



**PUMA SE**

**FINANCIAL REPORT**

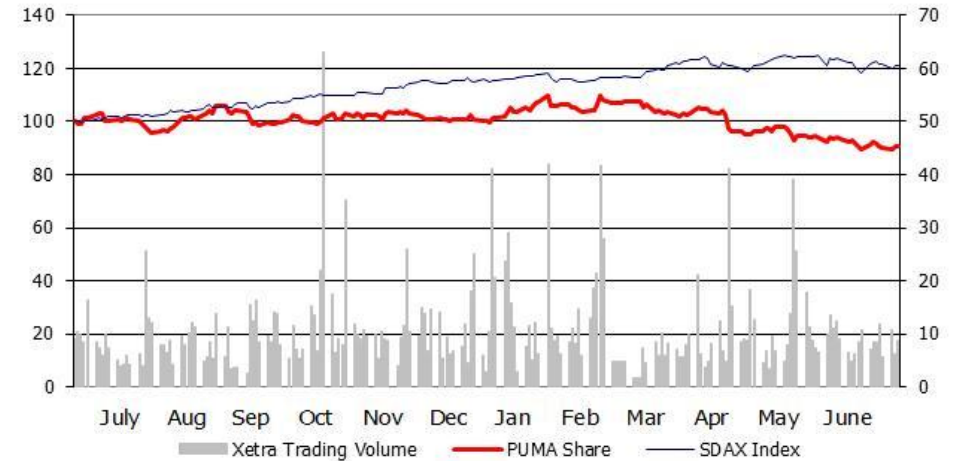
**January - June of 2014**



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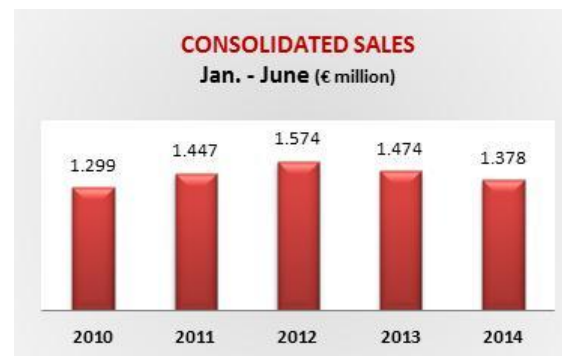
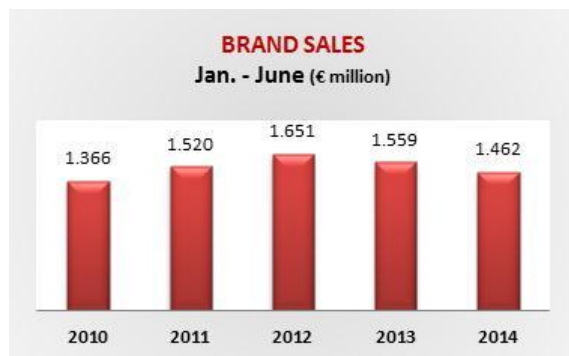
**Development of the PUMA Share**  
Rebased Development incl. Trading Volume (Xetra)



Key Figures	1-6/2014 € million	1-6/2013 € million	Devi- ation
Brand Sales	1.462,0	1.559,4	-6,2%
Consolidated net sales	1.377,9	1.473,9	-6,5%
Gross profit in %	47,7%	47,7%	
Operating result	71,2	110,1	-35,4%
Net earnings	39,8	67,8	-41,3%
- in %	2,9%	4,6%	
Total assets	2.346,2	2.523,6	-7,0%
Equity ratio in %	64,5%	64,6%	
Working capital	596,2	685,5	-13,0%
Cashflow - gross	93,8	125,8	-25,4%
Free cashflow (before acquisition)	-69,7	-91,9	-24,2%
Earnings per share (in €)	2,66	4,54	-41,3%
Cashflow - gross per share (in €)	6,28	8,42	-25,4%
Free cashflow per share (in €) (before acquisition)	-4,66	-6,15	-24,2%
Share price at end of the period	208,50	216,25	-3,6%
Market capitalization at end of the period	3.115	3.231	-3,6%
Investments in tangible and intangible assets (excluding goodwill)	31,3	19,1	63,9%

**Björn Gulden, CEO:**

"PUMA's second quarter sales and operating profit developed in line with our expectations. I was very happy with PUMA's visibility during the World Cup in Brazil. Feedback on both our dual-colored Tricks football boots and our national team jerseys with ACTV technology has been great. The sell-through of these products has been excellent and exceeded our expectations. In addition, we celebrated a successful Arsenal launch in July, followed by very good initial sales at Retail of Arsenal replica jerseys. We are now looking forward to launching our new "Forever Faster" marketing campaign in August, which is another step in the process of becoming the "fastest sports brand in the world". But, as I have said all along: We know that the repositioning of PUMA and the turnaround of the business will take time. However, I feel we are making progress on all our key strategic priorities and we have initiated the right projects to make 2014 the start of the turnaround."





## **Interim Management Report**

### **GENERAL ECONOMIC CONDITIONS**

The summer forecast published on June 12, 2014 by the Kiel World Economic Institute (IfW) indicates that the world economic growth has continued to slow in the first months of 2014. There are still significant barriers which currently limit any acceleration of global economic activity. Fiscal prudence is placing a limit on demand creation in many developed markets, and capital outflows from emerging economies had a negative impact on the financial environment in those countries. World economic growth momentum therefore remains modest.

