



PUMA AG Rudolf Dassler Sport

INTERIM REPORT

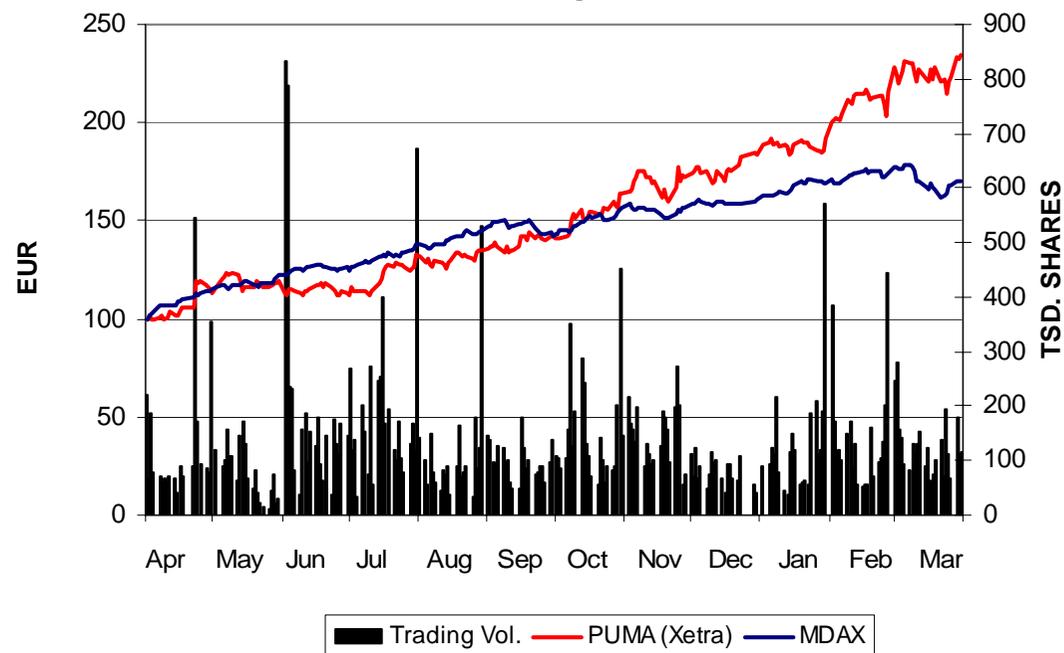
1st Quarter of 2004



CONTENT

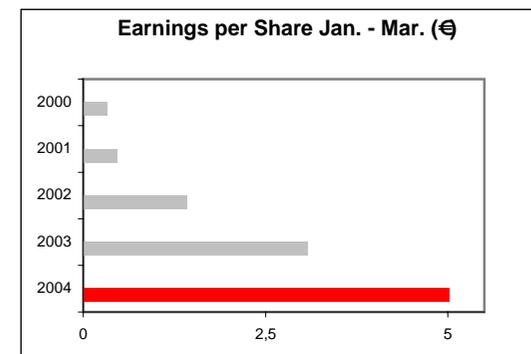
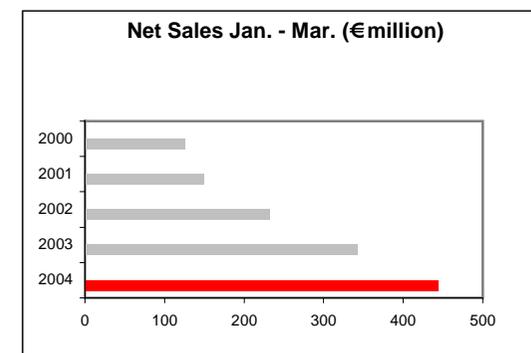
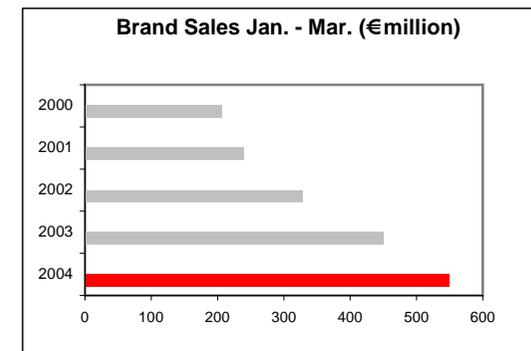
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12-Month-Performance of the PUMA Share
incl. Trading Volume



