



**PUMA SE**

**FINANCIAL REPORT**

**January – September  
of 2014**



**FOREVER FASTER PUMA.** 

**RUNNER  
ROCKET**

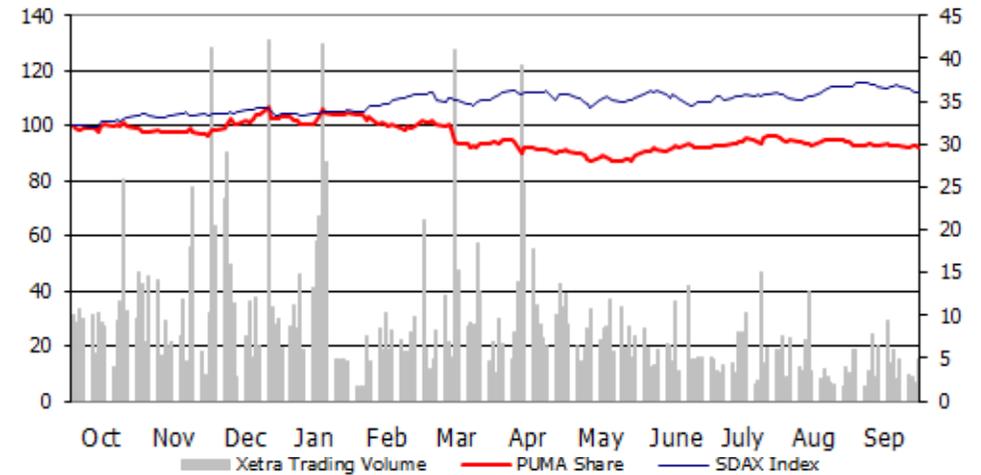
**Lisa Urech**

Swiss Track & Field Athlete. Lots of Medals. One Lip Stud.

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

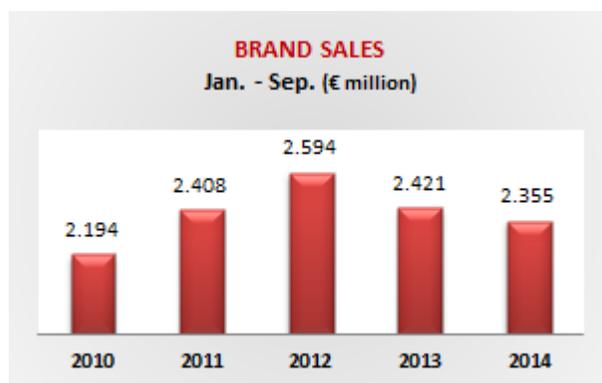


Key Figures	1-9/2014 € million	1-9/2013 € million	Deviation
Brand Sales	2.354,5	2.420,6	-2,7%
Consolidated net sales	2.221,3	2.287,0	-2,9%
Gross profit in %	47,2%	47,5%	
Operating result	117,4	190,4	-38,3%
Net earnings	68,6	120,5	-43,0%
- in %	3,1%	5,3%	
Total assets	2.514,4	2.435,9	3,2%
Equity ratio in %	64,1%	67,6%	
Working capital	636,3	711,3	-10,5%
Cashflow - gross	154,5	223,7	-30,9%
Free cashflow (before acquisitions)*	-90,7	-74,6	21,6%
Earnings per share (in €)	4,59	8,07	-43,1%
Cashflow - gross per share (in €)	10,34	14,97	-30,9%
Free cashflow per share (in €) (before acquisitions)	-6,07	-4,99	21,6%
Share price at end of the period	183,50	222,15	-17,4%
Market capitalization at end of the period	2.741	3.319	-17,4%
Investments in tangible and intangible assets (excluding goodwill)	47,8	33,8	41,1%

**Bjørn Gulden, CEO:**

"In a good third quarter, PUMA achieved sales that were slightly better than expected. Footwear sales were up for the first time in seven quarters, and operating profits met our expectations. The launch of the Forever Faster marketing campaign was well received by both consumers and retailers. We told our consumers that PUMA is back and showed our retail partners that we deliver on our promises by investing in media campaigns. We feel that things are moving in the right direction, but as we have said all along: We know that the repositioning of PUMA and the turnaround of the business will take time as we need to continue to build confidence in the marketplace. I am convinced that our efforts have already translated into better products, better marketing and more efficient operations. In addition, we have now defined the key priorities which will mark the start of our IT infrastructure upgrade, laying the foundations for a fast, lean and efficient company in the future."

