



PUMA AG Rudolf Dassler Sport

INTERIM REPORT

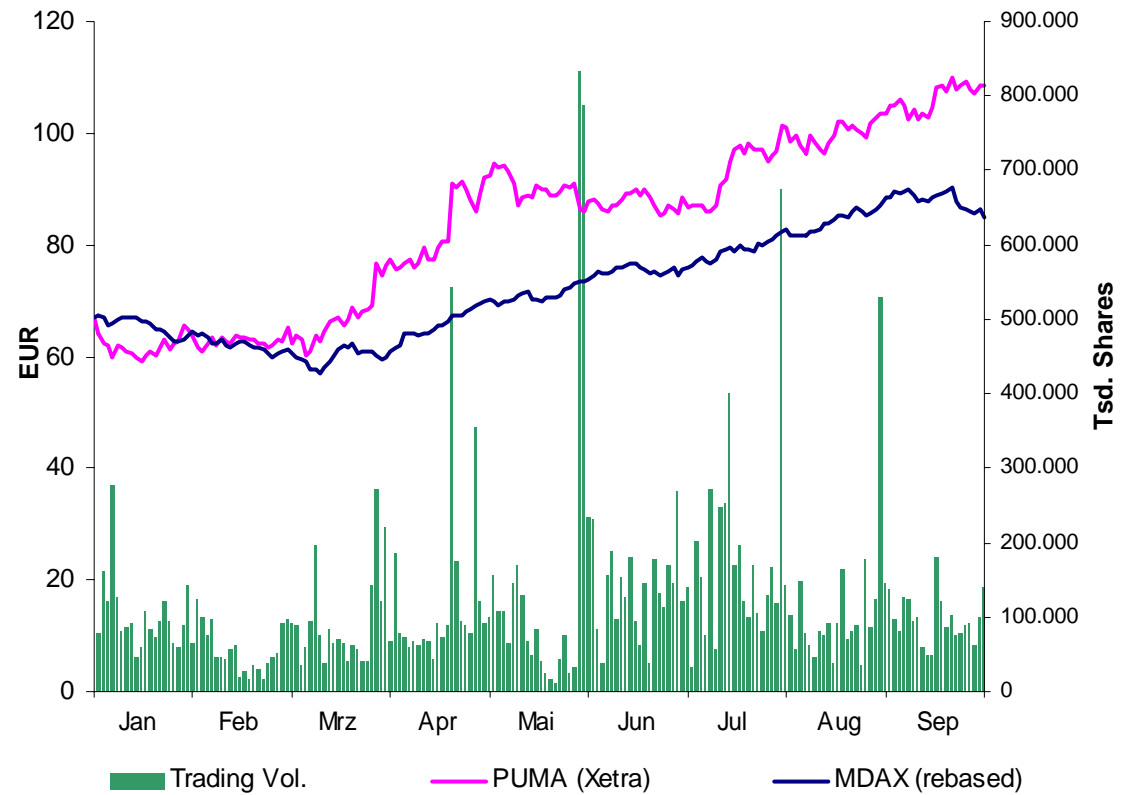
3rd Quarter and First Nine Months of 2003



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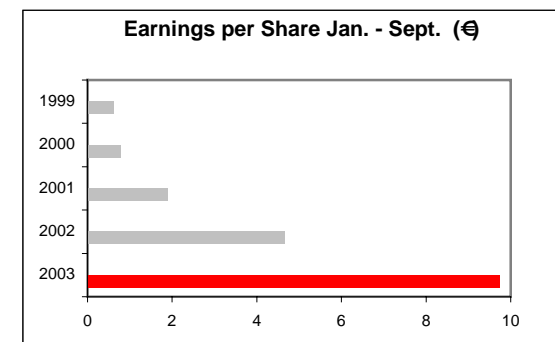
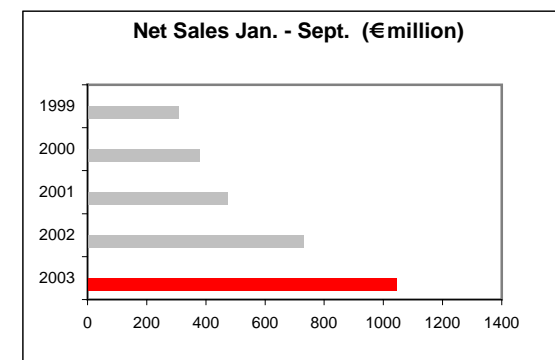
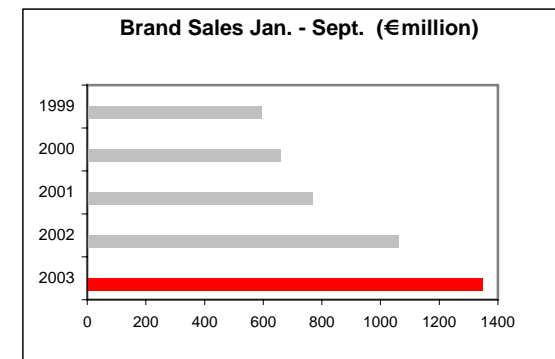
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Performance of the PUMA shareprice incl. Trading Volume