Financial Highlights

	1-3/2004	1-3/2003	Deviation
Brand Sales	549,3	451,2	21,8%
Consolidated net sales	443,8	343,2	29,3%
Gross profit in %	51,7%	47,2%	0,0%
EBT	117,2	72,1	62,6%
- in %	26,4%	21,0%	0,0%
Net earnings	80,4	48,8	64,6%
- in %	18,1%	14,2%	0,0%
Total assets	839,1	657,3	27,7%
Equity ratio in %	53,8%	45,3%	0,0%
Working capital	237,8	184,4	29,0%
Cashflow - gross	119,4	76,5	56,0%
Free cashflow (before acquisition)	4,9	0,9	444,1%
Earnings per share (in €)	5,02	3,08	63,0%
Cashflow - gross per share (in €)	7,46	4,83	54,5%
Free cashflow per share (in €)	0,31	0,06	438,9%
Share price at end of the period	179,30	74,50	140,7%
Market capitalization at end of the period	2.856,9	1.180,5	142,0%
Order backlog	776,6	646,4	20,1%
Investments in tangible and intangible assets	6,4	4,9	31,7%



Sales and earnings review

Consolidated sales up nearly 30%

2004 started very positively with Q1 consolidated sales growth of 29.3%, translating to sales of €443.8 million versus €343.2 million last year. On a currency neutral basis, sales were up 33.2%. Excluding the first-time consolidation of PUMA Japan (initial consolidation started April 1, 2003), total organic growth of 21% (currency adjusted 24.9%) was realized.

As expected, Apparel momentum continued on a very high level and sales recorded organic growth of 39.1% (currency adjusted 42.3%) reaching €111.2 million. Footwear sales grew by 22.7% (currency adjusted 26.1%) to €305.9 million and Accessories increased 90.9% (currency adjusted 93.6%) to €26.7 million. Excluding the first-time consolidation, Footwear was up 18.3% and Accessories 30.6% (currency adjusted).

All regions contributed positively to the performance. Europe was up 22.9%, the Americas achieved growth of 24.4% (9.2% in Euro currency), Asia/Pacific increased by 251.8% or 26.4% excluding Japan and the Africa/Middle East region realized an increase of 49.9%.

Global brand sales up 22%

PUMA's global branded sales, which include consolidated sales and licensee sales, reached €549.3 million, thus marking a 21.8% increase over last year. The currency-adjusted growth was even higher reaching 25.1%. Footwear sales rose by 11.5% to €337.5 million, Apparel by 31% to €176.2 million and Accessories by 25.7% to €35.6 million. In Q1 Footwear accounted for 61.4%, Apparel for 32.1% and Accessories for 6.5% of global branded sales.

Licensed business develops positively

License sales declined by only 2.3% to €105.5 million in Q1 despite the takeover of the Footwear and Accessories business in Japan, which took effect April 1, 2003. Excluding Japan, license sales increased by 15.2%.