### **STRATEGY**

Our strategy encompasses the repositioning of PUMA as the World's Fastest Sports Brand, the improvement of our product engine, the optimization of our distribution quality and increasing the speed within our organization and infrastructure. In the second quarter we continued to progress well on all our key strategic priorities that are crucial to ensuring that 2014 marks the start of the turnaround.

In terms of our brand repositioning, we have created the biggest marketing campaign in PUMA's history and are now ready to communicate the repositioning of PUMA as a true Sports Brand to our consumers and retail partners. The campaign demonstrates how our great athletes like Usain Bolt, Mario Balotelli, Rickie Fowler, Marta, Lexi Thompson and Ferrari are the epitome of our brand values: Brave, confident, determined, and joyful. The campaign will be kicked-off on August 7th in North America, Latin America and Asia-Pacific and will be rolled out to Europe and EEMEA shortly afterwards. The launch of this campaign marks the start of a long-term marketing strategy, with continuous investment up to the Rio de Janeiro Olympic Games in 2016 and beyond.

To improve our product engine, we initiated key projects to improve our product designs, develop more innovative technologies, and increase the commerciality of our product range. The first results have already been implemented for the coming Spring/Summer 2015 season, and the feedback from our retail partners, as well as our initial indications for H1/2015, make us very confident that we are heading in the right direction.

In order to improve the quality of our revenues and distribution, we are developing joint product and marketing programs with our key retailers to showcase our brand in the right retail environment and push sell-through with our partners. The PUMA Lab at Foot Locker, which we launched in Feb 2014, has developed very positively and we increased the presence to 126 doors in the US. The success of the PUMA Lab has not only improved our business with Footlocker but also generated a positive spill-over effect on to other key retailers in the US marketplace – both with performance and lifestyle accounts. In 2015, we will continue to foster our collaborations and will launch further product and marketing programs with our most important key accounts in every Region.

We have also continued to optimize our organizational structure and setup by making it faster. Our PUMA Village development center was closed on May 2nd. Our developers have moved to the sample rooms in our supplier factories and are now closer to the production process. As of May 31st, we have finalized the relocation of our Lifestyle Business Unit from London to our Headquarters in Herzogenaurach and closed the London office accordingly. The relocation of our Global and European Retail Organization from Oensingen, Switzerland, to our Headquarters in Herzogenaurach is progressing well and will be finalized as planned by the end of September.



## Sales and Earnings Development

### Global Brand Sales

Worldwide PUMA brand sales - comprised of consolidated and licensed sales - increased by 0.1% currency adjusted to € 698 million in the first quarter of 2014. On a half year basis, brand sales were flat and amounted to € 1,462 million.

### SECOND QUARTER 2014

#### Consolidated Sales

##### Sales increase slightly

PUMA's **consolidated sales** in the second quarter of 2014 were in line with expectations, rising by 0.6% currency adjusted to € 652 million. However, due to continued currency weakness in Turkey, Russia, South Africa, India, Japan and the Americas, sales declined by 5.8% in Euro terms.

#### Performance in the Americas improves

In the **EMEA** region, sales declined by 1.4% currency adjusted to € 256 million as strong performances in the United Kingdom and Switzerland could not entirely offset a decline in French and Scandinavian wholesale revenues.

Sales in the **Americas** increased by 4.6% currency adjusted to € 251 million, as key account initiatives like the PUMA Labs at Footlocker contributed to the performance improvement in North America, and Latin America benefited from increased Teamsport sales, particularly in Chile and Mexico.

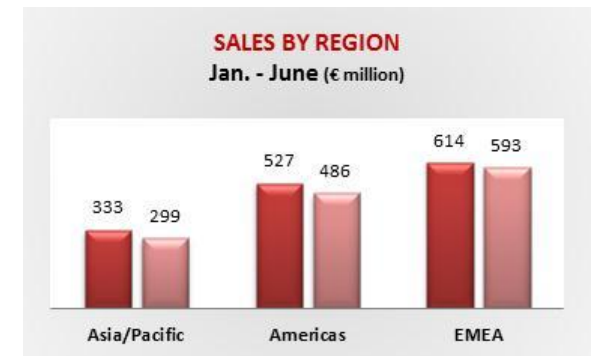
Sales in the **Asia/Pacific** region declined by 2.3% currency adjusted to € 146 million despite solid growth in Korea and India, as performance in Japan was pressured by the sales tax increase at the beginning of the quarter which led to a decline across categories.

#### Product segment trends continue

PUMA's currency adjusted **Footwear** sales declined by 9.1% in the second quarter to € 278 million despite improved Teamsport sales.

**Apparel** sales, however, improved by 12.8% currency adjusted to € 241 million as the World Cup supported strong performances in replica jerseys as well as training and fan wear, particularly for the Italian, Chilean and African teams.

**Accessories** sales also improved by 3.4% currency adjusted to € 134 million due to continued demand for PUMA's socks and bodywear. However, Golf equipment sales declined during the quarter due to the weaker golfing environment.