Financial Highlights

	1-9/2003	1-9/2002	Deviation
Brand Sales	1.349,5	1.060,8	27,2%
Consolidated net sales	1.046,3	730,6	43,2%
Gross profit in %	48,9%	43,5%	+5,4%
EBT	231,3	105,8	118,6%
- in %	22,1%	14,5%	+7,6%
Net earnings	154,8	72,3	114,0%
- in %	14,8%	9,9%	+4,9%
Total assets	770,7	539,0	43,0%
Equity ratio in %	51,3%	45,7%	+5,6%
Working capital	180,1	135,5	32,9%
Cashflow - gross	249,2	119,0	109,4%
Free cashflow (before acquisition)	101,1	59,1	71,1%
Earnings per share (in €)	9,75	4,66	109,2%
Cashflow - gross per share (in €)	15,70	7,67	104,7%
Free cashflow per share (in €)	6,37	3,81	67,2%
Share price at end of the period	108,10	52,70	105,1%
Market capitalization	1748,50	830,60	110,5%
Order backlog	645,6	501,4	28,8%
Investments in tangible and intangible assets	19,8	14,9	32,8%



Income Statement Review

Strong sales increase in all segments: During Q3 consolidated sales increased by 37.8% from €292 million to €402.3 million. On a currency neutral basis, sales were up 43.5%. As expected, for the second consecutive quarter, apparel recorded the strongest growth, increasing 46% to €110.2 million in Q3. Footwear sales grew by 34.7% to €267.5 million and accessories increased 36.5% to €24.5 million. Barring the effects of the first-time consolidation, total organic growth of 28.2% or 33.9% currency adjusted was realized.

In the first nine months of 2003 sales jumped 43.2%, from €730.6 million to €1,046.3 million and exceeded the €1 billion mark for the first time in the company's history. On a currency neutral basis, sales were even higher and generated growth of 51.6%. Before first-time consolidation, growth in the first nine months reached 35.3% or currency adjusted 43.6%.

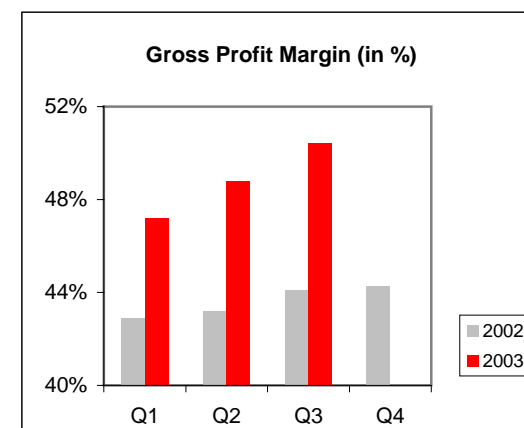
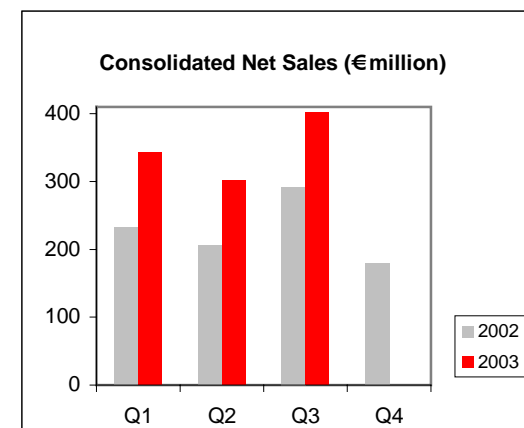
In terms of product segments, apparel experienced the fastest growth during the first nine months (49%) and reached €268.2 million. Footwear increased 43% to €718.9 million and accessories grew by 23.8% reaching sales of €59.2 million.