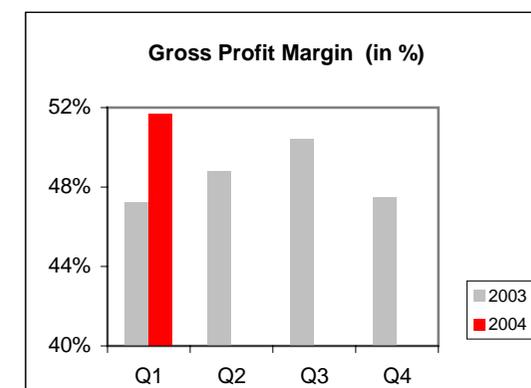
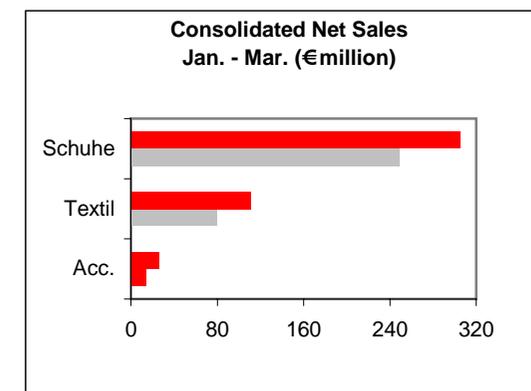
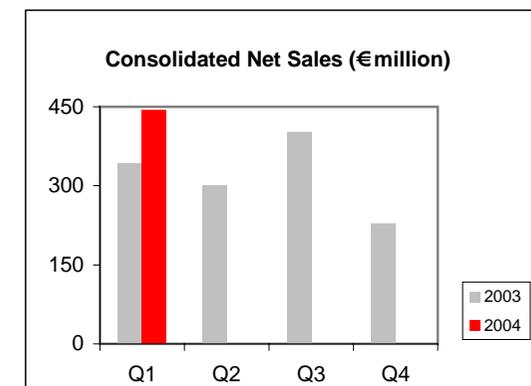
The company recorded €11.1 million in royalty and commission income compared to €13.1 million in the year before. The reduction was entirely due to the consolidation effect. On a like-to-like basis, royalty and commission income increased by 12.1%.

Highest gross profit margin ever

Further improvements in the gross profit margins led to a new record of 51.7% compared to 47.2% in last year's first quarter. This corresponds to an increase of 450 basis points. The weakness of the US Dollar, an increase in own retail business, as well as a favorable product mix contributed to the margin developments. The Footwear margin climbed from 48% to 52.9%, Apparel from 45.2% to 49.4%. The Accessories margin remained flat at 46.1%. A strong improvement was also recognized across all regions.

Further reduction in SG&A expenses

Operating expenses, consisting of selling, general and administrative expenses increased by 19.6% to €119.6 million, thereby showing a slower increase than sales. As a percentage of sales, total SG&A expenses declined from 29.2% to 27%.



Marketing/retail expenditure accounted for €51.1 million or 11.5% of sales compared to €41.7 million or 12.2% in the previous year. Product development and design costs rose by 13.8% to €8.6 million or 1.9% of sales. Other selling, general and administrative expenses increased by 17.9% to €60 million or 13.5% of sales.

Profitability exceeds expectations

Due to the record-high gross profit margin and a further decline in SG&A, as a percentage of sales, profitability far exceeded expectations. EBIT as well as EBT increased by more than 62% and reached approximately €117 million. The EBIT margin climbed significantly from 21% to 26.3% and the pre-tax margin reached 26.4% versus 21% in the first quarter. The tax rate was 30.9% compared to 32%. Abschreibungen und Amortisation stiegen um 20,9% auf €3,8 Mio. im 3. Quartal und um 17,9% auf €10,6 Mio. in den ersten neun Monaten 2003. Auf Amortisation entfielen dabei €1,3 Mio. (€0,8 Mio.).

Improvement in EPS

Net earnings were up by 64.6% to €80.4 million in Q1. Earnings per share jumped from €3.08 to €5.02 and diluted earnings per share were up from €3.02 to €4.90.

Balance sheet review

Solid financial position

Total assets grew by 27.7% to €839.1 million. The increase in total assets consists mainly of the higher cash position, as well as increased accounts receivables, which was due to the strong top-line growth. Despite a significant increase in the balance sheet total, the equity ratio was boosted from 45.3% to 53.8% year-over-year and is a reflection of the highly profitable business. These results once again demonstrates PUMA's very solid financial position.

Net-cash at €161.3 million

Liquid assets increased from €99.1 million to €183.7 million, whereby bank debts were reduced from €30.2 million to € 22.4 million. Accordingly, the net-cash position rose from €68.8 million to €161.3 million.