Sales by regions and product segments		Q2		growth rates		1-6		growth rates	
€ million	2014	2013	Euro	currency adjusted	2014	2013	Euro	currency adjusted	
<b>Breakdown by regions</b>									
EMEA	255,7	266,2	-4,0%	-1,4%	593,0	614,1	-3,4%	-0,5%	
Americas	250,6	267,0	-6,2%	4,6%	485,8	527,2	-7,9%	2,1%	
Asia/Pacific	145,9	159,1	-8,3%	-2,3%	299,2	332,5	-10,0%	-2,2%	
<b>Total</b>	<b>652,2</b>	<b>692,3</b>	<b>-5,8%</b>	<b>0,6%</b>	<b>1.377,9</b>	<b>1.473,9</b>	<b>-6,5%</b>	<b>0,0%</b>	
<b>Breakdown by product segments</b>									
Footwear	277,6	329,8	-15,8%	-9,1%	598,4	702,8	-14,9%	-8,0%	
Apparel	241,1	227,0	6,2%	12,8%	487,0	483,1	0,8%	7,6%	
Accessories	133,6	135,6	-1,5%	3,4%	292,5	288,0	1,6%	6,6%	
<b>Total</b>	<b>652,2</b>	<b>692,3</b>	<b>-5,8%</b>	<b>0,6%</b>	<b>1.377,9</b>	<b>1.473,9</b>	<b>-6,5%</b>	<b>0,0%</b>	



### Gross Profit Margin

#### Gross profit margin improves

PUMA's **gross profit margin** increased from 46.0% to 46.7% for the second quarter of 2014 as promotional activities declined compared to the same period last year. Footwear gross profit margin decreased from 44.1% to 42.7% due to the product and category mix. Apparel margins rose from 47.0% to 48.2% and the margin for Accessories increased from 49.2% to 52.4%.

### Operating Expenses

#### OPEX flat

**Operating expenditures** were broadly unchanged for the quarter at € 297 million, despite increased marketing expenditures associated with the World Cup in Brazil.

### EBIT

#### Operating Result (EBIT) declines

The negative currency impact on sales and gross profit led to a decline in PUMA's **operating profit (EBIT)** from € 31 million to € 13 million for the second quarter of 2014. The EBIT ratio decreased from 4.5% to 1.9%.

### Financial Result / Income from Associated Companies

The **financial result** improved from € -4.1 million to € -1.3 million in the second quarter. The result remained negative due mainly to currency conversion impacts.

### Net Earnings

PUMA's consolidated **net earnings** declined from € 18 million to € 4 million impacted in part by a slightly higher tax rate in the quarter due to tax expenses related to prior years. As a result, **earnings per share** decreased from € 1.17 to € 0.28 in the second quarter of the year.

### HALF YEAR 2014

### Consolidated Sales

Currency adjusted sales were flat in the first half of 2014 at € 1.38 billion. Continued currency weakness in the aforementioned countries led to a decline of 6.5% in Euro terms.

### Varied regional performance in the first half

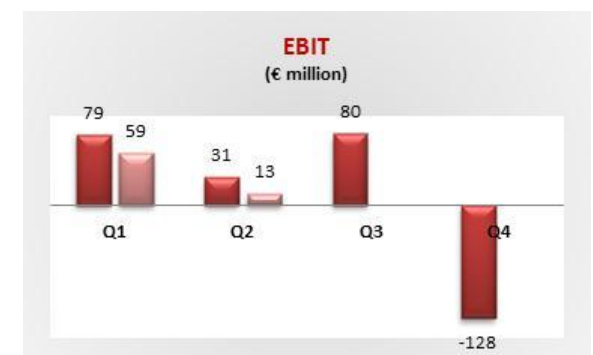
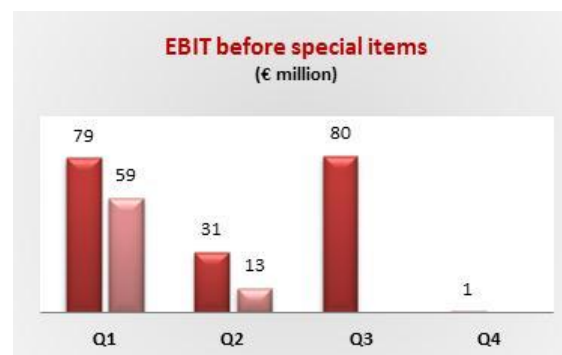
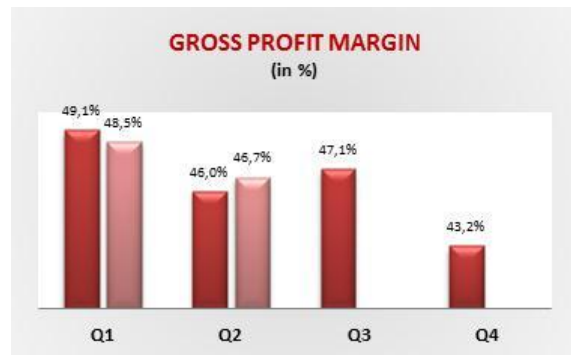
Sales in the **EMEA** region declined by 0.5% currency adjusted to € 593 million, where strong performances in the United Kingdom and Turkey were not enough to entirely offset lower sales in France and Scandinavia.

Currency adjusted sales in the **Americas** increased by 2.1% to € 486 million with improvements in some major markets including the USA and Canada, while Chile performed well in Latin America.

