



MEDIA CONTACT:

Ulf Santjer, Tel. +49 9132 81 2489
Kerstin Neuber, Tel. +49 9132 81 2984

INVESTOR CONTACT:

Klaus Bauer, Tel. +49 9132 81 2375
Michael Laemmermann, Tel. +49 9132 81 2375

Herzogenaurach, Germany, October 26, 2010 – PUMA AG announces its Consolidated Financial Results for the Third Quarter and First Nine Months of 2010

Highlights Third Quarter:

- Consolidated sales at € 784 million, up 16.5% in Euro terms
- Gross profit margin remains at 50%
- Operating result before special items improves by 15.3% to € 113 million
- EPS rise from € 4.50 to € 5.16
- Usain Bolt remains long-term brand asset for PUMA
- PUMA AG to take over full control in China and Hong Kong
- Irregularities discovered in Greece

Highlights January-September:

- Consolidated sales increased 5.7% in Euro terms
- Gross profit margin slightly down versus last year at 50.8%
- Operating result before special items improved by 7.7% to € 296.1 million
- EBT before tax improved by 83.2% to € 292.0 million
- EPS increased to € 13.65 from € 7.42 last year
- Continued improvement in equity ratio

Sales by customers	Q3		growth rates		1-9		growth rates	
	2010	2009	Euro	currency adjusted	2010	2009	Euro	currency adjusted
Breakdown by regions								
EMEA	379,0	366,4	3,4%	-1,1%	998,3	1.020,8	-2,2%	-5,6%
Americas	236,7	165,4	43,0%	26,7%	639,6	512,1	24,9%	17,5%
Asia/Pacific	168,7	141,6	19,1%	1,4%	444,8	438,2	1,5%	-7,9%
Total	784,3	673,4	16,5%	6,5%	2.082,8	1.971,1	5,7%	-0,1%
Breakdown by product segments								
Footwear	417,2	358,7	16,3%	6,0%	1.117,2	1.085,8	2,9%	-2,7%
Apparel	263,8	238,1	10,8%	1,3%	699,2	664,3	5,2%	-0,8%
Accessories	103,3	76,6	34,8%	25,0%	266,4	221,0	20,5%	14,6%
Total	784,3	673,4	16,5%	6,5%	2.082,8	1.971,1	5,7%	-0,1%

Outlook 2010:

- Based on a strong sales performance in the third quarter as well as an improvement in the overall outlook for the fourth quarter, Management now expects sales to be up in the mid to high single-digit for the full year 2010.
- Management expects an increase in EBIT before special items versus last year.
- Extraordinary one-time charge from PUMA Hellas S.A. affects results for 2010 as well as previous year.



Jochen Zeitz, CEO: “Unfortunately, the discovery of irregularities committed by our Greek Joint Venture Partner is casting a shadow on our solid financial performance in the quarter. However, we are pleased to see that PUMA’s operational performance improved significantly in the third quarter as we post a strong rise in sales and operating results. We expect the sales outlook to further improve for the fourth quarter and as a result we raise our forecast of growth to mid to high single digits for the full year 2010. Looking further ahead, we are positive about our capabilities and game plan to execute and deliver on our new “Back on The Attack” Plan 2015 with a potential of reaching four billion Euros. We have prepared our organization and are aligning our processes accordingly to execute our new plan and we are confident and optimistic about the large opportunities to further tap into our brand’s potential growth drivers that we will reveal today during our investor day presentations at the PUMAVision Headquarters in Herzogenaurach.”

Sales and Earnings Development

Global Brand Sales

Sales under the PUMA brand, which include consolidated and license sales, improved by 15.1% to € 828.6 million in the third quarter. In total, the quarter marked a very solid performance against the background of a still challenging global economic environment.

After nine months, global brand sales increased 4.8% and were close to € 2.2 billion despite a flat first half of the year.

