



PRESS RELEASE

Implementation of Transformation Program and Cost Cutting Measures Impact Third Quarter Net Earnings

Herzogenaurach, October 24, 2012

Performance Third Quarter 2012

- Consolidated sales increase 6.0% in Euro terms
- EBIT before special items decreases by 16.7% to € 98.8 million
- Special items € 80 million due to Transformation and cost reduction program
- EPS down from € 5.45 to € 0.81

Performance First Nine Months of 2012

- Consolidated sales grow 7.8% in Euro terms
- EBIT before special items reduced by 13.0% to € 247.9 million
- EBIT including special items € 168.6 million
- EPS declines from € 13.15 to € 7.53
- Equity ratio improves from 62.9% to 65.2%

Key Sales Figures at a Glance

Sales by regions and product segments		Q3		growth rates		1-9		growth rates	
€ million	2012	2011	Euro	currency adjusted	2012	2011	Euro	currency adjusted	
Breakdown by regions									
EMEA	396,7	410,6	-3,4%	-4,8%	1.048,3	1.075,2	-2,5%	-3,2%	
Americas	283,2	235,0	20,5%	10,6%	822,7	695,6	18,3%	11,4%	
Asia/Pacific	212,3	196,0	8,3%	-1,3%	595,0	517,8	14,9%	5,3%	
Total	892,2	841,6	6,0%	0,5%	2.466,0	2.288,5	7,8%	3,3%	
Breakdown by product segments									
Footwear	441,9	431,1	2,5%	-3,0%	1.227,3	1.200,8	2,2%	-1,9%	
Apparel	311,2	294,7	5,6%	-0,1%	835,2	760,7	9,8%	4,8%	
Accessories	139,1	115,8	20,1%	14,8%	403,4	326,9	23,4%	19,1%	
Total	892,2	841,6	6,0%	0,5%	2.466,0	2.288,5	7,8%	3,3%	

Outlook for the Financial Year 2012

- PUMA's Management maintains its 2012 sales guidance at a mid-single digit rate in Euro terms.
- Transformation Program complemented by immediate cost cutting measures as the difficult business environment in particular in Europe required short-term adjustments.
- Management expects annual net earnings to be significantly below those of 2011, impacted in particular by the one-time expenses.

"PUMA posted a moderate increase in sales in the third quarter despite the challenging business climate in Europe," said **Franz Koch**, CEO of PUMA SE. "We have taken decisive actions to overcome the issues we are currently facing in particular in Europe. Our Transformation Program 2010-2015 in combination with immediate cost cutting measures and a strengthened product pipeline in Performance and Lifestyle for next year will provide a solid basis for sustainable and desirable growth."

Challenging Business Climate in Europe continues to slow down sales growth

Sales Performance by Segment

PUMA's third quarter consolidated sales grew by 6.0% in Euro terms and by 0.5% currency adjusted to € 892.2 million.

Footwear sales rose by 2.5% to € 441.9 million, supported by continuing demand for the lightweight running footwear range PUMA Faas and also Heritage styles such as the evergreen Suede Classics and our Archive Lite Mid and Low designs. PUMA's success in its running footwear range was underlined by the Olympic Summer Games that saw PUMA's blend of Sportlifestyle at its best: Outstanding athletic performances, combined with cool events in town. However, the positive performance in our Running category was dampened by declines in the Fitness & Training and Motorsport categories in PUMA's mature markets.

Apparel sales increased by 5.6% to € 311.2 million, fueled not only by continued strength in our Cobra PUMA Golf division, but also by sales of replica jerseys as part of our Teamsport category. PUMA has had tremendous success with Borussia Dortmund replica and fan wear, which has played an important part in our sales performance in Germany this year.

Accessories continued to climb strongly, up 20.1% to € 139.1 million with strong results in our American sock and bodywear business and also in Golf. In September, PUMA was part of a sensational finish at the 2012 Ryder Cup when Cobra PUMA Golf athlete Ian Poulter, the undisputed player of the tournament, won all four matches he played in the prestigious competition between the best golfers from Europe and the USA.