**Asia/Pacific** sales declined by 2.2% currency adjusted to € 299 million as decreases in Japan and Oceania could not be fully compensated for by increases in India and Korea.

### Apparel and Accessories increase

In terms of product segments, **Footwear** sales declined by 8.0% currency adjusted to € 598 million in the first half of the year. Sales in **Apparel** increased by 7.6% currency adjusted to € 487 million, and **Accessories** sales also rose by 6.6% currency adjusted to € 292 million.





#### PUMA's Retail sales rise

PUMA's retail sales increased by 2.9% currency adjusted to € 270 million in the first half of 2014, equal to 19.6% of total sales, as comparable sales in our stores improved during the period.

#### **Gross Profit Margin**

##### Gross Profit Margin stable

PUMA's half year **gross profit margin** was unchanged at 47.7%. The decline in Footwear margin from 45.1% to 43.4% was offset by the increase in the Apparel margin from 49.4% to 50.9%. Accessories margin was stable at 50.9% for the first six months of the year.

#### **Operating Expenses**

##### Slight decline in half year OPEX

PUMA's **operating expenditure** improved slightly thanks to continued expenditure discipline despite the higher marketing costs associated with an event year. Half year OPEX improved by 1.2% from € 602 million to € 595 million.

#### **EBIT**

##### Operating Result (EBIT) lower

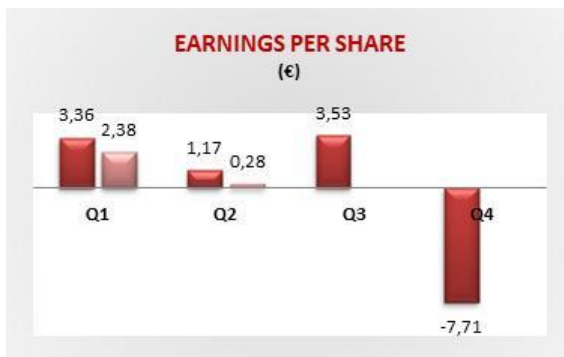
Weak currencies continued to impact reported sales and gross profit. PUMA's **EBIT** therefore declined from € 110 million to € 71 million for the half year, equivalent to 5.2% of sales. The negative currency development during 2014, particularly in Emerging Markets, had a negative impact of approx. € 15 million on the EBIT, equal to 1.1% of net sales.

#### **Financial Result / Income from Associated Companies**

For the half year, PUMA's **financial result** improved from € -8.0 million to € -4.5 million. The negative result was caused mainly by the impact of foreign currency fluctuations.

#### **Net Earnings**

Half year consolidated **net earnings** fell from € 68 million to € 40 million, with **earnings per share** declining from € 4.54 to € 2.66.







## **Net Assets and Financial Position**

### **Working Capital**

Working Capital position continues to improve

PUMA's continued emphasis on the balance sheet delivered positive results. **Inventories** declined by 7.9% to € 584 million and **trade receivables** also decreased by 9.8% to € 463 million. As **trade payables** remained stable, the Group's **working capital** improved by 13.0% to € 596 million.

### **Cashflow / Capex**

PUMA's **Free Cashflow** improved from € -112 million to € -72 million for the first six months of 2014. This was mainly due to lower Working Capital requirements.

**Capital expenditure** rose from € 19 million to € 31 million as PUMA continued to invest in the opening and refurbishment of selected retail stores, as well as office and IT equipment.

### **Cash Position**

PUMA's **Net Cash Position** at the end of the first half of the year improved from € 233 million to € 267 million.



## **Outlook 2014**

### **Global Economy**

The summer forecast published on June 12, 2014 by the Kiel World Economic Institute (IfW) projects that global economic growth will pick up in the second half of 2014 and throughout 2015. Output is mainly expected to accelerate in developed economies, whereas growth in the emerging markets will remain muted. The experts of the IfW expect world output to rise by 3.5% and 3.9% this year and next, respectively. This represents a small reduction of 0.1 percentage points for each year compared to the March forecast. It should, however, be noted that the recovery remains susceptible to setbacks, caused by movements in the financial and commodity markets in particular.

### **Investments**

Investments totaling around € 70 million are planned for 2014. The majority of these funds have been allocated to infrastructure investments which are necessary to help drive the sustainable growth, as well as the expansion of our core markets and selective investments in retail stores.

### **Change of Managing Director**

Andy Koehler, Chief Operating Officer (COO), informed the Administrative Board that he wishes to leave PUMA for personal reasons, effective 31 July 2014. During his time at PUMA, Andy Koehler laid the strategic groundwork to accelerate the transformation process in his area of responsibility. PUMA is thankful for his contributions and wishes him all the best for his professional and personal future. He will be available to the Kering Group as a consultant.

Lars Radoor Soerensen has been appointed Chief Operating Officer (COO) of PUMA SE as of 1 August 2014. Lars joined PUMA in November 2013 and has led the areas of Business Processes and Intelligence as well as Information Technology. Prior to joining PUMA, Lars was previously the Chief Operating Officer at Bestseller and Esprit and before that he held leadership roles at Adidas and Lego. PUMA is confident that Lars is the right person to lead its operations and looks forward to having him as its new COO.