\* Free cashflow before acquisitions / acquisition of financial assets





## **Interim Management Report**

### **GENERAL ECONOMIC CONDITIONS**

The autumn forecast published on September 11, 2014 by the Kiel World Economic Institute (IfW) indicates that global growth has again faltered during the course of 2014. A worldwide economic upturn remains out of sight. Economic growth remains susceptible to geopolitical shocks and turbulence in the financial markets.

### **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 third 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, August saw the launch of the biggest marketing campaign in PUMA's history, which marked the start of our repositioning as a true Sports Brand to our consumers and retail partners. The objective of the campaign was to demonstrate that PUMA is back in sports and that our brand has great assets and a distinctive attitude: Brave, confident, determined, and joyful. We achieved this objective as our campaign reached our consumers in 35 countries, generating 1 billion TV impressions in our target group as well as 31 million online views. The market surveys showed a very positive consumer reception. 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 make us very confident that we are heading in the right direction. With the continued positive feedback received for our Autumn/Winter 2015 collection, we are positive that we are on the right path.

In order to improve the quality of our revenues and distribution, we have developed 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. Our most prominent example is currently the PUMA Lab at Foot Locker, which we launched in Feb 2014 and has developed very positively as we have expanded our presence in the US throughout the year. The success of the PUMA Lab has not only improved our business with Foot Locker 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. With the finalization of the relocation of our Global and European Retail Organization from Oensingen, Switzerland, to our Headquarters in Herzogenaurach as of September 30th, we finalized the last out of our three major consolidation projects in 2014. This relocation followed the closure of our PUMA Village Development Center in Vietnam as of May 2nd and the relocation of our Lifestyle Business Unit from London to our Headquarters in Herzogenaurach as of May 31st.



## **BRAND**

Going forward, our strategic priorities will be complemented with a further objective: the upgrade of our current IT infrastructure to match the industry's best practice benchmark. The process and system due diligence of our new COO revealed significant improvement potential in our IT and process landscape and we have now defined the key priorities which will mark the start of our IT infrastructure upgrade. We are very confident that our investment in these areas will lay the foundations for a lean and efficient company in the future.

In September, PUMA participated in the capital increase of its strategic partner Borussia Dortmund GmbH & Co. KGaA (BVB) by acquiring 4,600,000 shares of the club, representing 5.0% of the voting rights. As Borussia Dortmund's technical supplier since July 2012, we look forward to continuing our successful partnership with BVB as its close partner and shareholder. As one of the top clubs in Germany and Europe, Borussia Dortmund is a perfect fit for PUMA, increasing our brand awareness on a national and international level.

In addition to Borussia Dortmund, PUMA also added top English Premier League club Arsenal FC to its list of Teamsport partners at the start of the quarter. Our sales of replica jerseys, fanwear and associated accessories have been very satisfying since the new kits were launched in July.

In Motorsports, the PUMA partnered Mercedes AMG Petronas F1 team showed that they are truly Forever Faster, sealing the 2014 Constructor's Championship with 3 races to go and thereby confirming their status as the fastest team in the world's fastest sport. It has been a superb season for the team, with Lewis Hamilton and Nico Rosberg dominating the sport. PUMA has also extended its partnership with BMW Motorsport as the Official Supplier of Team and Racewear for all BMW Motorsport racing operations. With a relationship dating back to 2004 when PUMA first partnered the BMW Williams Formula One team, BMW Motorsport is PUMA's longest standing partner in Motorsport and remains a core part of our Sports Marketing portfolio.



## Sales and Earnings Development

### Global Brand Sales

Worldwide PUMA brand sales - comprised of consolidated and licensed sales - increased by 6.1% currency adjusted to € 893 million in the third quarter of 2014. In the first nine months of 2014, brand sales increased by 2.3% currency adjusted to € 2,355 million.

### THIRD QUARTER 2014

#### Consolidated Sales

##### Sales increase

PUMA's 2014 third quarter sales performance was positive, as **consolidated sales** rose by 6.4% currency adjusted to € 843 million. This represents an increase of 3.7% in Euro terms, as continuing currency effects from various countries had a negative impact on sales.

#### Sales performance stronger in all regions and markets in Q3

Sales in the **EMEA** region increased by 4.4% currency adjusted to € 388 million. Performance improved in Western Europe, notably in Germany, where the new Borussia Dortmund jerseys were well received, as well as Switzerland and France, as sales of Teamsport and Lifestyle products rose.

Sales increased by 6.3% currency adjusted to € 265 million in the **Americas**, as North America continued to benefit from improved wholesale business, including key account initiatives like the PUMA Labs at Foot Locker. Sales in Latin America also rose, supported by a strong Teamsport business within the region.

