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Financial Results for 2nd Quarter and 1st Half-Year 2001

Herzogenaurach, Germany, July 26, 2001 – PUMA AG announces its consolidated financial results for the 2nd Quarter and 1st Half-Year 2001.

Highlights 2nd Quarter

- **Consolidated sales increase 24.7% to € 129.3 million**
- **Footwear growth remains strong at 43.0%**
- **Gross profit margin improves to 39.9% vs. 38.0%**
- **EBT increase 76.8%**
- **Earnings per share reach € 0.29 vs. € 0.16**

Highlights 1st Half-Year

- **Worldwide brand sales up 15.1%**
- **Consolidated sales increase 21.1%**
- **Gross profit margin improves to 40.5% from 38.4%**
- **EBT rise + 47.2%**
- **Earnings per share improve 54.7% from € 0.49 to € 0.76**

Outlook 2001

- **Future orders up 40.0%**
- **Sales expected to increase +24%**

PUMA today reported strong sales increases and earnings improvements for the 2nd Quarter and the 1st Half of 2001. Sales in the 2nd quarter were € 129.3 million, a 24.7% increase from € 103.7 million last year. Earnings before taxes were € 7.2 million versus € 4.1 million and earnings per share reached € 0.29 compared to € 0.16. Sales in the 1st Half of 2001 increased by 21.1% to € 278.7 million, compared to € 230.2 million last year. Earnings before taxes totaled € 18.9 million versus € 12.8 million, an increase of 47.2%. Earnings per share improved from € 0.49 to € 0.76. This reflects an increase of 54.7%.

Results for 2nd Quarter 2001

Consolidated net sales increased by 24.7% from € 103.7 million to € 129.3 million. By product segment, footwear achieved the strongest growth with 43.0%. Accessories increased by 22.8% and apparel declined by 5.7%. The decrease in apparel was due to a transition to a license business in Canada and a repositioning in the U.S. Excluding North America, apparel remained at the previous year level. By region, Western Europe and the U.S. were the principal contributors to the positive development in sales.

Gross profit margin reached 39.9%, which was well above last year (38.0%). Royalty and commission income increased 26.5% from € 6.7 million to € 8.5 million. SG&A increased 26.7% from € 40.1 million to € 50.8 million. This increase was mainly driven by investments into the retail side of the business, as well as product development and design.

EBT showed a significant improvement of 76.8%, amounting to € 7.2 million compared to € 4.1 million. Net earnings jumped to € 4.5 million from € 2.5 million, corresponding to earnings per share of € 0.29 against € 0.16 last year, an increase of 77.4%.

Results for the First Half-Year 2001

Sales and earnings position

Consolidated sales totaled € 278.7 million, a 21.1% increase compared to € 230.2 million last year. Currency adjusted, the sales growth was 19.1%. Worldwide **PUMA brand sales**, including license sales, grew 15.1% from € 419.2 million to € 482.4 million.

Strong growth in footwear continued

After solid growth in previous years in Apparel, Footwear has taken over the lead as the strongest performer in terms of product segment, achieving an increase of 34.8%. In absolute terms, **footwear** sales rose from € 140.3 million to € 189.1 million. **Accessories** rose by 28.1% from € 12.2 million to € 15.6 million, and **apparel** decreased by 4.8% from € 77.7 million to € 74.0 million. Excluding North America, apparel increased by 3.5%. Footwear accounts for 67.9%, apparel for 26.5% and accessories for 5.6% of consolidated sales.

Gross profit strengthened against sales

Gross profit strengthened against sales and increased 27.7% from € 88.5 million to € 113.0 million. As a result, gross profit margin improved significantly by 210 basis points and remained at a high level versus last year at 40.5% (38.4%). All regions contributed to the favorable result.

Royalty and commission income increased by 22.4% from € 13.8 million to € 16.9 million.

High investment in brand and product

Strategic investments into the brand and product remained at a high level. Marketing and retail expenses increased by 28.9% from € 33.6 million to € 43.3 million or from 14.6% to 15.5% of sales. Investments into product development and design grew by 30.4% from € 8.0 million to € 10.4 million, and now account for 3.7% of sales versus 3.5% last year. Other selling, general and administrative expenses amounted to € 53.7 million or 19.2% of sales, which was on the level of the previous year. Total SG&A was € 107.3 million or 38.5% of sales compared to € 85.8 million or 37.3% last year.

EBIT increased by 41.5%

Resulting from the strong gross profit margin, EBIT experienced a sizable improvement of 41.5% from € 13.8 million to € 19.5 million. As a percentage of sales, this amounted to 7.0% compared to 6.0%.