Working capital

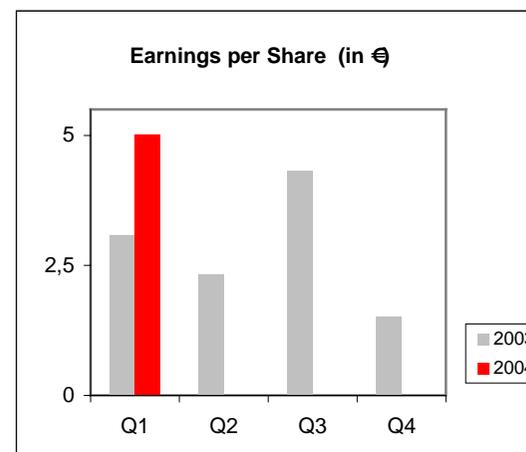
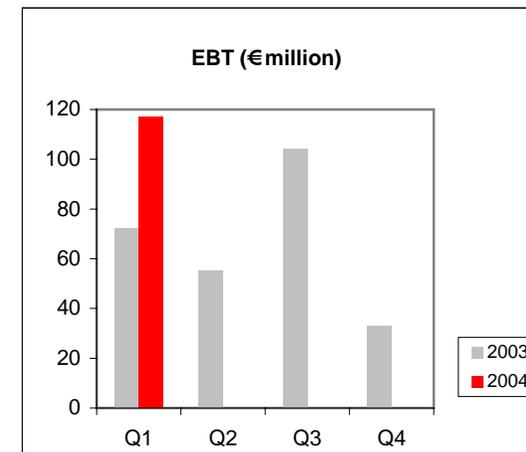
Inventories increased by 6.9%, reaching €175.7 million, while receivables grew by 25% to €337.3 million. Taking into account the current liabilities, total working capital at the end of March totaled €237.8 million compared to €184.4 million, an increase of 29% and therefore in line with top-line growth.

Cashflow

After capex of €6.4 million (€4.9 million), a free cashflow of €4.9 million was generated compared to €0.9 million (before acquisition) in last year's first quarter. Due to the seasonality a strong free cashflow can be expected for the second half of 2004.

Share buy back

As previously announced, PUMA continued its share buy-back program during the first quarter of 2004. During this period the company added 125,000 shares to the treasury stock which corresponded to an investment of €19,2 million, financed through the company's cash position. At the end of the quarter, the company held a total of 300,000 shares. This represents 1.8% of the total stock capital.



Regional development

All regions contributed to the strong performance

Total sales in **Europe** were up by 22.9% to €313.6 million, representing 70.7% of consolidated sales vs. €255.3 million or 74.4% in Q1 of last year. The strongest growth of 42.2% was achieved in the Apparel segment. Footwear and Accessories also contributed with an excellent double-digit growth rate of 16.8% or 22.8% respectively. All countries contributed to the top-line growth. Gross profit margin jumped from 50.9% to 54.7% reaching a new all-time high. Order momentum continued as the order book increased by 25.7% to €552.1 million. Thus, further significant sales growth can be expected for the remainder of the year.

The **Americas** grew by 24.4% on a currency neutral basis or by 9.2% in Euro, with sales totalling €72.8 million this region accounts for 16.4% of group sales. All product segments contributed with a double-digit increase to the overall performance. The gross profit margin further improved and reached 44.8% compared with 44.3% last year. Future orders were up by 27.1% on a like to like basis or in Euro by 10.3% to €122.5 million. Sales in the **US** market rose by 16.7% to USD74.3 million, while orders were up by 22.6% to USD139.5 million.