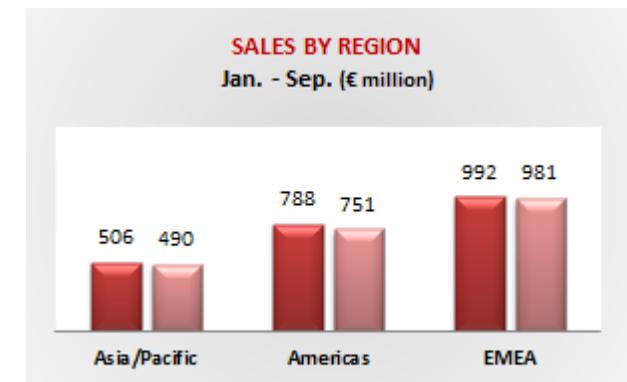
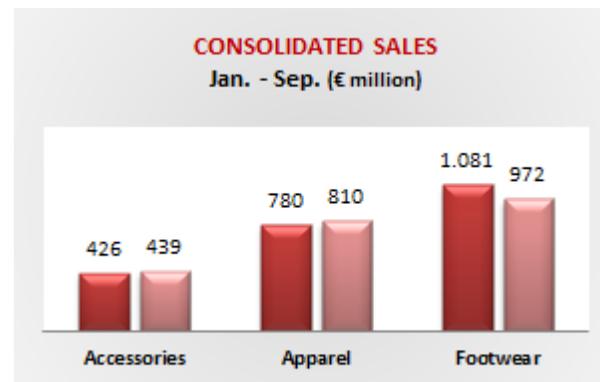
**Asia/Pacific** sales increased by 10.7% currency adjusted to € 191 million due to growth in all key markets, including India, China, Korea and Japan. This growth was supported by the successful start of the Forever Faster brand campaign, the positive reception of PUMA's new Arsenal jerseys and a strong Accessories business.

#### All product segments positive

Third quarter **Footwear** sales rose by 2.0% currency adjusted to € 374 million as Teamsport sales, particularly the PUMA evoSPEED boot, continued to improve.

PUMA's third quarter **Apparel** sales rose by 11.4% currency adjusted to € 323 million, supported by strong demand for our Teamsport products, especially Arsenal jerseys and kit.

**Accessories** sales also improved by 7.5% currency adjusted to € 147 million due to continued demand for socks and bodywear. However, Golf equipment sales declined in the quarter as the golfing environment remained very weak.



Sales by regions and product segments		Q3		growth rates		1-9		growth rates	
€ million	2014	2013	Euro	currency adjusted	2014	2013	Euro	currency adjusted	
<b>Breakdown by regions</b>									
EMEA	388,0	378,3	2,6%	4,4%	981,0	992,4	-1,1%	1,4%	
Americas	264,8	261,1	1,4%	6,3%	750,6	788,3	-4,8%	3,5%	
Asia/Pacific	190,5	173,7	9,6%	10,7%	489,7	506,3	-3,3%	2,5%	
<b>Total</b>	<b>843,4</b>	<b>813,1</b>	<b>3,7%</b>	<b>6,4%</b>	<b>2.221,3</b>	<b>2.287,0</b>	<b>-2,9%</b>	<b>2,4%</b>	
<b>Breakdown by product segments</b>									
Footwear	373,5	378,1	-1,2%	2,0%	972,0	1.080,9	-10,1%	-4,4%	
Apparel	323,1	296,8	8,9%	11,4%	810,1	779,9	3,9%	9,1%	
Accessories	146,7	138,2	6,2%	7,5%	439,2	426,1	3,1%	6,9%	
<b>Total</b>	<b>843,4</b>	<b>813,1</b>	<b>3,7%</b>	<b>6,4%</b>	<b>2.221,3</b>	<b>2.287,0</b>	<b>-2,9%</b>	<b>2,4%</b>	

### Gross Profit Margin

#### Gross profit margin lower

PUMA's **gross profit margin** declined from 47.1% to 46.3% for the third quarter of 2014 on the back of adverse currency impacts as well as shifts within the product mix which influenced the margin negatively. In addition, stronger sales in our distribution business within Latin America, particularly in Footwear, led to a decline in the Footwear margin from 44.4% to 41.9%. Apparel margin decreased slightly from 49.9% to 49.6%. However, the margin for Accessories improved from 48.6% to 50.3%.

### Operating Expenses

#### OPEX increased

PUMA's **operating expenditures** increased as expected in the third quarter, from € 309 million to € 349 million, due to the higher marketing expenditures associated with the Arsenal partnership and the launch of the Forever Faster brand campaign ahead of the back-to-school season.