Consolidated Sales

Currency-adjusted consolidated sales were up 6.5% to € 784.3 million in the quarter, which represents an increase of 16.5% in Euro terms. Footwear rose 6.0% currency-neutral to € 417.2 million, and Apparel sales improved by 1.3% to € 263.8 million. Accessories sales reported a significant improvement of 25.0% to € 103.3 million, which derives from organic growth as well as first time consolidations. In terms of regions, the Americas grew strongest with 26.7% currency-neutral while APAC advanced 1.4% currency-adjusted. EMEA softened slightly 1.1%.

After nine months, consolidated sales were up 5.7% in Euro terms and flat (-0.1%) currency-neutral at € 2,082.8 million. Despite a challenging market environment, sales in the Americas region jumped a strong 24.9 % with North- and Latin America reporting double-digit sales growth. Sales performance in the EMEA region was impacted by unfavorable market conditions in Southern and Eastern European countries and, therefore, posted a currency-adjusted decrease of 5.6%. Sales in Asia/Pacific were up 1.5% in reported terms but decreased 7.9% due to the strong fluctuations in currencies. In terms of segments, Footwear stood at € 1,117.2 million, representing a currency-neutral decline of 2.7% and Apparel sales softened slightly by 0.8% to € 699.2 million. Accessories sales, however, grew by 14.6% to € 266.4 million.

Gross Profit Margin

In the third quarter, PUMA’s gross profit margin decreased by 180 basis points to 50%. The decline was caused by price sensitivities in the EMEA region as well as changes in the regional as well as product mix.

After nine months, the gross profit margin stood at 50.8% after 51.4% last year. PUMA’s margin in Footwear remained flat at 50.2% while Apparel was at 51.6% after 52.2%. Accessories posted 51.1% compared to last year’s 54.8%. This decrease stems from the impact of the newly acquired and integrated Cobra Golf business carrying a low margin as the former owner, Acushnet, provided sales services outside the US until end of August.



Operating Expenses

The OPEX increased by 10.4% to € 283.6 million in the quarter. This rise is caused by the extension of the scope of business after Cobra Golf was included as well as currency impacts. On a comparable basis, operating expenses were flat, which is reflected in an improved OPEX ratio of 36.2%.

In the first nine months, operating expenses rose by 3.1% to € 776.4 million, which translates into an improved cost ratio of 37.3% versus last year's 38.2%. The cost savings are a direct result of PUMA's restructuring and reengineering program, which will be finalized during the fourth quarter 2010.

EBIT

In the third quarter, PUMA's operating result before special items improved significantly by 15.3% to € 113.0 million versus € 98.0 million last year. As a percentage of sales, this translates into an operating margin of 14.4% compared to 14.5% last year.

As of September 30th, 2010, the operating result before special items rose 7.7% from € 275.1 million to € 296.1 million. The operating margin stood at a solid 14.2% compared to 14.0% last year.

Financial Result/Income from Associated Companies

The financial result shows a negative € 1.9 million for the third quarter and was flat versus last year.

For the first nine months, the financial result improved from € -5.6 million to € -4.6 million, while € 0.5 million of income was generated by associated companies.

Net Earnings

In the third quarter, PUMA's pre-tax profit (EBT) improved by 15.7% to € 111.1 million after € 96.0 million. This led to an improvement in net earnings, which increased € 9.7 million or a strong 14.2% to € 77.6 million. Earnings per share went up to € 5.16 in the quarter compared to € 4.50 last year.

In the first nine months, earnings before tax stood at € 292.0 million versus € 159.4 million, an increase of 83.2%, while net earnings improved by 83.5% to € 205.5 million from € 112.0 million. Consequently, earnings per share jumped from € 7.42 to € 13.65. The operational tax ratio came in at 29.6% after being at 27.9% last year.

Net Assets and Financial Position

Equity

As of September 30th, 2010, the balance sheet total climbed by 18.4% to € 2,436.5 million. This increase was mainly caused by the inclusion of Cobra Golf as well as currency effects. The equity ratio improved from 59.1% in the previous year to 60.1% this year.