### **Outlook 2014**

2014 continues to be a turnaround year for PUMA, where the brand will be re-established in the market place and brought back to a path of profitable and sustainable growth in the mid-term. To support this turnaround, PUMA will continue to invest strongly in marketing and sports assets, while maintaining tight control on other operating expenditures.

Given PUMA's results in the first half of the year, we continue to expect flat full year currency adjusted net sales and a slight increase in the gross profit margin, as PUMA replaces lower tier distribution with higher tier distribution channels. OPEX is still expected to increase significantly based on increased Marketing investments, particularly in the second half of the year. PUMA's full year guidance for EBIT and Net Earnings (approx. 5% and 3% of net sales respectively) remains unchanged from the first quarter; we reiterate that the continued volatile currency movements may have a negative impact of around 50 basis points on the EBIT and Net Earnings margin for the year.

Balance Sheet	Jun. 30,'14 € million	Jun. 30,'13 € million	Devi- ation	Dec. 31,'13 € million
<b>ASSETS</b>				
Cash and cash equivalents	300,0	334,7	-10,4%	390,1
Inventories	584,3	634,6	-7,9%	521,3
Trade receivables	463,0	513,3	-9,8%	423,4
Other current assets (Working Capital related)	182,7	157,8	15,8%	167,8
Other current assets	2,3	19,1	-88,0%	11,6
<b>Current assets</b>	<b>1.532,3</b>	<b>1.659,6</b>	<b>-7,7%</b>	<b>1.514,2</b>
Deferred taxes	170,7	140,3	21,7%	164,2
Other non-current assets	643,2	723,7	-11,1%	630,1
<b>Non-current assets</b>	<b>813,9</b>	<b>864,0</b>	<b>-5,8%</b>	<b>794,3</b>
<b>Total Assets</b>	<b>2.346,2</b>	<b>2.523,6</b>	<b>-7,0%</b>	<b>2.308,5</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Current financial liabilities	33,4	43,8	-23,7%	25,1
Trade payables	437,2	435,3	0,5%	373,1
Other current liabilities (Working Capital related)	196,6	185,0	6,3%	211,1
Other current liabilities	55,4	108,0	-48,7%	81,6
<b>Current liabilities</b>	<b>722,7</b>	<b>772,0</b>	<b>-6,4%</b>	<b>690,8</b>
Deferred taxes	44,5	53,9	-17,5%	50,3
Pension provisions	28,2	30,0	-5,9%	28,1
Other non-current liabilities	37,3	37,3	0,0%	42,1
<b>Non-current liabilities</b>	<b>110,0</b>	<b>121,2</b>	<b>-9,2%</b>	<b>120,4</b>
<b>Shareholders' equity</b>	<b>1.513,5</b>	<b>1.630,4</b>	<b>-7,2%</b>	<b>1.497,3</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>2.346,2</b>	<b>2.523,6</b>	<b>-7,0%</b>	<b>2.308,5</b>

Second Quarter

Full Year

Income Statement	Q2/2014 € million	Q2/2013 € million	Devi- ation	1-6/2014 € million	1-6/2013 € million	Devi- ation
<b>Sales</b>	<b>652,2</b>	<b>692,3</b>	-5,8%	<b>1.377,9</b>	<b>1.473,9</b>	-6,5%
Cost of sales	-347,5	-373,6	-7,0%	-721,1	-771,2	-6,5%
<b>Gross profit</b>	<b>304,7</b>	<b>318,7</b>	-4,4%	<b>656,9</b>	<b>702,7</b>	-6,5%
- in % of consolidated sales	46,7%	46,0%		47,7%	47,7%	
Royalty and commission income	4,7	4,6	1,8%	9,3	9,5	-1,4%
Other operating income and expenses	-296,8	-292,2	1,6%	-595,0	-602,0	-1,2%
<b>Operating result (EBIT)</b>	<b>12,6</b>	<b>31,2</b>	-59,7%	<b>71,2</b>	<b>110,1</b>	-35,4%
- in % of consolidated sales	1,9%	4,5%		5,2%	7,5%	
Financial result / Income from associated companies	-1,3	-4,1	-67,2%	-4,5	-8,0	-43,9%
<b>Earnings before taxes (EBT)</b>	<b>11,2</b>	<b>27,1</b>	-58,6%	<b>66,7</b>	<b>102,1</b>	-34,7%
- in % of consolidated sales	1,7%	3,9%		4,8%	6,9%	
Taxes on income	-3,8	-6,6	-43,0%	-19,7	-28,6	-31,1%
- Tax rate	33,6%	24,5%		29,6%	28,0%	
Net earnings attributable to non-controlling interests	-3,3	-2,9	11,6%	-7,2	-5,7	25,7%
<b>Net earnings</b>	<b>4,2</b>	<b>17,5</b>	-76,2%	<b>39,8</b>	<b>67,8</b>	-41,3%
<b>Earnings per share (€)</b>	<b>0,28</b>	<b>1,17</b>	-76,2%	<b>2,66</b>	<b>4,54</b>	-41,3%
<b>Earnings per share (€) - diluted</b>	<b>0,28</b>	<b>1,17</b>	-76,2%	<b>2,66</b>	<b>4,54</b>	-41,3%
Weighted average shares outstanding				14,940	14,939	0,0%
Weighted average shares outstanding - diluted				14,940	14,940	0,0%