### EBIT

#### Operating Result (EBIT) decreased

The decline in PUMA's **operating result (EBIT)** from € 80 million to € 46 million in the third quarter of 2014 is mainly due to significantly higher marketing expenditures within the OPEX.

### Financial Result / Income from Associated Companies

The **financial result** improved from € -1.5 million to € -0.7 million in the third quarter. The result remained negative due mainly to currency conversion impacts.

### Net Earnings

PUMA's **consolidated net earnings** declined from € 53 million to € 29 million. As a result, **earnings per share** decreased from € 3.53 to € 1.93 in the third quarter of the year.

## NINE MONTHS 2014

### Consolidated Sales

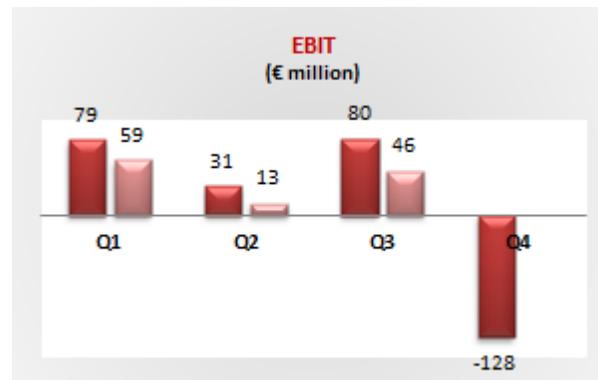
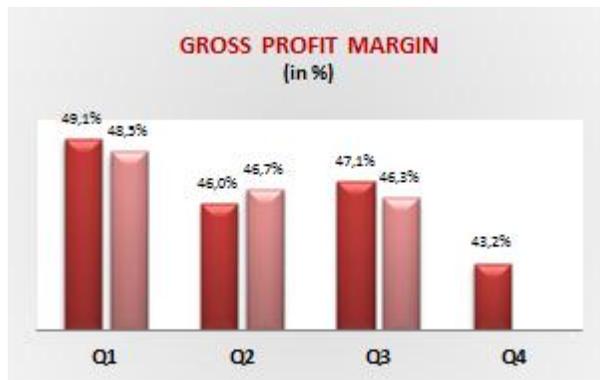
Currency adjusted sales rose by 2.4% for the first nine months of the year to € 2.2 billion. As currency volatility continued to have a negative impact in the third quarter, albeit to a lesser extent, nine month sales in Euro terms declined by 2.9%.

### Regional performances positive

Currency adjusted sales in the **EMEA** region rose by 1.4% to € 981 million, thanks to improvements in the United Kingdom and throughout Eastern Europe, the Middle East and Africa.

Sales in the **Americas** increased by 3.5% currency adjusted to € 751 million, with sales growth evenly spread over North America and Latin America.

**Asia/Pacific** sales rose by 2.5% currency adjusted to € 490 million, with positive performances throughout the region except in Japan, where the business climate in the first half of the year prevented a better result.





#### Apparel and Accessories sales increased

In terms of product segments, **Footwear** sales declined by 4.4% currency adjusted to € 972 million in the first nine months of 2014. Sales in **Apparel** increased by 9.1% currency adjusted to € 810 million, and **Accessories** sales also rose by 6.9% currency adjusted to € 439 million.

#### PUMA's Retail sales rose

PUMA's own and operated **retail sales** for the first nine months of the year increased by 3.4% currency adjusted to € 432 million, equal to 19.5% of total sales, as comparable sales in our stores improved during the period.

#### **Gross Profit Margin**

##### Gross Profit Margin down slightly

PUMA's nine month **gross profit margin** declined slightly to 47.2% due to negative impacts from currency/hedging. The decline in the Footwear gross profit margin from 44.9% to 42.9% was almost offset by increases in the Apparel margin, from 49.6% to 50.4%, and in the Accessories margin, from 50.2% to 50.7%.

#### **Operating Expenses**

OPEX increase for the first nine months of the year  
PUMA's **operating expenditure** increased due to increased marketing costs associated with the launch of the Forever Faster brand campaign and the Arsenal partnership. However, tight control was maintained on all other areas of expenditure. OPEX rose by 3.7% from € 911 million to € 944 million compared to the same period last year.