Sales in the **Asia-Pacific** region were up from €12.7 million to €44.5 million. As a percentage of sales, an increase from 3.7% to 10% was recognized. Excluding the effect from the first-time consolidation, sales increased by 26.4% to €15.9 million, currency adjusted this marked an increase of 13.4%. All product segments achieved favorable growth. The gross profit margin jumped significantly from 39.2% to 48%, which was due to the take-over of the Japanese business as well as a clear improvement in Australia and New Zealand. The order base stands at €81.6 million compared with €84.6 million last year. Orders in Japan were below last year's level, which was primarily due to the planned streamlining of the product range and distribution, to fully align the subsidiary

with global brand strategy. As of the 2nd half of 2004 a solid growth is expected.

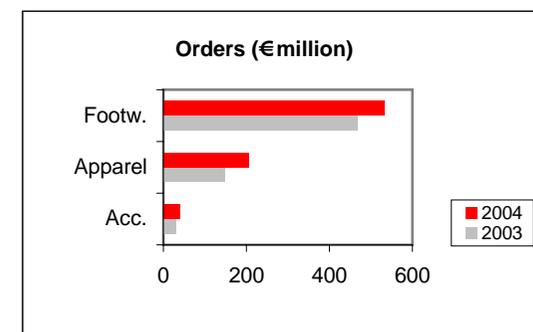
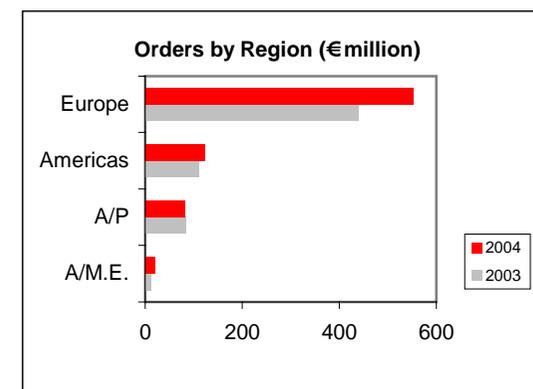
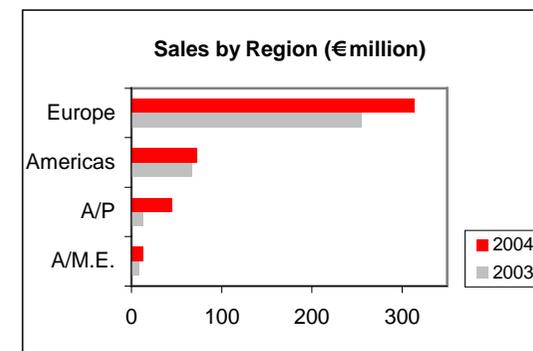
In the **Africa-Middle East** region consolidated sales rose by 49.9% to €12.9 million. Both, Africa and the Middle East contributed to the excellent result. Overall, the region contributed 2.9% to consolidated sales. The gross profit margin improved from 23.4% to 29.1%, and future orders were up by 77% to €20.4 million.

Future orders

A new record in future orders

At the end of Q1, total orders increased by 20.1% to a new record high of €776.6 million. Currency-adjusted this marks an increase of 23.8%. Thus, an increase for the 33rd consecutive quarter. Excluding Japan, orders were up by 24.5% in Euro or 28.3% currency adjusted. The order volume is comprised mainly of deliveries scheduled for the 2nd and 3rd quarters of 2004.

In terms of segments, Footwear orders were up by 13.7% to €532.7 million (19.3% excluding Japan) and 17.4% on a currency neutral basis. As expected, Apparel continued to show the strongest growth adding 37.6% (or 41.3% currency adjusted) to last years order books, totaling € 204.3 million. Orders from the Accessories segment jumped by 33.9% (37.8% currency adjusted) to €39.7 million.



Outlook

Sales growth between 15% and 20% and profit growth of more than 30% expected

Due to the strong performance in Q1 and the positive developments in the order book for the next two quarters management increases its full year expectations. With respect to PUMA's positioning - as a desirable sportlifestyle brand and maintaining its focus on controlled growth - sales are expected to grow between 15% and 20%. This would result in double-digit growth for the sixth consecutive year.