Statement of Comprehensive Income	After tax	Tax impact	Before tax	After tax	Tax impact	Before tax
	2014	2014	2014	2013	2013	2013
	€ million	€ million	€ million	€ million	€ million	€ million
<b>Net earnings</b>	<b>47,0</b>		<b>47,0</b>	<b>73,5</b>		<b>73,5</b>
Currency changes	-5,0		-5,0	-42,1		-42,1
Neutral effects hedge accounting	-3,1	1,4	-4,5	15,3	-4,3	19,7
Share in other comprehensive income of at equity accounted investments	0,0		0,0	0,1		0,1
<b>Items expected to be reclassified to the income statement in the future</b>	<b>-8,1</b>	<b>1,4</b>	<b>-9,5</b>	<b>-26,8</b>	<b>-4,3</b>	<b>-22,5</b>
Remeasurements of the net defined benefit liability	-0,1	-0,1	-0,0	0,5		0,6
<b>Items not expected to be reclassified to the income statement in the future</b>	<b>-0,1</b>	<b>-0,1</b>	<b>-0,0</b>	<b>0,5</b>	<b>-0,1</b>	<b>0,6</b>
<b>Other result</b>	<b>-8,2</b>	<b>1,3</b>	<b>-9,5</b>	<b>-26,3</b>	<b>-4,5</b>	<b>-21,8</b>
<b>Comprehensive income</b>	<b>38,7</b>	<b>1,3</b>	<b>37,5</b>	<b>47,2</b>	<b>-4,5</b>	<b>51,7</b>
attributable to:						
Non-controlling interest	7,3		7,3	5,8		5,8
Equity holders of the parent	31,4	1,3	30,1	41,4	-4,5	45,9

Cashflow Statement	1-6/2014	1-6/2013	Devi-
	€ million	€ million	ation
<b>Earnings before taxes (EBT)</b>	<b>66,7</b>	<b>102,1</b>	-34,7%
Financial result and non cash effected expenses and income	27,1	23,7	14,5%
<b>Cashflow - gross</b>	<b>93,8</b>	<b>125,8</b>	-25,4%
Change in net working capital	-94,6	-147,2	-35,7%
Taxes and interest payments	-36,5	-45,9	-20,6%
<b>Cashflow from operating activities</b>	<b>-37,3</b>	<b>-67,3</b>	-44,6%
Payments for acquisitions	-2,3	-20,6	-88,8%
Payments for investments in fixed assets	-31,3	-19,1	63,9%
Other investing activities	-1,1	-5,4	-80,6%
<b>Cashflow from investing activities</b>	<b>-34,7</b>	<b>-45,1</b>	-23,2%
<b>Free Cashflow</b>	<b>-72,0</b>	<b>-112,5</b>	-36,0%
<b>Free Cashflow (before acquisition)</b>	<b>-69,7</b>	<b>-91,9</b>	-24,2%
Dividends paid to equity holders of the parent company	-7,5	-7,5	0,0%
Dividends paid to non-controlling interests	-15,3	-8,7	76,9%
Proceeds from short term borrowings	0,0	58,0	-100,0%
Other changes	6,7	2,7	142,5%
<b>Cashflow from financing activities</b>	<b>-16,1</b>	<b>44,6</b>	-136,2%
Effect on exchange rates on cash	-2,0	-4,7	-57,8%
<b>Change in cash and cash equivalents</b>	<b>-90,1</b>	<b>-72,5</b>	24,2%
Cash and cash equivalents at beginning of financial year	390,1	407,3	-4,2%
<b>Cash and cash equivalents end of the period</b>	<b>300,0</b>	<b>334,7</b>	-10,4%



Changes in Equity	Subscribed capital	Group reserves					Retained earnings	Treasury stock	Equity before non-controlling interests	Non-controlling interests	Total Equity
		Capital reserve	Revenue reserves	Difference from currency conversion	Cashflow hedges	At equity accounted investments					
€ million											
<b>Dec. 31, 2012</b>	<b>38,6</b>	<b>189,8</b>	<b>65,1</b>	<b>-24,9</b>	<b>-6,4</b>	<b>0,2</b>	<b>1.357,6</b>	<b>-31,6</b>	<b>1.588,5</b>	<b>8,9</b>	<b>1.597,4</b>
Net earnings							67,8		67,8	5,7	73,5
Net income directly recognized in equity			0,5	-42,3	15,3	0,1			-26,3	0,1	-26,3
<b>Comprehensive income</b>			<b>0,5</b>	<b>-42,3</b>	<b>15,3</b>	<b>0,1</b>	<b>67,8</b>		<b>41,4</b>	<b>5,8</b>	<b>47,2</b>
Dividends paid to equity holders of the parent company / non-controlling interests							-7,5		-7,5	-8,7	-16,1
Value of employees services		1,9							1,9		1,9
Conversion of options		-0,0						0,0	0,0		0,0
<b>June 30, 2013</b>	<b>38,6</b>	<b>191,6</b>	<b>65,7</b>	<b>-67,2</b>	<b>9,0</b>	<b>0,3</b>	<b>1.417,9</b>	<b>-31,5</b>	<b>1.624,3</b>	<b>6,0</b>	<b>1.630,4</b>
<b>Dec. 31, 2013</b>	<b>38,6</b>	<b>193,3</b>	<b>66,0</b>	<b>-137,5</b>	<b>-3,2</b>	<b>0,3</b>	<b>1.355,4</b>	<b>-31,4</b>	<b>1.481,6</b>	<b>15,7</b>	<b>1.497,3</b>
Net earnings							39,8		39,8	7,2	47,0
Net income directly recognized in equity			-0,1	-5,2	-3,1	0,0			-8,3	0,1	-8,2
<b>Comprehensive income</b>			<b>-0,1</b>	<b>-5,2</b>	<b>-3,1</b>	<b>0,0</b>	<b>39,8</b>		<b>31,4</b>	<b>7,3</b>	<b>38,7</b>
Dividends paid to equity holders of the parent company / non-controlling interests							-7,5		-7,5	-15,3	-22,8
Value of employees services		0,3							0,3		0,3
<b>June 30, 2014</b>	<b>38,6</b>	<b>193,7</b>	<b>65,9</b>	<b>-142,6</b>	<b>-6,3</b>	<b>0,3</b>	<b>1.387,7</b>	<b>-31,4</b>	<b>1.505,9</b>	<b>7,7</b>	<b>1.513,5</b>