Worldwide branded sales up 27%: In the third quarter worldwide branded sales, which consist of consolidated and licensed sales, increased by 25.6% to €512.5 million. In the first nine months the increase translated to 27.2%, or €1,349.5 million; currency adjusted, worldwide branded sales increased 34.4%.

Gross profit margin at all-time high: PUMA's gross profit margin reached an all-time high of 50.4% in Q3. This reflects an increase of 630 basis points year over year, which was primarily due to the strong Euro. Apparel reported the strongest improvement jumping from 40.5% to 48.1%. Footwear and accessories also improved significantly from 45.4% to 51.5% or 44.9% to 49.2% respectively.

Year-to-date, the overall margin further improved and reached 48.9% versus 43.5%. Footwear climbed from 44.2% to 49.7%, apparel jumped from 40.9% to 47.2% and accessories from 45.5% to 47.1%.

Royalty and commission income regressed only slightly despite Japan take-over: Royalty and commission income declined in Q3 from €9.6 million to €8.9 million due to the first-time consolidation of PUMA Japan. On a year-to-date basis, this effect could be almost compensated for by an increase in other licensee business. Total royalty and commission income reached €30.2 million, which is almost last year's level. Barring the effects of the first-time consolidation, royalty and commission income increased by 23%.



SG&A further declined: Due to strong top-line growth and effective cost control, total SG&A expenses continued to decline as a percentage of sales. In Q3 expenses were at 25.9% versus 29.6% last year, and 28.7% versus 31.8% for the first nine months.

Investments in marketing and retail totaled €128.1 million or 12.2% year-to-date compared to €97.1 million or 13.3% in the previous year. In absolute amounts, this marks an increase in brand-building investments of €31 million. Expenses for product development and design increased by 28.9% to €22.8 million. As a percentage of sales this marked a slight decline from 2.4% to 2.2%. Other selling, general and administrative expenses showed the strongest reduction as a percent of sales and registered 14.3% compared with 16.1% during the same period last year.

Depreciation and amortization were up by 20.9% to €3.8 million in Q3 and 17.9% to €10.6 million in the first nine months. Amortization accounts for €1.3 million (LY €0.8 million) year to date.

EBT more than doubled: In Q3, EBT increased by 113.5% to €103.8 million and thereby reached the highest quarterly result in PUMA's history. Year-to-date, EBT climbed from €105.8 million to €231.3 million, an increase of 118.6%. This translates to a gross return of 22.1% versus 14.5% last year. The average tax rate was 32.8% compared with 32% in previous year.

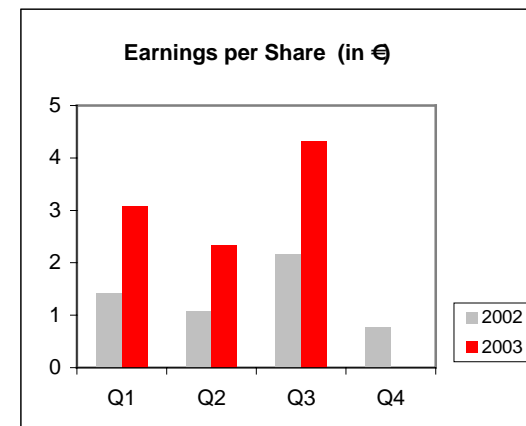
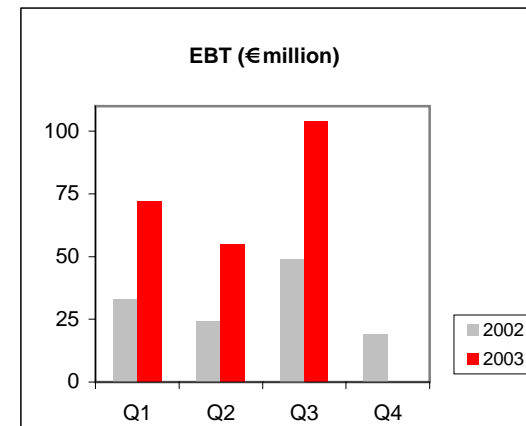
Within the first nine months earnings per share reached €9.75: Net income rose from €33.7 million to €69 million in Q3 and from €72.3 million to €154.8 million in the first nine months. Earnings per share reached €4.33 versus €2.16 and €9.75 versus €4.66 respectively. Diluted earnings per share were calculated at €9.61, compared with €4.57 last year.