Due to the positive currency hedging of USD-based sourcing, as well as a further expansion in our retail business, the gross profit margin should surpass 50% for FY 2004. As a percentage of sales SG&A expenses are expected to be below last year's level and royalty and commission income should remain at or slightly above the previous year's level. All in all, we expect once again a stronger growth in pre-tax profit than in sales with EBT increasing more than 30% versus last year.

Jochen Zeitz, CEO: "We are very pleased with the brand's continued strong momentum and the respective orderbook. The direction thus far indicates that new records in revenue and earnings should be set. The brand's strong positioning in all product segments and regions remains the foundation for our sustainable growth as outlined in our Phase III, long-term business plan."



Balance Sheet

	Mar. 31, 2004 €Mio.	Mar. 31, 2003 €Mio.	Devi- ation	Dec. 31, 2003 €Mio.
ASSETS				
Cash	183,7	99,1	85,3%	190,6
Inventories	175,7	164,4	6,9%	196,2
Receivables and other current assets	337,3	269,8	25,0%	177,5
Total current assets	696,7	533,2	30,7%	564,3
Deferred income taxes	40,0	30,6	31,0%	36,5
Property and equipment, net	70,3	58,8	19,6%	66,5
Goodwill and other long-term assets	32,1	34,7	-7,5%	32,9
	839,1	657,3	27,7%	700,1
LIABILITIES AND SHAREHOLDERS' EQUITY				
Short-term bank borrowings	22,4	30,2	-26,0%	16,8
Accounts payable	148,0	136,3	8,6%	132,6
Other current liabilities	85,0	72,4	17,4%	69,0
Total liabilities	255,4	238,9	6,9%	218,5
Pension accruals	18,6	18,1	2,4%	18,5
Tax accruals	47,0	43,4	8,3%	27,1
Other accruals	62,2	58,6	6,1%	49,0
Long-term liabilities interest bearing	0,0	0,1		0,0
Deferred income taxes	3,2	0,0		3,2
Minority interest	1,4	0,6	158,0%	0,8
Total shareholders' equity	451,3	297,6	51,6%	383,0
	839,1	657,3	27,7%	700,1



Income Statements

	Q1/2004 € Mio.	Q1/2003 € Mio.	Devi- ation
Net sales	443,8	343,2	29,3%
Cost of sales	-214,6	-181,0	18,5%
Gross profit	229,2	162,1	41,4%
- in % of net sales	51,7%	47,2%	
Royalty and commission income	11,1	13,1	-14,8%
	240,3	175,2	37,2%
Selling, general and administrative expenses	-119,6	-100,1	19,6%
EBITDA	120,7	75,1	60,6%
Depreciation and amortisation	-4,0	-3,2	26,6%
EBIT	116,6	71,9	62,1%
- in % of net sales	26,3%	21,0%	
Interest result	0,6	0,2	258,9%
EBT	117,2	72,1	62,6%
- in % of net sales	26,4%	21,0%	
Income taxes	-36,2	-23,1	56,9%
- Tax ratio	30,9%	32,0%	
Minorities	-0,7	-0,2	209,5%
Net earnings after minorities	80,4	48,8	64,6%
Net earnings per share (€)	5,02	3,08	63,0%
Net earnings per share (€) - diluted	4,90	3,02	62,3%
Weighted average shares outstanding	15,999	15,846	1,0%
Weighted average shares outstanding - diluted	16,409	16,177	1,4%