## Operating Segments Q2/2014

Regions	External Sales		EBIT		Investments	
	Q2/2014 € million	Q2/2013 € million	Q2/2014 € million	Q2/2013 € million	Q2/2014 € million	Q2/2013 € million
EMEA	230,9	235,4	-7,7	-26,1	6,9	1,9
Americas	223,2	236,4	11,4	18,4	8,1	4,0
Asia/Pacific	119,7	133,0	-0,2	-4,2	2,6	2,5
Central units/consolidation	78,3	87,6	9,1	43,1	2,6	2,2
<b>Total</b>	<b>652,2</b>	<b>692,3</b>	<b>12,6</b>	<b>31,2</b>	<b>20,3</b>	<b>10,5</b>

	Depreciation	
	Q2/2014 € million	Q2/2013 € million
EMEA	2,9	3,9
Americas	3,1	3,5
Asia/Pacific	2,3	2,3
Central units/consolidation	3,8	4,0
<b>Total</b>	<b>12,1</b>	<b>13,6</b>

## Product

	External Sales		Gross Profit Margin	
	Q2/2014 € million	Q2/2013 € million	Q2/2014 € million	Q2/2013 € million
Footwear	277,6	329,8	42,7%	44,1%
Apparel	241,1	227,0	48,2%	47,0%
Accessories	133,6	135,6	52,4%	49,2%
<b>Total</b>	<b>652,2</b>	<b>692,3</b>	<b>46,7%</b>	<b>46,0%</b>

## Bridge to EBT

	Q2/2014 € Mio.	Q2/2013 € Mio.
EBIT	12,6	31,2
Financial Result	-1,3	-4,1
<b>EBT</b>	<b>11,2</b>	<b>27,1</b>

## Operating Segments 1-6/2014

Regions	External Sales		EBIT		Investments	
	1-6/2014 € million	1-6/2013 € million	1-6/2014 € million	1-6/2013 € million	1-6/2014 € million	1-6/2013 € million
EMEA	531,2	553,9	14,9	-11,4	11,6	3,9
Americas	417,7	455,7	15,6	26,2	14,4	6,1
Asia/Pacific	244,8	272,6	4,0	3,9	3,5	1,9
Central units/consolidation	184,2	191,7	36,7	91,5	3,2	7,5
<b>Total</b>	<b>1.377,9</b>	<b>1.473,9</b>	<b>71,2</b>	<b>110,1</b>	<b>32,7</b>	<b>19,5</b>

	Depreciation		Inventories		Trade Receivables	
	1-6/2014 € million	1-6/2013 € million	1-6/2014 € million	1-6/2013 € million	1-6/2014 € million	1-6/2013 € million
EMEA	5,8	8,0	267,6	308,1	182,1	202,9
Americas	6,0	6,9	173,4	189,5	156,6	166,5
Asia/Pacific	4,4	4,6	70,6	78,8	49,0	66,1
Central units/consolidation	7,6	7,7	72,7	58,2	75,4	77,8
<b>Total</b>	<b>23,9</b>	<b>27,2</b>	<b>584,3</b>	<b>634,6</b>	<b>463,0</b>	<b>513,3</b>

Product	External Sales		Gross Profit Margin	
	1-6/2014 € million	1-6/2013 € million	1-6/2014 € million	1-6/2013 € million
Footwear	598,4	702,8	43,4%	45,1%
Apparel	487,0	483,1	50,9%	49,4%
Accessories	292,5	288,0	50,9%	51,0%
<b>Total</b>	<b>1.377,9</b>	<b>1.473,9</b>	<b>47,7%</b>	<b>47,7%</b>

Bridge to EBT	1-6/2014 € Mio.	1-6/2013 € Mio.
EBIT	71,2	110,1
Financial Result	-4,5	-8,0
<b>EBT</b>	<b>66,7</b>	<b>102,1</b>



## **Notes to the Financial Report for the first six months of 2014**

### **GENERAL REMARKS**

Under the "PUMA" brand name, PUMA SE and its subsidiaries (the "PUMA group") are engaged in the development and sales of a broad range of sport and sportlifestyle products including footwear, apparel and accessories. The company's registered head office is in Herzogenaurach, Federal Republic of Germany; its responsible court of registration is at Fürth (Bavaria).