Balance Sheet Review

Strong balance sheet: The equity ratio showed further significant improvement jumping from 45.7% to 51.3% as of September 30, 2003. Inventories increased by 28.4%, therefore the same rate as future orders, and totaled €162.4 million. Receivables grew 34% to €293.3 million, once again at a slower rate than sales during the last quarter.

As a result of a strong cashflow PUMA's net cash position reached €162.1 million. This marks a significant increase compared with last year's level as well as the position at the end of June this year. During the first nine months of 2003 cashflow was affected by several events: the cost of the acquisition of Japan that comprised €30.3 million for the purchase and €13.9 million for additional working capital. In addition, taxes were paid for the current (€35 million), as well as last year (€23 million), totaling €58 million versus only €9 million last year.

Overall free cashflow improved from €59.1 million to €101.1 million, excluding acquisition costs associated with the Japanese subsidiary. Due to significantly higher tax payments compared with last year (€49 million) as well as the additional working capital needed for Japan (€13.9 million) a comparable free cashflow of €164 million versus €59.1 million was generated.



Regional Highlights

All regions contributed to the growth: A significant double-digit increase was realized in all geographic regions. In Europe, Q3 sales increased 27.7% to €282.2 million and in the first nine months of this year sales surged 41% to €725 million. Almost every single European market reported strong double-digit growth.

Within the Americas, the US completed another favorable quarter and sales in US Dollar were up by 46.2% to \$69.6 million. Due to the strong Euro currency this reflects a growth rate of 26.8%. Sales in the first nine months increased by 42.5% to \$201 million, on a currency neutral basis, and by 18.7% to €180.6 million in Group currency. A strong development was also reported in all other countries in this region. In total, the Americas increased by 32.6% to €71.1 million in the third quarter and by 22.8% to €203.6 million in the first nine months. On a currency neutral basis, sales increased 53.1% and 47.4% respectively.

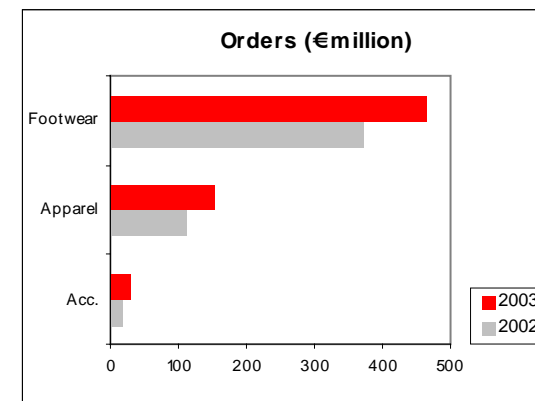
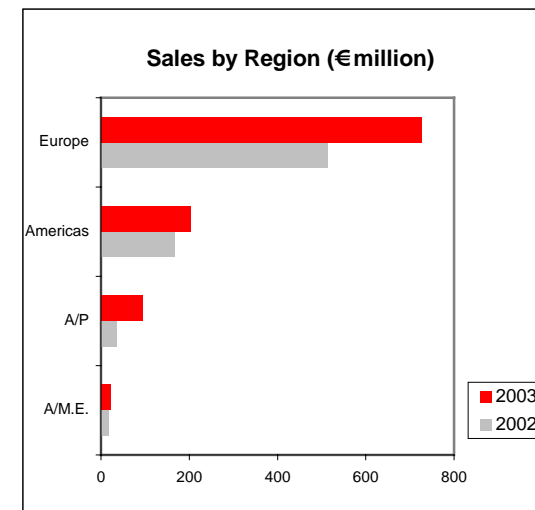
Due to the takeover of the footwear and accessories business in Japan, effective April 1st of this year, the Asia/Pacific Rim Region showed the strongest growth rate. Sales in Q3 increased by 278.2% to €41.6 million and by 174% to €95.2 million year to date. Without Japan, sales increased 24.3% or 7.4% respectively. Currency adjusted, this result marks an increase of 9.7% during the first nine months.