Over the **first nine months** of this year, consolidated sales improved by 7.8% in Euro terms or by 3.3% currency adjusted to € 2.46 billion. Footwear sales rose 2.2% in Euro terms, Apparel sales were up 9.8% supported by strong sales in Running and other performance items, and Accessories rose 23.4%, with Cobra PUMA Golf products resonating well with consumers.

Sales Performance by Region

Growth continues in the Americas

In regional terms, sales in **EMEA** declined by 3.4% to € 396.7 million as the economic slowdown in Europe and restrained consumer spending continued to have a severe impact on PUMA's business performance. Strong numbers from Germany and Russia could not completely offset the slowdown elsewhere. However, PUMA continued its excellent performance in the **Americas** with sales growing by 20.5% in Euro terms (10.6% currency adjusted) to € 283.2 million in the third quarter, with Argentina, Brazil and Mexico all providing strong double digit increases and continued growth in North America. **Asia/Pacific** posted a gain of 8.3% in Euro terms to € 212.3 million with good numbers from Korea and India in particular. Growth in China has slowed down due to a challenging overall market environment and high inventory levels in the market.

First-nine-month sales in **EMEA** were down 2.5% with most markets in Western Europe continuing to face challenges, although Germany returned satisfying figures, as did Turkey. Conversely, sales in the **Americas** rose strongly by 18.3% with good results across both North and Latin America. North America benefitted in particular from continued growth in our socks and bodywear subsidiary as well as Cobra PUMA Golf. **Asia/Pacific** increased by 14.9%, supported again by excellent numbers from India and also Japan.

Sales Performance Retail

Retail continues to grow

PUMA's owned and operated retail operations generated higher sales numbers. Third-quarter **retail sales** were € 165.0 million, an increase of 22.7% compared to € 134.0 million for the third quarter of 2011 and equal to 18.5% of total sales. For the first nine months to the end of September, retail sales were up 20.4% from € 363.0 million to € 437.0 million, delivering 17.7% of total sales compared to 15.8% at the same stage last year. Comparable sales rose at existing stores and PUMA continues to open new selective stores in profitable locations. However, a considerable amount of retail stores in mature markets are not generating satisfying contributions and will be part of the retail store network optimization. PUMA's e-commerce business is growing and has contributed positively.

Margins, Expenses and Profitability

Gross Profit Margin fell in Q3 and for the first nine months of 2012

The **gross profit margin** declined to 48.2% in the third quarter of 2012, under pressure from input costs and unfavorable trading conditions in Europe. Footwear fell from 49.8% to 46.1%, mainly impacted by inventory clearances which have led to a stock reduction in the footwear category in the third quarter, ahead of the launch of our new ranges for Spring/Summer 2013. Apparel fell marginally from 50.3% to 50.1%. Accessories, however, rose from 50.0% to 50.6% compared to 2011.

On a **nine-month basis**, the gross profit margin declined 110 basis points from 50.6% to 49.5%. Footwear fell from 49.8% to 47.9%. Apparel remained steady at 50.9% while Accessories moved lower from 52.4% to 51.2% due to higher input costs and the competitive Teamsport business.

Operating Expenses increase

Third-quarter **operating expenses** rose by 9.5% to € 336.1 million in the third quarter of the year compared to € 307.0 million last year. Retail costs have continued to rise as PUMA has increased the number of retail stores it owns and operates, whilst the Olympics and associated costs meant that marketing was significantly higher than over the same period in 2011. As well as continuing to invest steadily in RD&D in order to further strengthen our product portfolio, we are continuing to enhance our supply chain and IT-systems.

For the first nine months of 2012, **OPEX** rose by 11.3% or € 100.5 million from € 885.5 million to € 986.0 million, impacted as above by increased marketing, retail and RD&D expenditures as well as investments in line with the accelerated Transformation Program. The OPEX has also been impacted by currency effects which alone led to an increase of 450 basis points.