Cashflow Statement

	1-3/2004 €Mio.	1-3/2003 €Mio.	Devi- ation
Earnings before taxes on income	117,2	72,1	62,6%
Depreciation	4,0	3,2	26,6%
Other non cash effected expenses and income	-1,9	1,2	
Cashflow - gross	119,4	76,5	56,0%
Change in net assets	-97,8	-69,5	40,8%
Taxes, interests and other payments	-12,9	-1,8	624,0%
Cashflow from operating activities	8,7	5,3	64,5%
Payments for acquisitions	0,0	-25,4	
Purchase of property and equipment	-6,4	-4,9	31,7%
Interest received and others	2,7	0,5	430,4%
Cashflow from investing activities	-3,7	-29,7	87,4%
Free Cashflow before acquisitions	4,9	0,9	444,1%
Purchase of own shares	-19,2	0,0	
Other changes	6,2	11,1	-44,1%
Cashflow from financing activities	-13,0	11,1	-216,4%
Effect on exchange rates on cash	1,1	-1,1	196,9%
Change in cash and cash equivalents	-6,9	-14,4	52,1%
Cash and cash equivalents at beginning of financial year	190,6	113,6	67,8%
Cash and cash equivalents end of the period	183,7	99,1	85,3%



Changes in Equity

	€Mio.	€Mio.	€Mio.	€Mio.	€Mio.	€Mio.	€Mio.
	Subscribed capital	Group reserves			Consolidated profit/net income for the year	Treasury stock	TOTAL
		Capital reserve PUMA AG	Revenue reserves PUMA AG	Difference from currency conversion	Cashflow hedges		
Dec. 31, 2002	40,6	41,9	40,9	2,6	-0,2	126,5	252,2
Currency changes				-3,3			-3,3
Net effect on cashflow hedges, net of taxes					-0,2		-0,2
Consolidated profit						48,8	48,8
March 31, 2003	40,6	41,9	40,9	-0,6	-0,4	175,3	297,6
Dec. 31, 2003	41,6	50,4	59,5	-15,2	-10,7	278,5	383,0
Currency changes				4,8			4,8
Net effect on cashflow hedges, net of taxes					2,2		2,2
Consolidated profit						80,4	80,4
Purchase of treasury stock							-19,2
March 31, 2004	41,6	50,4	59,5	-10,4	-8,5	358,8	451,3



Segment Data

	Sales		Gross profit	
	1-3/2004	1-3/2003	1-3/2004	1-3/2003
by head office location of customer				
Breakdown by regions	€ Mio.	€ Mio.	%	%
Europe	313,6	255,3	54,7%	50,9%
America	72,8	66,6	44,8%	43,3%
- thereof USA in US\$	74,3	63,6		
Asia/Pacific Rim	44,5	12,7	48,0%	39,2%
Africa/Middle East	12,9	8,6	29,1%	23,4%
	443,8	343,2	51,7%	47,2%
by head office location of customer				
	Sales		Gross profit	
	1-3/2004	1-3/2003	1-3/2004	1-3/2003
Breakdown by product segments	€ Mio.	€ Mio.	%	%
Footwear	305,9	249,2	52,9%	48,0%
Apparel	111,2	80,0	49,4%	45,2%
Accessories	26,7	14,0	46,1%	46,1%
	443,8	343,2	51,7%	47,2%



Notes to the Interim Report

ACCOUNTING STANDARDS

The unaudited interim report of PUMA AG and its subsidiaries (which together form the PUMA group) for the first quarter of 2004 was prepared according to the International Financial Reporting Standards (IFRS) passed by the International Accounting Standards Board (IASB).

The accounting standards applied in the preparation of this interim report correspond to those of the group's annual accounts as of December 31, 2003.

This interim report is partly based on assumptions and estimates which have an effect on the amounts and on the breakdown of the reported assets and liabilities as well as of the earnings and expenses. The actual values may, in some exceptional cases, differ from these assumptions and estimates at a later date. The corresponding changes if and when they occur will be reflected in the results as soon as the findings are revised.

CONSOLIDATED GROUP

The consolidated group has been extended versus last year's first quarter by the new subsidiary, PUMA Japan KK. Effective April 1, 2003, the corporation took over the operative shoe and accessory business from the former Japanese licensee. This is also the initial consolidation date. Accordingly, the income statement for the first quarter differs versus last year due to the first time consolidation effect. The assets and liabilities (mainly goodwill and inventories) were taken over as at March 31, 2003 in the balance sheet.