PUMA is an affiliated company of the Kering Group and will be consolidated in the consolidated financial statements of Kering.

### **ACCOUNTING STANDARDS**

The unaudited financial report of PUMA SE and its subsidiaries (which together form the PUMA group) was prepared according to IAS 34 "Interim Financial Reporting" and should be read in connection with the annual financial statements as of December 31, 2013. The consolidated financial statements details contained therein apply to the financial reports for 2014, unless changes have been explicitly referred to.

The financial report corresponds to all committing standards and interpretations applied and explained in the annual financial statements as of December 31, 2013.

This financial report is partly based on assumptions and estimates which have an impact on the amounts and on the breakdown of the reported assets and liabilities as well as of the revenues 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 considered as soon as the findings are revised.

### **SEASONAL VARIANCE**

The group's sales fluctuate with the seasons. Consequently, the sales and resulting earnings vary in the course of a year.

### **EMPLOYEES**

	<b>2014</b>	<b>2013</b>
Number of employees at the beginning of the period	10,982	11,290
Number of employees at the end of the period	10,725	10,605
Average number of employees	10,637	10,678



## 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. The repurchased shares reduced the number of outstanding shares as well as diluted number of shares. In principle, outstanding stock options from the Management Incentive Program can result to a dilution of earnings per share.

	2014	2013
Earnings per share	€ 2.66	€ 4.54
Diluted earnings per share	€ 2.66	€ 4.54

## DIVIDEND

According to the Annual Shareholders' Meeting on May 13, 2014, a dividend of € 0.50 per share was approved for the fiscal year 2013. The dividend totaled € 7.5 million and was paid to the shareholders beginning on May 14, 2014.

## SHAREHOLDERS' EQUITY

### Subscribed Capital

As of balance sheet date the subscribed capital amounted to € 38.6 million, divided into 15,082,464 no par value shares.

### Treasury Stock

The resolution adopted by the Annual General Meeting on April 20, 2010 authorized the company to purchase until April 19, 2015 its own shares to a value of up to ten percent of the share capital.

The company did not add shares to the treasury stock during the first six months.

At the end of June, the company held a total of 142,551 shares. This represents 0.95% of the total subscribed capital.

## Development Number of Shares

	2014	2013
<b>Number of shares at the beginning and at the end of the period</b>	<b>15,082,464</b>	<b>15,082,464</b>
Thereof own shares/treasury stocks	-142,551	-143,185
Conversion of Management Incentives (issue of treasury stock)	0	196
<b>Shares outstanding at the end of the period</b>	<b>14,939,913</b>	<b>14,939,475</b>
<b>Weighted average number of shares, outstanding</b>	<b>14,939,913</b>	<b>14,939,315</b>
Diluted number of shares	14,939,913	14,940,458



## **SEGMENT REPORTING**

Segment reporting is based on geographical regions in accordance with the internal reporting structure. Sales and gross profit are shown according to the geographical region where the respective group company is located (head office). Intra-group sales are eliminated. Allocation of the remaining segment information is also determined on the basis of the respective group company's head office. The sum totals equal the amounts on the income statement or on the balance sheet, respectively.

## **EVENTS AFTER THE BALANCE SHEET DATE**

There were no events after the balance sheet date which may have a material effect on the financial situation and earnings position as of June 30, 2014.

## **Responsibility Statement**

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year."

Herzogenaurach, July 29, 2014

The Managing Directors





## **Managing Directors**

### **Bjørn Gulden**

(CEO, Chief Executive Officer)

### **Stefano Caroti**

(CCO, Chief Commercial Officer)

### **Michael Laemmermann**

(CFO, Chief Financial Officer)

### **Andy Koehler**

(COO, Chief Operating Officer)

## **Administrative Board**

### **Jean-François Palus**

(Chairman)

### **François-Henri Pinault**

(Deputy Chairman)

### **Thore Ohlsson**

### **Todd Hymel**

### **Michel Friocourt**

### **Jean-Marc Duplaix**

### **Bernd Illig**

Employees' Representative

### **Martin Koepfel**

Employees' Representative

### **Guy Buzzard**

Employees' Representative



## **Financial Calendar FY 2014**

February 20, 2014	Financial Results FY 2013
May 13, 2014	Annual Shareholders' Meeting
May 14, 2014	Financial Results Q1/2014
July 29, 2014	Financial Results Q2/2014
November 7, 2014	Financial Results Q3/2014

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The financial releases and other financial information are available on the Internet at „[about.puma.com](http://about.puma.com)“.

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### **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**

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PUMA is one of the world's leading Sports Brands, designing, developing, selling and marketing footwear, apparel and accessories. For over 65 years, PUMA has established a history of making fast product designs for the fastest athletes on the planet. PUMA offers performance and sport-inspired lifestyle products in categories such as Football, Running, Training and Fitness, Golf, and Motorsports. It engages in exciting collaborations with renowned design brands such as Alexander McQueen and Mihara Yasuhiro to bring innovative and fast designs to the sports world. The PUMA Group owns the brands PUMA, Cobra Golf, Tretorn, Dobotex and Brandon. The company distributes its products in more than 120 countries, employs more than 10,000 people worldwide, and is headquartered in Herzogenaurach/Germany. For more information, please visit <http://www.puma.com>