Sales in the Africa/Middle East region improved by 16% to €7.3 million in Q3 and 42.3% to €22.5 million in the first nine months of the year. Africa as well as the Middle East contributed to the favorable development.

Future Orders

Future orders up by 29%: Future orders increased by 28.8% to €645.6 million as of September 30, 2003. Currency adjusted orders increased 34.4%. Excluding Japan, orders were up by 16.5% or 22.1% when currency adjusted. The bulk of these orders include deliveries for Q4 2003 as well as for H1 2004.

By product segment, footwear increased 24.7% to €464.5 million, apparel by a healthy 35.4% to €152.8 million and accessories 74.7% to €28.3 million. On a regional basis, the order situation is as follows: Europe increased 20.8% to €447 million, the Americas 15.2% in US Dollar terms which translates to -4.2% or €97.9 million in Group currency. Orders in Africa/Middle East were up 94.5% to €18.2 million and the Asia/Pacific rim region increased 314.7% to €82.5 million. Excluding Japan, orders in this region increased by 6.8% or currency adjusted by 15.1%.



Outlook

Management confirms sales guidance and expects pre tax profit to reach at least €245 million for FY2003: As a result of a strong performance in the previous year and early shipments realized in September, growth for Q4 should be at the lower end of the double-digit range. On a full year basis management confirms growth expectations of above 30% in Euro terms or above 40% on a currency neutral basis for FY2003. The gross profit margin is expected to remain on the high level and should achieve approximately 48% or slightly above. In SG&A, a further reduction as a percentage of sales should be expected, which would lead to a cost ratio of around 31%.

Based on the strong performance during the first three quarters, pre-tax profit should reach at least €245 million or €10.35 in net earnings per share. The annualized tax rate is expected at 33% or slightly above.

Jochen Zeitz, CEO: “Our strong performance and outlook for the full year confirm the company’s sustained momentum. We have had solid sell-through in FW 2003 as well as strong reactions to future collections, and therefore also anticipate a positive start into 2004.”



Balance Sheet

	Sept. 30, 2003 €Mio.	Sept. 30, 2002 €Mio.	Devi- ation	Dec. 31, 2002 €Mio.
ASSETS				
Cash	180,4	96,1	87,7%	113,6
Inventories	162,4	126,5	28,4%	167,9
Receivables and other current assets	293,3	219,0	34,0%	143,9
Total current assets	636,1	441,6	44,1%	425,4
Deferred income taxes	35,1	22,4	56,9%	23,8
Property and equipment, net	62,7	54,2	15,6%	56,8
Goodwill and other long-term assets	36,8	20,9	75,8%	19,8
	770,7	539,0	43,0%	525,8
LIABILITIES AND SHAREHOLDERS' EQUITY				
Short-term bank borrowings	18,3	43,6	-58,1%	19,3
Accounts payable	142,5	112,9	26,2%	117,9
Other current liabilities	68,8	42,6	61,5%	47,2
Total liabilities	229,5	199,1	15,3%	184,4
Pension accruals	18,7	18,1	3,3%	17,9
Tax accruals	53,6	25,6	109,2%	25,8
Other accruals	71,5	49,4	44,7%	45,1
Long-term liabilities interest bearing	0,1	0,3	-82,1%	0,1
Minority interest	1,5	0,3	480,5%	0,4
Total shareholders' equity	395,7	246,2	60,7%	252,2
	770,7	539,0	43,0%	525,8