#### **EBIT**

##### Operating Result (EBIT) lower

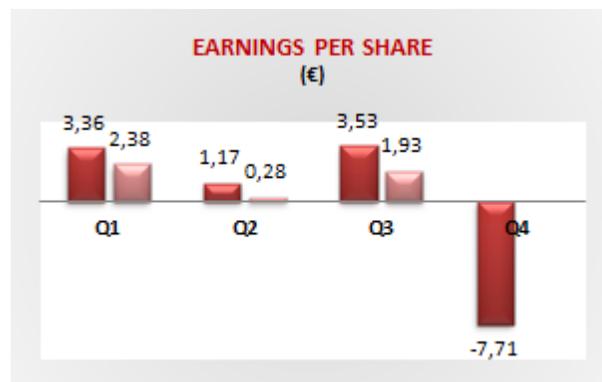
Continued currency weakness in a number of countries had a negative impact on sales and gross profit. In addition, marketing spending increased due to our Forever Faster Campaign and new assets like Arsenal. As a result, PUMA's **EBIT** declined as expected from € 190 million to € 117 million for the first nine months of the year, equivalent to 5.3% of sales.

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

PUMA's **financial result** improved from € -9.5 million to € -5.2 million. The negative result was caused mainly by the impact of foreign currency fluctuations.

#### **Net Earnings**

Consolidated **net earnings** fell from € 121 million to € 69 million for the first nine months of 2014, with **earnings per share** declining from € 8.07 to € 4.59.





## **Net Assets and Financial Position**

### **Working Capital**

#### Focus on Working Capital continues

PUMA retained its focus on working capital management in the third quarter. As a result, **Inventories** were broadly flat at € 573 million and **trade receivables** increased by 4.6% to € 547 million, in line with the sales growth.

### **Cashflow / Capex**

PUMA's **Free Cashflow (before acquisitions)** moved from € -75 million to € -91 million for the first nine months of 2014, due to lower Earnings but supported by a much improved working capital position.

**Capital expenditure** rose from € 34 million to € 48 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 September 2014 declined slightly from € 246 million to € 231 million, also impacted by the payment for a 5.0% equity stake in Borussia Dortmund.



## **Outlook 2014**

### **Global Economy**

The autumn forecast published on September 11, 2014 by the Kiel World Economic Institute (IfW) expects continued global economic growth next year. Momentum is, however, expected to remain moderate and therefore vulnerable for setbacks. The motor for this growth will be provided by developed economies, whereas momentum in emerging markets should remain muted. All in all, the experts of the IfW have lowered their forecast for world output growth by 0.4 percentage points to 3.2% for this year and by 0.3 percentage points to 3.7% in 2015. This forecast could still prove to be too optimistic should geopolitical tensions continue to escalate.

### **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.

### **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 as well as start investing in IT infrastructure, while maintaining tight control on other operating expenditures.

Given PUMA's results through the first nine months of the year, we now expect a low single digit increase in currency adjusted net sales (previously flat) and a stable gross profit margin (previously slight increase) for the full year. As planned, OPEX will increase significantly based on increased Marketing investments throughout 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; we reiterate that the continued volatile currency movements will have a negative impact of around 50 basis points on the EBIT and Net Earnings margin for the year.

Balance Sheet	Sep. 30,'14 € million	Sep. 30,'13 € million	Devi- ation	Dec. 31,'13 € million
<b>ASSETS</b>				
Cash and cash equivalents	306,7	336,7	-8,9%	390,1
Inventories	573,7	570,1	0,6%	521,3
Trade receivables	547,4	523,6	4,6%	423,4
Other current assets (Working Capital related)	191,1	155,5	22,9%	167,8
Other current assets	28,9	7,0	309,6%	11,6
<b>Current assets</b>	<b>1.647,8</b>	<b>1.592,9</b>	3,5%	<b>1.514,2</b>
Deferred taxes	180,9	127,2	42,2%	164,2
Other non-current assets	685,7	715,8	-4,2%	630,1
<b>Non-current assets</b>	<b>866,6</b>	<b>843,0</b>	2,8%	<b>794,3</b>
<b>Total Assets</b>	<b>2.514,4</b>	<b>2.435,9</b>	3,2%	<b>2.308,5</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Current financial liabilities	35,5	50,4	-29,5%	25,1
Trade payables	459,0	355,1	29,2%	373,1
Other current liabilities (Working Capital related)	217,0	182,7	18,7%	211,1
Other current liabilities	79,0	84,4	-6,3%	81,6
<b>Current liabilities</b>	<b>790,5</b>	<b>672,6</b>	17,5%	<b>690,8</b>
Deferred taxes	50,5	48,0	5,2%	50,3
Pension provisions	28,9	30,9	-6,5%	28,1
Other non-current liabilities	33,0	38,5	-14,2%	42,1
<b>Non-current liabilities</b>	<b>112,4</b>	<b>117,4</b>	-4,3%	<b>120,4</b>
<b>Shareholders' equity</b>	<b>1.611,5</b>	<b>1.645,9</b>	-2,1%	<b>1.497,3</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>2.514,4</b>	<b>2.435,9</b>	3,2%	<b>2.308,5</b>