Working Capital

In reporting terms, inventories grew by 27.1% to € 452.9 million while - on a comparable basis - inventories rose by 6.3% to support the expected sales increase in the upcoming quarter. Due to the increase in sales in the quarter, accounts receivables were up by 14.2% (4.7% on a comparable basis), reaching € 606 million. Working capital totaled € 594.2 million (ex acquisition € 518 million) compared to € 523.3 million last year.



Capex/Cashflow

The company invested € 35.5 million in the first nine months into property, plant and equipment versus € 40.8 million last year. An outflow of € 102.4 million (last year: € 75.8 million) is related to acquisitions.

The free cashflow before acquisitions reached € 46.4 million compared to € 145.1 million last year.

Cash position

Total net cash position at the end of September increased to € 360.7 million from € 339.5 million last year, underlining PUMA's strong financial position.

Share Repurchase

PUMA AG continued its share buyback program in the third quarter and, as of the reporting date, the company purchased 102,219 of its own shares. This equals 0.7% of the share capital and reflects an investment of € 23,4 million.

Other Events

Spain Arbitration Ruling

As announced within the 2010 half-year year financial statements, PUMA AG has filed a cancellation recourse against the arbitration ruling regarding the PUMA trademark rights in Spain. As of the reporting date, legal council and advisers continue to believe that a favourable outcome in this case is more likely than not.

PUMA takes over full control of Business in China as of January 1, 2011

PUMA AG will acquire the remaining 49% of the shares of its long-term Chinese joint venture Liberty China Holding Ltd, effective 1 January 2011, to be in full control of its business activities in China and Hong Kong. Liberty has been a Joint Venture between PUMA and Swire Resources Ltd., of which PUMA has owned 51%. Under the Liberty holding, PUMA China Ltd. and PUMA Hong Kong Ltd. have been responsible for the distribution of PUMA products in China for several years and will continue to do so.

Through the full take over, PUMA's position in China will be further strengthened and maximized, making sure that the Sportlifestyle Company taps into the enormous potential that the largest market in Asia offers. PUMA will be in sole charge of driving its growth strategy to capture all opportunities on the Chinese market as part of PUMA's five-year growth strategy. The impact on the consolidated financial statements will be insignificant, as the joint venture had already been consolidated within PUMA AG at 100% since its inception

Irregularities committed by Greek Joint Venture partner

As already mentioned in our ad hoc release on 25. October 2010, irregularities were discovered at PUMA's Joint Venture 'PUMA Hellas S.A.' in Greece, which will affect PUMA's consolidated financial statements for the full year 2010 and require a restatement of the 2009 figures in the 2010 statements. All necessary measures have been initiated and are on-going. For further information and details please refer to the ad hoc release of Monday, 25 October 2010, on www.about.puma.com

Outlook Full Year 2010

The second half of the year continues to show solid sales growth which should more than offset the flat performance in the first half of the year. Therefore, management now expects full year consolidated sales to grow at a mid to high single digit rate. Considering slight changes in the gross margin, operating result before special items should improve compared to last year.



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 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

Income Statement	Q3/2010 € million	Q3/2009 € million	Devi- ation	1-9/2010 € million	1-9/2009 € million	Devi- ation
Sales	784,3	673,4	16,5%	2.082,8	1.971,1	5,7%
Cost of sales	-391,8	-323,9	20,9%	-1.024,3	-958,5	6,9%
Gross profit	392,5	349,5	12,3%	1.058,5	1.012,6	4,5%
- in % of consolidated sales	50,0%	51,9%		50,8%	51,4%	
Royalty and commission income	4,0	5,4	-24,8%	14,0	15,6	-9,8%
	396,6	354,8	11,8%	1.072,5	1.028,2	4,3%
Other operating income and expenses	-283,6	-256,9	10,4%	-776,4	-753,1	3,1%
Operational result before special items	113,0	98,0	15,3%	296,1	275,1	7,7%
Special items	0,0	0,0		0,0	-110,0	
EBIT	113,0	98,0	15,3%	296,1	165,1	79,4%
- in % of consolidated sales	14,4%	14,5%		14,2%	8,4%	
Financial result	-1,9	-1,9	1,0%	-4,6	-5,6	18,4%
Income from associated companies	0,0	0,0		0,5	0,0	
EBT	111,1	96,0	15,7%	292,0	159,4	83,2%
- in % of consolidated sales	14,2%	14,3%		14,0%	8,1%	
Taxes on income	-33,4	-29,1	14,8%	-86,4	-49,4	75,1%
- Tax rate	30,1%	30,3%		29,6%	31,0%	
Net earnings attributable to minority interest	-0,1	1,0	-105,8%	-0,1	1,9	-105,3%
Net earnings	77,6	67,9	14,2%	205,5	112,0	83,5%
Earnings per share (€)	5,16	4,50		13,65	7,42	
Earnings per share (€) - diluted	5,13	4,50		13,57	7,42	
Weighted average shares outstanding	15,047	15,082	-0,2%	15,047	15,082	-0,2%
Weighted average shares outstanding - diluted	15,138	15,087	0,3%	15,138	15,087	0,3%