Operating result before Special Items

As a result of the lower gross profit margin and increased operating costs related to the Transformation Program, the **operating result before special items** declined by 16.7% to € 98.8 million during the third quarter of 2012. On a nine months basis EBIT before special items fell by 13.0% to € 247.9 million, an EBIT margin of 10.1%

Special Items

PUMA recorded a total of € 80 million in special items that are related to the Transformation Program during the third quarter. These have been mainly incurred by restructuring the European region, optimizing the retail portfolio and reorganizing its global operations and functions.

EBIT after special items

EBIT including special items were equal to € 19.6 million for the third quarter and € 168.6 million for the nine months to the end of September.

Financial Result

The **financial result** was positive at € 1.7 million compared to € -2.1 million in the third quarter of 2011, due mainly to positive currency developments. Similarly, for the year to date, the financial result improved from € -3.9 million to € -0.9 million.

Earnings before Taxes

PUMA's third-quarter **EBT** was down 81.7% to € 21.3 million. The quarterly **tax ratio** decreased from 30.0% to 27.7%.

EBT also fell for the first nine months of the year from € 281.1 million to € 167.7 million after special items, a drop of 40.3%. The company reported an improved tax rate of 28.9% compared to last year's 30.0%.

Net Earnings decline

As a consequence of continued pressure on the gross profit margin, increased expenditures and the special items in particular, **consolidated net earnings** fell by 85.1% to € 12.2 million. **Earnings per share** therefore fell to € 0.81.

For the first nine months of 2012, net earnings weakened by 42.8% to € 112.8 million and EPS decreased to € 7.53.

Net Assets and Financial Position

Equity

Total assets as of September 30, 2012 grew by 6.5% from € 2,423 million to € 2,580 million, mainly due to an increase in inventories. The equity ratio improved from 62.9% to 65.2% when compared to the third quarter of 2011. In absolute figures, shareholders' equity increased by 10.3% from € 1,524 million to € 1,682 million.

Working Capital related Assets and Liabilities

Looking at assets, **inventories** rose by 21.3% in Euro terms to € 646.0 million or 16.8% currency adjusted. This increase is significantly lower than in previous quarters and testament that our efforts to reduce the current over-stock levels have been successful in the quarter. Inventories have generally advanced in the wake of continued retail expansion as well as higher average prices per unit on stock. **Trade receivables** rose only slightly to € 623.7 million, which is due to a sharper focus and reflects PUMA's dedication to improve outstanding days. On the liabilities side, **trade payables** fell slightly to € 382.9 million.

Cashflow/ CAPEX

The **Free Cashflow** (before acquisitions) came in at € -82.7 million compared to € -89.4 million for the same period in 2011, with working capital increases offset by lower tax payments. The payments for acquisitions relate to the purchase of the outstanding Dobotex shares, effected on January 1, 2012.

CAPEX increased by 21.4% to € 54.2 million and continued for the most part to be related to investments aligned with the "Back on the Attack" growth plan, such as supply chain initiatives, IT projects and profitable retail store extension.

Cash Position

The total **cash position** as of September 30, 2012 was reduced by 9.4% from € 289.5 million to € 262.2 million, affected by the purchase of the remaining Dobotex shares. Including bank debts, the net cash position decreased 19.5% from € 255.1 million to € 205.4 million.

Implementation Status of PUMA's Transformation Program and Cost Reduction Measures

PUMA has progressed with and has already begun to implement major parts of its Transformation Program which was introduced in 2010 as a new development phase with the aim to reduce complexity and increase operational efficiencies in the long run. In addition, immediate cost reduction measures were initiated to improve the overall current financial performance.