EBT remained strong

Earnings before taxes rose 47.2% from € 12.8 million to € 18.9 million. The gross return on sales reached 6.8% compared to 5.6%.

Net earnings improved 54.7%

Due to a lower tax rate of 38.0% (41.0%) net earnings improved by 54.7% from € 7.6 million to € 11.7 million. This result equals a net return on sales of 4.2% compared to 3.3%. Earnings per share amounted to € 0.76 compared to € 0.49, an increase of 54.7%.

Balance Sheet Review

The balance sheet total increased 24.7% from € 300.7 million to € 375.0 million. This increase was primarily due to a rise in inventory levels and trade receivables. The equity ratio amounted to 39.1% compared to 40.1% in the previous year. Net debts increased from € 22.7 million to € 31.0 million.

Inventories increased 30.0% to € 128.6 million, which will support the favorable order backlog situation for deliveries in the 3rd and 4th quarters. Following a solid sales performance in the 2nd quarter, trade and other receivables increased 37.0% to € 150.4 million. Taking into account accounts payables and other current liabilities, total working capital increased at the rate of sales to 130.7 million.

Regional Highlights

Continued regional strength in Western Europe and the U.S.

Western Europe continued to realize the strongest sales growth. Consolidated sales rose by 30.2% or € 38.3 million to € 165.1 million. Sales increases were highest in France, Italy and Benelux.

Sales in the **Americas** improved by 15.2% or € 9.6 million to € 72.6 million, compared to € 63.0 million in the same period last year. Canada is no longer in the consolidated numbers due to its transition into a license mid of last year. Excluding Canada, sales in the Americas were up 23.6%. In the U.S., sales increased by 27.1% or 17.7%, currency-adjusted.

Sales in **Asia/Pacific Rim** decreased by 4.8% or € 1.2 million to € 21.9 million. Currency adjusted, sales were slightly above last year. Within this region, Australia, New Zealand and the Pacific Islands are serviced by PUMA subsidiaries, all the other countries are managed by licensees. For the total region, PUMA brand sales including licensee sales increased 14.6% to € 177.1 million. Japan experienced solid growth and the remaining countries in Asia more than doubled.

In **Eastern Europe,** sales amounted to € 14.8 million, which was 16.3% above last year.

Sales in the **Africa/Middle East** region decreased by 6.3% to € 4.3 million.

Tretorn Acquisition

As already announced, PUMA acquired the Swedish Tretorn Group on July 1, 2001. Therefore, the first time consolidation will take place on the acquisition date. The purchase price of € 23 million was financed through bank debts.

The Tretorn business includes the distribution of PUMA products across the Scandinavian markets. Tretorn also produces tennis balls, which are sold throughout Europe, in addition to developing and selling its own outdoor products mainly for the Scandinavian market. The total annualized sales number is approximately € 45 million.

Among other benefits, PUMA gained a successful entry into Scandinavia with PUMA and the Tretorn brand. Given the prolonged winter season experienced in Scandinavia, Tretorn's profitable outdoor line complements the PUMA branded collection with a strong product offering, which in turn provides further stability for the business. PUMA expects a positive profit contribution, in 2002, the first full year after the takeover. Overall, the consolidation will not have a material effect on PUMA's ratios.

Outlook

Future orders up 40.0%

Future orders, scheduled for deliveries mainly in Q3 and Q4, increased 40.0% reaching € 256.0 million. Currency-adjusted, orders rose 38.8%. The strong order book is a clear indication of the continued excitement PUMA is generating in the marketplace. As a result, PUMA managed to secure a higher portion of preorders earlier than in the past.

The breakdown by region is as follows: Western Europe +50.6 %, Eastern Europe +68.1%, Americas +26.4%, Asia/Pacific Rim -2.8%, Africa/Middle East -14.7%.

By product segment, footwear orders increased significantly by 55.5%, apparel grew 10.9% and accessories rose by 45.5%.

Management expects sales to rise at least 24%

Given the positive results in the 1st Half of 2001, the solid future orders, as well as the first time consolidation of the Tretorn Group, management expects sales to increase at least 24%, and earnings before taxes to continue to grow at a faster rate than sales. **Jochen Zeitz, Chairman and CEO, said, "For the third consecutive year, we expect exceptional sales growth and continued improvement in profitability. Our positive performance over the past years reflects the successful implementation of our corporate and brand strategy, which has proven to be consistent and in sync with the changing dynamics of the sporting goods industry."**

The gross profit margin is expected to improve versus last year to a level above 39.0%. Investments in marketing and retail as well as in product development and design are planned to continue well above the industry average. Total selling, administrative and general expenses should be on previous year level or slightly below. The tax rate is expected approximately at 38 % for the full year 2001.