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	Sept. 30,'10 € million	Sept. 30,'09 € million	Devi- ation	Dec. 31,'09 € million
ASSETS				
Cash and cash equivalents	417,9	376,9	10,9%	485,6
Inventories	452,9	356,4	27,1%	348,5
Trade receivables	606,0	530,7	14,2%	397,8
Other current assets (Working Capital)	158,9	113,5	40,0%	125,6
Other current assets	3,7	5,5	-33,7%	1,7
Current assets	1.639,4	1.383,1	18,5%	1.359,2
Deferred taxes	66,6	109,1	-39,0%	67,7
Other non-current assets	730,6	565,3	29,2%	587,2
Non-current assets	797,2	674,4	18,2%	654,9
	2.436,5	2.057,5	18,4%	2.014,1
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current bank liabilities	57,2	37,4	52,7%	36,8
Trade liabilities	372,6	257,5	44,7%	262,1
Other current liabilities (Working Capital)	250,9	219,8	14,2%	257,0
Other current liabilities	95,9	147,5	-35,0%	64,1
Current liabilities	776,7	662,3	17,3%	620,0
Deferred taxes	45,9	26,5	73,2%	4,4
Pension provisions	24,6	20,6	19,4%	25,2
Other non-current liabilities	125,5	132,3	-5,2%	124,6
Non-current liabilities	195,9	179,4	9,2%	154,2
Shareholders' equity	1.464,0	1.215,8	20,4%	1.239,8
	2.436,5	2.057,5	18,4%	2.014,1

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Cashflow Statement	1-9/2010 € million	1-9/2009 € million	Devi- ation
EBT	292,0	159,4	
Depreciation	40,8	44,7	-8,6%
Special Items	0,0	110,0	-100,0%
Non cash effected expenses and income	4,6	10,5	
Cashflow - gross	337,4	324,6	4,0%
Change in net working capital	-204,8	-63,8	221,2%
Taxes, interests and other payments	-56,9	-80,4	-29,3%
Cashflow from operating activities	75,7	180,4	-58,0%
Payments for acquisitions	-102,4	-75,8	35,2%
Purchase of property and equipment	-35,5	-40,8	-13,0%
Interest received and others	6,1	5,6	9,5%
Cashflow from investing activities	-131,8	-111,0	18,8%
Free Cashflow	-56,1	69,4	-180,8%
Free Cashflow (before acquisition)	46,4	145,1	-68,1%
Dividend payments	-27,1	-41,5	-34,5%
Purchase of own shares	-23,4	0,0	0,0%
Other changes	17,6	-22,1	-179,4%
Cashflow from financing activities	-32,9	-63,6	-48,2%
Effect on exchange rates on cash	23,3	-3,8	-707,7%
Impact of translation adjustments	-2,0	0,0	
Change in cash and cash equivalents	-67,7	1,9	-3617,4%
Cash and cash equivalents at beginning of financial year	485,6	375,0	29,5%
Cash and cash equivalents end of the period	417,9	376,9	10,9%

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