New Regional Business Model: At the core of the program is the setup of a new regional business model which will initially be rolled out in Europe and then gradually be extended to the remaining regions. The European organizational structure has now also been expanded to include several central and eastern European Union member states (Czech Republic, Poland, Hungary, Slovakia and the Baltic nations). Furthermore, PUMA has reduced the number of organizational entities from 23 countries to seven areas in order to reduce complexity of the business. Each area has a full management team and P&L responsibility, while each country will focus its activities on the commercial side of the business. The seven areas are: DACH (Germany, Austria, Switzerland), IBERIA (Spain, Portugal), UKIB (Belgium, Ireland, Luxemburg, Netherlands, UK), NORDICS (Denmark, Finland, Norway, Sweden) EASTERN EUROPE (Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Slovakia), FRANCE and ITALY.

Consolidation of Warehouse Portfolio: Correspondingly, PUMA has initiated the consolidation process of its warehouse portfolio across Europe in order to generate further efficiencies and cost savings with the long-term objective to align the warehouse network with the new area structure.

Optimization of Retail Portfolio: PUMA has decided to close a total of approximately 80 unprofitable stores with the focus on mature markets, while the company will continue to open new selected stores in profitable locations primarily in emerging markets. By the end of December 2013, PUMA aims to operate around 540 stores worldwide, compared to its current 590 stores.

Termination of Collaboration and Endorsement Contracts: PUMA has decided to divest unprofitable collaborations and endorsement contracts in line with the overall consolidation of its product portfolio.

Reducing Product Collections: PUMA is planning to downsize its overall product palette by 30% by the end of 2015. The number of articles has already been aligned with the company's core categories. The major portion of the article reduction will come from streamlining regional and local ranges. The first significant results of this rationalization and simplification will be visible in Spring/Summer 2013.

Establishment of Business Units: PUMA will evolve its international organization establishing seven Business Units (Teamsport; Running, Training and Fitness; Golf; Fundamentals; Motorsport; Lifestyle; Accessories and Licensing). Product management, design, development and product-specific marketing will be clustered under each Business Unit. Establishing the Business Unit structure will help PUMA to press ahead with its sharpened focus on Performance as well as Lifestyle categories.

Further actions are currently under investigation, to be put in place during the fourth quarter of the year.

Outlook for the Financial Year 2012

Against the backdrop of a difficult business environment in particular in Europe, PUMA's management has complemented its 2010-2015 Transformation Program with immediate cost reduction measures. The above actions require one-time costs of € 80 million which were booked in the third quarter. PUMA expects that these one-time expenses will be amortized within two to three years.

PUMA's management continues to forecast annual sales rising by mid-single digits in Euro terms and net earnings significantly decreasing from last year's level due to the aforementioned one-off expenses.