Income Statements

	Q3/2003	Q3/2002	Devi- ation	1-9/2003	1-9/2002	Devi- ation
	€ Mio.	€ Mio.		€ Mio.	€ Mio.	
Net sales	402,3	292,0	37,8%	1.046,3	730,6	43,2%
Cost of sales	-199,4	-163,2	22,2%	-534,5	-413,1	29,4%
Gross profit	202,9	128,8	57,6%	511,8	317,6	61,1%
- in % of net sales	50,4%	44,1%		48,9%	43,5%	
Royalty and commission income	8,9	9,6	-7,0%	30,2	30,8	-2,2%
Selling, general and administrative expenses	211,8	138,4	53,1%	541,9	348,4	55,5%
EBITDA	107,5	52,0	106,8%	241,6	115,9	108,6%
Depreciation and amortisation	-3,8	-3,1	20,9%	-10,6	-9,0	17,9%
EBIT	103,8	48,9	112,3%	231,1	106,9	116,1%
- in % of net sales	25,8%	16,7%		22,1%	14,6%	
Interest result	0,1	-0,3		0,2	-1,1	
EBT	103,8	48,6	113,5%	231,3	105,8	118,6%
- in % of net sales	25,8%	16,7%		22,1%	14,5%	
Income taxes	-34,4	-15,0	129,8%	-75,9	-33,9	124,1%
- Tax ratio	33,2%	30,8%		32,8%	32,0%	
Minorities	-0,4	0,1		-0,7	0,4	
Net earnings after minorities	69,0	33,7	104,4%	154,8	72,3	114,0%
Net earnings per share (€)	4,33	2,16	100,5%	9,75	4,66	109,2%
Net earnings per share (€) - diluted	4,33	2,13	103,3%	9,61	4,57	110,2%
Weighted average shares outstanding				15,872	15,516	
Weighted average shares outstanding - diluted				16,102	15,817	



Cashflow Statement

	1-9/2003 € Mio.	1-9/2002 € Mio.	Devi- ation
Earnings before taxes on income	231,3	105,8	118,6%
Depreciation	10,6	9,0	17,9%
Other non cash effected expenses and income	7,3	4,2	72,7%
Cashflow - gross	249,2	119,0	109,4%
Change in net assets	-66,9	-35,3	89,5%
Taxes, interests and other payments	-58,7	-9,8	502,1%
Cashflow from operating activities	123,6	74,0	67,1%
Payments for acquisitions	-30,3	0,0	
Purchase of property and equipment	-19,8	-14,9	32,8%
Interest received and others	-2,7	0,0	
Cashflow from investing activities	-52,9	-14,9	-255,0%
Free Cashflow before acquisitions	101,1	59,1	-71,1%
Capital increase	8,1	8,5	-4,6%
Dividend payments	-8,7	-4,6	88,3%
Other changes	0,1	-0,3	-144,2%
Cashflow from financing activities	-0,5	3,5	112,9%
Effect on exchange rates on cash	-3,5	-1,9	88,6%
Change in cash and cash equivalents	66,8	60,8	9,9%
Cash and cash equivalents at beginning of financial year	113,6	35,3	221,7%
Cash and cash equivalents end of the period	180,4	96,1	87,7%



Changes in Equity

	€ Mio.	€ Mio.	€ Mio.	€ Mio.	€ Mio.	€ Mio.	€ Mio.
	Subscribed Capital	Capital reserve PUMA AG	Revenue reserves PUMA AG	Differences from currency translation	Cashflow Hedges	Consolidated profit/ net income for the year	TOTAL
Dec. 31, 2001	39,5	32,5	0,2	11,5	6,1	86,9	176,7
Dividend payment						-4,6	-4,6
Currency changes				-3,7			-3,7
Net effect on cashflow hedges, net of taxes					-3,1		-3,1
Capital increase	0,9	7,6					8,5
Consolidated profit						72,3	72,3
Sept. 30, 2002	40,3	40,2	0,2	7,9	3,0	154,7	246,2
Dec. 31, 2002	40,6	41,9	40,9	2,6	-0,2	126,5	252,2
Dividend payment						-8,7	-8,7
Currency changes				-7,4			-7,4
Net effect on cashflow hedges, net of taxes					-3,3		-3,3
Capital increase	0,8	7,3					8,1
Consolidated profit						154,8	154,8
Sept. 30, 2003	41,4	49,1	40,9	-4,8	-3,4	272,6	395,7



