1%	
Special items	-98,2	0,0		-177,5	0,0	
Operating result (EBIT)	-55,5	48,1		113,2	333,2	-66,0%
- in % of consolidated sales	-6,9%	6,7%		3,5%	11,1%	
Financial result / Income from associated companies	0,0	-8,9		-0,9	-12,8	
Earnings before taxes (EBT)	-55,4	39,3		112,3	320,4	-65,0%
- in % of consolidated sales	-6,9%	5,4%		3,4%	10,6%	
Taxes on income	16,0	-5,7		-32,5	-90,0	-63,9%
- Tax rate	28,8%	14,6%		28,9%	28,1%	
Net earnings attributable to non-controlling interests	-3,1	-0,5		-9,6	-0,3	
Net earnings	-42,6	33,1		70,2	230,1	-69,5%
Earnings per share (€)	-2,85	2,21		4,69	15,36	-69,5%
Earnings per share (€) - diluted	-2,85	2,21		4,69	15,36	-69,5%
Weighted average shares outstanding				14,967	14,981	-0,1%
Weighted average shares outstanding - diluted				14,968	14,985	-0,1%

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	Dec. 31,'12 € million	Dec. 31,'11 € million	Deviation
ASSETS			
Cash and cash equivalents	407,3	448,2	-9,1%
Inventories	552,5	536,8	2,9%
Trade receivables	507,0	533,1	-4,9%
Other current assets (Working Capital related)	167,4	167,6	-0,1%
Other current assets	8,4	28,7	-70,7%
Current assets	1.642,6	1.714,5	-4,2%
Deferred taxes	152,0	109,1	39,4%
Other non-current assets	735,7	758,2	-3,0%
Non-current assets	887,6	867,3	2,3%
Total Assets	2.530,3	2.581,8	-2,0%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current bank liabilities	44,1	35,1	25,6%
Trade payables	376,1	431,4	-12,8%
Other current liabilities (Working Capital related)	227,2	272,1	-16,5%
Other current liabilities	156,1	100,5	55,3%
Current liabilities	803,5	839,2	-4,3%
Deferred taxes	54,1	63,6	-15,0%
Pension provisions	30,7	29,8	2,9%
Other non-current liabilities	44,7	44,0	1,5%
Non-current liabilities	129,4	137,5	-5,8%
Shareholders' equity	1.597,4	1.605,2	-0,5%
Total Liabilities and Shareholders' equity	2.530,3	2.581,8	-2,0%

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Cashflow Statement	1-12/2012 € million	1-12/2011 € million	Deviation
Earnings before taxes (EBT)	112,3	320,4	-65,0%
Financial result and non cash effected expenses and income	215,3	61,2	252,1%
Cashflow - gross	327,6	381,5	-14,1%
Change in net working capital	-91,5	-105,9	-13,6%
Taxes and interest payments	-79,4	-148,8	-46,7%
Cashflow from operating activities	156,7	126,8	23,6%
Payments for acquisitions	-91,7	-44,2	107,5%
Payments for investments in fixed assets	-81,2	-71,1	14,1%
Other investing activities	8,0	5,3	50,7%
Cashflow from investing activities	-164,9	-110,0	49,9%
Free Cashflow	-8,2	16,8	-148,8%
Free Cashflow (before acquisition)	83,5	61,0	37,1%
Dividends paid to equity holders of the parent company	-29,9	-26,8	11,3%
Dividends paid to non-controlling interests	-1,1	0,0	0,0%
Purchase of own shares	0,0	-26,6	-100,0%
Other changes	9,9	-5,4	-284,1%
Cashflow from financing activities	-21,2	-58,8	-64,1%
Effect on exchange rates on cash	-11,7	10,7	-208,9%
Change in cash and cash equivalents	-41,0	-31,4	30,5%
Cash and cash equivalents at beginning of financial year	448,2	479,6	-6,5%
Cash and cash equivalents end of the period	407,3	448,2	-9,1%

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.

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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:

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PUMA

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, Mihara Yasuhiro and Sergio Rossi. The PUMA Group owns the brands PUMA, Cobra Golf and Tretorn. The company, which was founded in 1948, distributes its products in more than 120 countries, employs more than 10,000 people worldwide and has headquarters in Herzogenaurach/Germany, Boston, London and Hong Kong. For more information, please visit <http://www.puma.com>