Income Statement	Third Quarter			Full Year		
	Q3/2012 € million	Q3/2011 € million	Devi- ation	1-9/2012 € million	1-9/2011 € million	Devi- ation
Sales	892,2	841,6	6,0%	2.466,0	2.288,5	7,8%
Cost of sales	-462,4	-420,8	9,9%	-1.246,2	-1.131,4	10,1%
Gross profit	429,8	420,8	2,1%	1.219,7	1.157,1	5,4%
- in % of consolidated sales	48,2%	50,0%		49,5%	50,6%	
Royalty and commission income	5,2	4,8	7,4%	14,1	13,4	5,2%
Other operating income and expenses	-336,1	-307,0	9,5%	-986,0	-885,5	11,3%
Operating result before special items	98,8	118,6	-16,7%	247,9	285,0	-13,0%
- in % of consolidated sales	11,1%	14,1%		10,1%	12,5%	
Special items	-79,3	0,0		-79,3	0,0	
Operating result (EBIT)	19,6	118,6	-83,5%	168,6	285,0	-40,8%
- in % of consolidated sales	2,2%	14,1%		6,8%	12,5%	
Financial result / Income from associated companies	1,7	-2,1		-0,9	-3,9	
Earnings before taxes (EBT)	21,3	116,6	-81,7%	167,7	281,1	-40,3%
- in % of consolidated sales	2,4%	13,9%		6,8%	12,3%	
Taxes on income	-5,9	-34,9	-83,1%	-48,5	-84,2	-42,5%
- Tax rate	27,7%	30,0%		28,9%	30,0%	
Net earnings attributable to non-controlling interests	-3,2	0,1		-6,5	0,2	
Net earnings	12,2	81,7	-85,1%	112,8	197,1	-42,8%
Earnings per share (€)	0,81	5,45	-85,1%	7,53	13,15	-42,7%
Earnings per share (€) - diluted	0,81	5,45	-85,1%	7,53	13,14	-42,7%
Weighted average shares outstanding				14,969	14,988	-0,1%
Weighted average shares outstanding - diluted				14,971	14,993	-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	Sep. 30,'12	Sep. 30,'11	Devi- ation	Dec. 31,'11
	€ million	€ million		€ million
ASSETS				
Cash and cash equivalents	262,2	289,5	-9,4%	448,2
Inventories	646,0	532,4	21,3%	536,8
Trade receivables	623,7	610,5	2,2%	533,1
Other current assets (Working Capital related)	161,1	166,8	-3,4%	167,6
Other current assets	6,0	17,4	-65,3%	28,7
Current assets	1.699,1	1.616,5	5,1%	1.714,5
Deferred taxes	114,6	86,2	32,9%	109,1
Other non-current assets	766,1	719,7	6,4%	758,2
Non-current assets	880,6	805,9	9,3%	867,3
Total Assets	2.579,7	2.422,5	6,5%	2.581,8
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current bank liabilities	56,8	34,4	65,3%	35,1
Trade payables	382,9	390,0	-1,8%	431,4
Other current liabilities (Working Capital related)	248,8	250,9	-0,8%	272,1
Other current liabilities	80,1	108,0	-25,8%	100,5
Current liabilities	768,7	783,2	-1,9%	839,2
Deferred taxes	53,8	50,9	5,8%	63,6
Pension provisions	31,4	25,7	22,0%	29,8
Other non-current liabilities	44,4	38,4	15,6%	44,0
Non-current liabilities	129,6	115,0	12,7%	137,5
Shareholders' equity	1.681,5	1.524,3	10,3%	1.605,2
Total Liabilities and Shareholders' equity	2.579,7	2.422,5	6,5%	2.581,8

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	1-9/2012 € million	1-9/2011 € million	Devi- ation
Earnings before taxes (EBT)	167,7	281,1	-40,3%
Financial result and non cash effected expenses and income	128,8	49,9	158,4%
Cashflow - gross	296,5	331,0	-10,4%
Change in net working capital	-267,9	-244,9	9,4%
Taxes and interest payments	-61,4	-133,4	-54,0%
Cashflow from operating activities	-32,7	-47,3	-30,7%
Payments for acquisitions	-90,3	-42,5	112,7%
Payments for investments in fixed assets	-54,2	-44,6	21,4%
Other investing activities	4,2	2,5	70,4%
Cashflow from investing activities	-140,2	-84,6	65,8%
Free Cashflow	-172,9	-131,8	31,2%
Free Cashflow (before acquisition)	-82,7	-89,4	-7,5%
Dividends paid to equity holders of the parent company	-29,9	-26,8	11,3%
Dividends paid to non-controlling interests	-0,6	0,0	0,0%
Purchase of own shares	0,0	-26,6	-100,0%
Other changes	21,7	-5,4	-498,2%
Cashflow from financing activities	-8,8	-58,9	-85,1%
Effect on exchange rates on cash	-4,3	0,6	-790,1%
Change in cash and cash equivalents	-186,0	-190,2	-2,2%
Cash and cash equivalents at beginning of financial year	448,2	479,6	-6,5%
Cash and cash equivalents end of the period	262,2	289,5	-9,4%

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 Relation:

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 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 and Mihara Yasuhiro. 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 about 11,000 people worldwide and has headquarters in Herzogenaurach/Germany, Boston, London and Hong Kong. For more information, please visit <http://www.puma.com>