Income Statement	Third Quarter			Full Year		
	Q3/2014 € million	Q3/2013 € million	Deviation	1-9/2014 € million	1-9/2013 € million	Deviation
<b>Sales</b>	<b>843,4</b>	<b>813,1</b>	3,7%	<b>2.221,3</b>	<b>2.287,0</b>	-2,9%
Cost of sales	-452,6	-429,8	5,3%	-1.173,7	-1.201,0	-2,3%
<b>Gross profit</b>	<b>390,7</b>	<b>383,3</b>	1,9%	<b>1.047,6</b>	<b>1.086,0</b>	-3,5%
- in % of consolidated sales	46,3%	47,1%		47,2%	47,5%	
Royalty and commission income	4,8	5,7	-14,5%	14,2	15,1	-6,3%
Other operating income and expenses	-349,3	-308,7	13,2%	-944,3	-910,7	3,7%
<b>Operating result (EBIT)</b>	<b>46,3</b>	<b>80,3</b>	-42,4%	<b>117,4</b>	<b>190,4</b>	-38,3%
- in % of consolidated sales	5,5%	9,9%		5,3%	8,3%	
Financial result / Income from associated companies	-0,7	-1,5	-52,5%	-5,2	-9,5	-45,3%
<b>Earnings before taxes (EBT)</b>	<b>45,5</b>	<b>78,7</b>	-42,2%	<b>112,2</b>	<b>180,8</b>	-38,0%
- in % of consolidated sales	5,4%	9,7%		5,1%	7,9%	
Taxes on income	-12,6	-22,5	-44,1%	-32,3	-51,1	-36,8%
- Tax rate	27,7%	28,6%		28,8%	28,3%	
Net earnings attributable to non-controlling interests	-4,1	-3,5	16,3%	-11,3	-9,2	22,1%
<b>Net earnings</b>	<b>28,9</b>	<b>52,7</b>	-45,2%	<b>68,6</b>	<b>120,5</b>	-43,0%
<b>Earnings per share (€)</b>	<b>1,93</b>	<b>3,53</b>	-45,3%	<b>4,59</b>	<b>8,07</b>	-43,1%
<b>Earnings per share (€) - diluted</b>	<b>1,93</b>	<b>3,53</b>	-45,2%	<b>4,59</b>	<b>8,06</b>	-43,0%
Weighted average shares outstanding				14,940	14,939	0,0%
Weighted average shares outstanding - diluted				14,940	14,941	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>79,9</b>		<b>79,9</b>	<b>129,7</b>		<b>129,7</b>
Currency changes	34,9		34,9	-72,5		-72,5
Neutral effects hedge accounting	22,9	-7,8	30,7	4,6	-0,3	4,9
Neutral effects available-for-sale financial assets	-0,5	0,2	-0,6	0,0		0,0
Share in other comprehensive income of at equity accounted investments	0,1		0,1	0,1		0,1
<b>Items expected to be reclassified to the income statement in the future</b>	<b>57,3</b>	<b>-7,6</b>	<b>64,9</b>	<b>-67,9</b>	<b>-0,3</b>	<b>-67,6</b>
Remeasurements of the net defined benefit liability	-0,1	-0,1	-0,0	0,2		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>0,2</b>	<b>-0,4</b>	<b>0,6</b>
<b>Other result</b>	<b>57,2</b>	<b>-7,7</b>	<b>64,9</b>	<b>-67,7</b>	<b>-0,7</b>	<b>-67,0</b>
<b>Comprehensive income</b>	<b>137,1</b>	<b>-7,7</b>	<b>144,8</b>	<b>62,0</b>	<b>-0,7</b>	<b>62,8</b>
attributable to:						
Non-controlling interest	12,4		12,4	9,0		9,0
Equity holders of the parent	124,7	-7,7	132,4	53,0	-0,7	53,7