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PUMA® is the alternative sports brand that successfully mixes the influences from sport, fashion and lifestyle.
For further information please visit www.puma.com & www.pumabiz.com

Consolidated Income Statements (IAS)
for the 2nd Quarter and First Half-Year 2001

	Q2 '01 Mio. €	Q2 '00 Mio. €	Devi-ation	1-6/2001 Mio. €	1-6/2000 Mio. €	Devi-ation
Footwear	87,0	60,9	43,0%	189,1	140,3	34,8%
Apparel	34,1	36,2	-5,7%	74,0	77,7	-4,8%
Accessories	8,2	6,6	22,8%	15,6	12,2	28,1%
Western Europe	73,9	55,1	34,2%	165,1	126,8	30,2%
Eastern Europe	8,0	6,0	33,9%	14,8	12,7	16,3%
Asia/Pacific Region	10,0	10,4	-3,0%	21,9	23,1	-4,8%
America	35,9	30,1	19,4%	72,6	63,0	15,2%
Africa/Middle East	1,5	2,3	-33,5%	4,3	4,6	-6,3%
Net sales, total	**129,3**	**103,7**	24,7%	**278,7**	**230,2**	21,1%
Cost of sales	-77,7	-64,3	20,8%	-165,8	-141,8	16,9%
Gross Profit	**51,6**	**39,4**	31,0%	**113,0**	**88,5**	27,7%
- in % of net sales	39,9%	38,0%		40,5%	38,4%	
Royalty and commission income	8,5	6,7	26,5%	16,9	13,8	22,4%
	60,1	46,1	30,3%	129,8	102,3	27,0%
Selling, general and administrative expenses	-50,8	-40,1	26,7%	-107,3	-85,8	25,1%
EBITDA	**9,3**	**6,0**	54,4%	**22,5**	**16,5**	36,7%
Depreciation and amortisation	-1,6	-1,4	9,9%	-3,1	-2,7	12,5%
EBIT	**7,7**	**4,6**	68,3%	**19,5**	**13,8**	41,5%
- in % of net sales	5,9%	4,4%		7,0%	6,0%	
Financial expenses	-0,4	-0,5	-5,9%	-0,6	-1,0	-35,7%
EBT	**7,2**	**4,1**	76,8%	**18,9**	**12,8**	47,2%
- in % of net sales	5,6%	3,9%		6,8%	5,6%	
Income taxes	-2,8	-1,7	63,9%	-7,2	-5,2	36,5%
- Tax ratio	38,0%	41,0%		38,0%	41,0%	
Net earnings before minorities	4,5	2,4	85,8%	11,7	7,6	54,7%
Minorities	0,0	0,1		0,0	0,0	
Net earnings after minorities	**4,5**	**2,5**	77,4%	**11,7**	**7,6**	54,7%
Net earnings per share (€)	0,29	0,16	77,4%	0,76	0,49	54,7%

Rounding differences may arise in percentages and totals for figures presentet in millions as calculation is always based on the figures stated in thousands.

Consolidated Balance Sheet (IAS) as of June 30, 2001

	2001 Mio. €	2000 Mio. €	Devi-ation
ASSETS			
Cash and cash equivalents	32,7	28,0	16,7%
Inventories	128,6	98,9	30,0%
Receivables and other current assets	150,4	109,8	37,0%
Total current assets	**311,6**	**236,7**	31,6%
Deferred Income Taxes	**23,5**	**28,9**	-18,6%
Property and equipment, net	**34,1**	**29,0**	17,3%
Goodwill and other long-term assets	**5,7**	**6,0**	-4,3%
	375,0	**300,7**	24,7%
LIABILITIES AND SHAREHOLDER'S EQUITY			
Short-term bank borrowings	63,7	50,7	25,4%
Accounts payable	50,6	43,1	17,6%
Other current liabilities	97,7	66,7	46,4%
Total current liabilities	**211,9**	**160,5**	32,0%
Pension accruals	**13,7**	**13,0**	5,5%
Long-term liabilities interest bearing	**2,7**	**6,6**	-58,7%
Minority interest	**0,0**	**0,0**	
Total Shareholders' equity	**146,6**	**120,6**	21,6%
	375,0	**300,7**	24,7%

Selected Key Figures (IAS)

	1-6/2001 Mio. €	1-6/2000 Mio. €	Devi-ation
Worldwide brand sales	482,4	419,2	15,1%
Equity ratio	39,1%	40,1%	
Working capital	130,7	108,0	21,0%
Order backlog	256,0	182,9	40,0%
Investment/Capital expenditure	9,4	5,1	83,9%
Headcount (June 30)	1.617	1.444	12,0%
Outstanding shares (Mio.)	15,390	15,390	

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