SEASONAL VARIANCE

The group's sales fluctuate with the season. Consequently, the sales and resulting earnings vary in the course of a year. Normally, sales and earnings reach their peak in the first and third quarter while the second, and particularly the fourth quarter, may be characterized by lower levels.

EMPLOYEES

Number of employees at the beginning of the period	3.189
Number of employees at the end of the period	3.221
Average number of employees	3.205



EARNINGS PER SHARE

Earnings per share are calculated according to IAS 33 by dividing the result for the period by the weighted average number of outstanding shares. As of March 31, 2004 there were outstanding stock options from the Management Incentive Program which have diluted the earnings per share.

Weighted average number of shares	15.999.265
Diluted number of shares	16.409.267

Earnings per share	€ 5,02
Diluted earnings per share	€ 4,90

DIVIDEND

According to the Annual Shareholders' Meeting on April 20, 2004, a dividend of €0.70 per share was approved. The dividend totaled €11.2 million and was paid to the shareholders beginning on April 21, 2004.

SHAREHOLDERS' EQUITY

As of March 31, 2004 the subscribed capital amounted to €41.6 million, divided into 16.233,714 no par value shares.

PUMA continued its share buy-back program during the first quarter of 2004 and added 125,000 shares to the treasury stock. At the end of the quarter, the company held a total of 300,000 shares at acquisition costs of €40.1 million. This item reduces equity capital (see "Changes in Equity").

Number of shares at the beginning of the period	16.233.714
Number of shares at the end of the period	16.233.714
-thereof own shares	-300.000
Shares outstanding at the end of the period	15.933.714
Weighted average number of shares	15.999.265
Diluted number of shares	16.409.267

In accordance with the Company statutes, authorized capital totaling €15.4 million exists. The authorization was granted until May 13, 2007.

MANAGEMENT INCENTIVE PROGRAM

As of March 31, 2004 the last tranche of the approved Management Incentive Program was issued with a total of 459,000 options. Due to the approval at the shareholders' meeting, 30% or 137,700 options were contributed to the board of management and 70% or 321,300 to the members of executive bodies of PUMA and its affiliate companies.

As at end of March a total of 1,129,000 stock options were outstanding.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date which may affect the financial situation and earnings position as of March 31, 2004

Herzogenaurach, April 26, 2004
The Board of Management



Board of Management

Jochen Zeitz

Chairman/CEO
(Marketing, Sales, Finance, Administration
and Human Resources)

Martin Gänsler

Deputy Chairman
(Research, Development, Design and Sourcing,
Environmental and Social Affairs)

Ulrich Heyd

(Legal Affairs and Industrial Property Rights)

Group Executive Committee

Beside the Board of Management, the "Global
Functional Directors" complement the "Group
Executive Committee":

Antonio Bertone

(Brand Management)

Peter Mahrer

(International Sales)

Dieter Bock

(Finance)

Klaus Bauer

(Operations, Human Resources)

Supervisory Board

Werner Hofer

(Chairman)

Thore Ohlsson

(Deputy Chairman)

James Douglas Packer (through March 18, 2004)

Arnon Milchan

David Matalon

Peter Chernin (through March 20, 2004)

Katharina Wojaczek

(Employees' Representative)

Erwin Hildel

(Employees' Representative)

Melanie Seiler (through April 20, 2004)

(Employees' Representative)



Finanzkalender

31. CW 2004	Quarterly Report Q2 2004 Analyst Conference Call
44. CW 2004	Quarterly Report Q3 2004 Analyst Conference Call
5. CW 2005	Preliminary Results FY 2004
9. CW 2005	Final Results 2004 Press Conference Analyst Conference Call
April 2005	Annual Shareholders' Meeting

The financial releases and other financial information are available on the Internet at „puma.com“.

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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® is the global athletic brand that successfully fuses influences from sport, lifestyle and fashion. PUMA's unique industry perspective delivers the unexpected in sportlifestyle footwear, apparel and accessories, through technical innovation and revolutionary design. Established in Herzogenaurach, Germany in 1948, PUMA distributes products in over 80 countries. For further information please visit www.puma.com