Cashflow Statement	1-9/2014 € million	1-9/2013 € million	Devi- ation
<b>Earnings before taxes (EBT)</b>	<b>112,2</b>	<b>180,8</b>	-38,0%
Financial result and non cash effected expenses and income	42,3	42,8	-1,3%
<b>Cashflow - gross</b>	<b>154,5</b>	<b>223,7</b>	-30,9%
Change in net working capital	-146,0	-197,6	-26,1%
Taxes and interest payments	-52,2	-61,4	-15,0%
<b>Cashflow from operating activities</b>	<b>-43,7</b>	<b>-35,3</b>	23,7%
Payments for acquisitions	-2,3	-20,6	-88,7%
Payments to acquire financial assets	-21,4	0,0	
Payments for investments in fixed assets	-47,8	-33,8	41,1%
Other investing activities	0,8	-5,4	-114,5%
<b>Cashflow from investing activities</b>	<b>-70,7</b>	<b>-59,8</b>	18,2%
<b>Free Cashflow</b>	<b>-114,4</b>	<b>-95,1</b>	20,3%
<b>Free Cashflow (before acquisitions)*</b>	<b>-90,7</b>	<b>-74,6</b>	21,6%
Dividends paid to equity holders of the parent company	-7,5	-7,5	0,0%
Dividends paid to non-controlling interests	-15,7	-8,6	83,0%
Proceeds from short term borrowings	40,0	40,0	0,0%
Other changes	9,2	12,7	-27,2%
<b>Cashflow from financing activities</b>	<b>26,0</b>	<b>36,6</b>	-28,9%
Effect on exchange rates on cash	5,1	-12,1	-141,9%
<b>Change in cash and cash equivalents</b>	<b>-83,3</b>	<b>-70,6</b>	18,0%
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>306,7</b>	<b>336,7</b>	-8,9%

\* Free cashflow before acquisitions / acquisition of financial assets

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							120,5		120,5	9,2	129,7
Net income directly recognized in equity			0,2	-72,4	4,6	0,1			-67,5	-0,2	-67,7
<b>Comprehensive income</b>			<b>0,2</b>	<b>-72,4</b>	<b>4,6</b>	<b>0,1</b>	<b>120,5</b>		<b>53,0</b>	<b>9,0</b>	<b>62,0</b>
Dividends paid to equity holders of the parent company / non-controlling interests							-7,5		-7,5	-8,6	-16,1
Value of employees services		2,5							2,5		2,5
Conversion of options		-0,1					0,1		0,0		0,0
<b>Sep. 30, 2013</b>	<b>38,6</b>	<b>192,2</b>	<b>65,3</b>	<b>-97,3</b>	<b>-1,7</b>	<b>0,3</b>	<b>1.470,6</b>	<b>-31,5</b>	<b>1.636,6</b>	<b>9,3</b>	<b>1.645,9</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							68,6		68,6	11,3	79,9
Net income directly recognized in equity			-0,6	33,6	22,9	0,1			56,1	1,2	57,2
<b>Comprehensive income</b>			<b>-0,6</b>	<b>33,6</b>	<b>22,9</b>	<b>0,1</b>	<b>68,6</b>		<b>124,7</b>	<b>12,4</b>	<b>137,1</b>
Dividends paid to equity holders of the parent company / non-controlling interests							-7,5		-7,5	-15,7	-23,2
Value of employees services		0,3							0,3		0,3
<b>Sep. 30, 2014</b>	<b>38,6</b>	<b>193,7</b>	<b>65,4</b>	<b>-103,8</b>	<b>19,7</b>	<b>0,4</b>	<b>1.416,6</b>	<b>-31,4</b>	<b>1.599,1</b>	<b>12,4</b>	<b>1.611,5</b>

## Operating Segments Q3/2014

Regions	External Sales		EBIT		Investments	
	Q3/2014 € million	Q3/2013 € million	Q3/2014 € million	Q3/2013 € million	Q3/2014 € million	Q3/2013 € million
EMEA	364,4	358,7	22,8	24,1	8,8	7,0
Americas	248,5	243,2	4,8	18,6	5,8	5,2
Asia/Pacific	150,3	137,4	2,4	8,4	1,4	1,5
Central units/consolidation	80,1	73,9	16,3	29,1	0,5	1,1
<b>Total</b>	<b>843,4</b>	<b>813,1</b>	<b>46,3</b>	<b>80,3</b>	<b>16,5</b>	<b>14,7</b>

	Depreciation	
	Q3/2014 € million	Q3/2013 € million
EMEA	2,9	5,0
Americas	3,4	3,0
Asia/Pacific	2,3	2,1
Central units/consolidation	4,1	2,9
<b>Total</b>	<b>12,7</b>	<b>13,0</b>

## Product

	External Sales		Gross Profit Margin	
	Q3/2014 € million	Q3/2013 € million	Q3/2014 € million	Q3/2013 € million
Footwear	373,5	378,1	41,9%	44,4%
Apparel	323,1	296,8	49,6%	49,9%
Accessories	146,7	138,2	50,3%	48,6%
<b>Total</b>	<b>843,4</b>	<b>813,1</b>	<b>46,3%</b>	<b>47,1%</b>

## Bridge to EBT

	Q3/2014 € Mio.	Q3/2013 € Mio.
EBIT	46,3	80,3
Financial Result	-0,7	-1,5
<b>EBT</b>	<b>45,5</b>	<b>78,7</b>

## Operating Segments 1-9/2014

Regions	External Sales		EBIT		Investments	
	1-9/2014 € million	1-9/2013 € million	1-9/2014 € million	1-9/2013 € million	1-9/2014 € million	1-9/2013 € million
EMEA	895,7	912,6	34,8	12,7	20,3	19,3
Americas	666,2	698,9	20,4	44,8	20,1	11,4
Asia/Pacific	395,2	410,0	6,4	12,3	4,9	3,4
Central units/consolidation	264,2	265,5	55,8	120,6	3,7	0,2
<b>Total</b>	<b>2.221,3</b>	<b>2.287,0</b>	<b>117,4</b>	<b>190,4</b>	<b>49,2</b>	<b>34,3</b>

	Depreciation		Inventories		Trade Receivables	
	1-9/2014 € million	1-9/2013 € million	1-9/2014 € million	1-9/2013 € million	1-9/2014 € million	1-9/2013 € million
EMEA	8,8	11,9	202,5	228,3	233,3	235,2
Americas	9,5	9,9	216,4	200,3	156,8	151,2
Asia/Pacific	6,6	6,7	97,2	95,1	86,4	80,8
Central units/consolidation	11,7	11,7	57,6	46,4	70,9	56,4
<b>Total</b>	<b>36,5</b>	<b>40,2</b>	<b>573,7</b>	<b>570,1</b>	<b>547,4</b>	<b>523,6</b>

## Product

	External Sales		Gross Profit Margin	
	1-9/2014 € million	1-9/2013 € million	1-9/2014 € million	1-9/2013 € million
Footwear	972,0	1.080,9	42,9%	44,9%
Apparel	810,1	779,9	50,4%	49,6%
Accessories	439,2	426,1	50,7%	50,2%
<b>Total</b>	<b>2.221,3</b>	<b>2.287,0</b>	<b>47,2%</b>	<b>47,5%</b>

## Bridge to EBT

	1-9/2014 € Mio.	1-9/2013 € Mio.
EBIT	117,4	190,4
Financial Result	-5,2	-9,5
<b>EBT</b>	<b>112,2</b>	<b>180,8</b>



## **Notes to the Financial Report for the first nine 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	10,866	10,697
Average number of employees	10,695	10,680

### **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.

	<b>2014</b>	<b>2013</b>
Earnings per share	€ 4.59	€ 8.07
Diluted earnings per share	€ 4.59	€ 8.06



## 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 nine months.

At the end of September, 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	413
<b>Shares outstanding at the end of the period</b>	<b>14,939,913</b>	<b>14,939,692</b>
<b>Weighted average number of shares, outstanding</b>	<b>14,939,913</b>	<b>14,939,420</b>
Diluted number of shares	14,939,913	14,940,598

## RELATED PARTY TRANSACTIONS

PUMA SE has taken on short-term financial liabilities of € 40.0 million (prior year: € 40.0 million) as a related party of the Kering-group as part of its financing activities. These liabilities are presented as other current liabilities that are not part of the working capital.

## OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses includes € 4.5 million income from the partial release of the restructuring provision. This release is related to the remaining affected restructuring provisions as of September 30, 2014, which were part of the errors totaling € 11.0 million identified by the German Accounting Enforcement Panel (DPR) in their audit of PUMA's consolidated financial statements as of December 31, 2012. These errors are comprised of the planned relocation of inventories, the expected dual-rent payments related to the office relocation currently under negotiation, advisory costs related to the future conduct of the business and future expenses related to sailing sponsorship contracts. The difference of € 6.5 million between the amount released and the errors identified by the DPR is due to provisions being either used (€ 5.8 million) or released (€ 0.7 million) in prior periods. These misstatements had no material effect on either the financial situation or the earnings position of the PUMA group in prior years and the current year. We have therefore corrected the misstatements in the current accounts.



## **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 September 30, 2014.

Herzogenaurach, November 7, 2014

The Managing Directors



## **Managing Directors**

### **Bjørn Gulden**

(CEO, Chief Executive Officer)

### **Stefano Caroti**

(CCO, Chief Commercial Officer)

### **Michael Laemmermann**

(CFO, Chief Financial Officer)

### **Lars Radoor Soerensen** (since August 1, 2014)

(COO, Chief Operating Officer)

### **Andy Koehler** (until July 31, 2014)

(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>