Segment Data

	Sales		Gross profit	
	1-9/2003	1-9/2002	1-9/2003	1-9/2002
by head office location of customer				
Breakdown by regions	€ Mio.	€ Mio.	%	%
Europe	725,0	514,3	52,3%	44,6%
America	203,6	165,8	44,0%	43,3%
- thereof USA in US\$	201,0	141,0	0,0%	0,0%
Asia/Pacific Rim	95,2	34,8	46,0%	36,4%
Africa/Middle East	22,5	15,8	26,3%	23,1%
	1.046,3	730,6	48,9%	43,5%
by head office location of customer				
Breakdown by product segments	€ Mio.	€ Mio.	%	%
Footwear	718,9	502,9	49,7%	44,2%
Apparel	268,2	180,0	47,2%	40,9%
Accessories	59,2	47,8	47,1%	45,5%
	1.046,3	730,6	48,9%	43,5%



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 third quarter and the first nine months of 2003 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, 2002.

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 will be reflected in the results as soon as the findings are revised.

CONSOLIDATED GROUP

The consolidated group was extended to include the new subsidiary, PUMA Japan KK, which was founded in the first quarter. 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 months of April to September and the assets and liabilities as of September 30 were fully consolidated.

The goodwill recognized on initial consolidation amounted to €13.9 million. It will be amortized using the straight line method over a period of 15 years.

Apart from the goodwill, modification of the consolidated group has had the following effect on the financial situation: inventories €15.6 million, fixed assets and other assets €3.5 million, and liabilities €2.7 million.

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.

DIVIDEND

According to a resolution of the General Meeting of Shareholders which was held on April 16, 2003, a dividend of € 0.55 per share was paid as of the following day. This corresponds to dividend payments totaling €8.7 million.

EARNINGS PER SHARE

The 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 September 30, 2003 there were outstanding stock options from the Management Incentive Program which have diluted the earnings per share.

Number of shares at the beginning of the period	15.845.500
Number of shares at the end of the period	16.175.064
Weighted average number of shares	15.871.624
Diluted number of shares	16.101.523

Earnings per share	€ 9,75
Diluted earnings per share	€ 9,61

EMPLOYEES

Number of employees at the beginning of the period	2.387
Number of employees at the end of the period	2.913
Average number of employees	2.663



SHAREHOLDERS' EQUITY

As of September 30, 2003 the subscribed capital amounted to €41.4 million, divided into 16.175.064 no par shares. PUMA's freefloat is currently 100%. Of the free float, „Fidelity Management & Research Company“, USA, accounts for 5.02%. PUMA is not aware of any other shareholders holding 5% or more of the subscribed capital at the balance sheet day.

In accordance with the Company statutes, authorized capital totaling €15.4 million exists. The authorization was granted until May 13, 2007. Furthermore, contingent capital totaling €5.5 million exists to finance the Management Incentive Program.

A total of 329.564 stock options have been converted as part of the Management Incentive Program. As a result, €8.1 Mio. in equity capital has been accrued. By end of September 2003, 744.150 stock options remained outstanding.

EVENTS AFTER THE BALANCE SHEET DATE

As announced on October 13, 2003, the company intends to buy back shares of its own stock. Therefore, PUMA will make use of the authorization granted at the Annual General Meeting of Shareholders held on April 16, 2003. Based on the share price, Management will purchase up to 300.000 shares. The number of shares purchased during the 4th quarter will be reported in the year-end financial statement.

No further events have occurred after the balance sheet date which may affect the financial situation and earnings position as of September 30, 2003.

Herzogenaurach, October 30, 2003
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)

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

Arnon Milchan

David Matalon

Peter Chernin

Katharina Wojaczek

(Employees' Representative)

Erwin Hildel

(Employees' Representative)

Melanie Seiler

(Employees' Representative)



Financial Calendar

5./6. CW 2004	Preliminary Results 2003
March 2, 2004	Final Results 2003, Press Conference Analyst Conference Call
April 20, 2004	Annual Shareholders' Meeting
April 21, 2004	Dividend Payment (subject to Annual Shareholder's Meeting approval)
18. CW 2004	Quarterly Report Q1 2004 Analyst Conference Call
31. CW 2004	Quarterly Report Q2 2004 Analyst Conference Call
44. CW 2004	Quarterly Report Q3 2004 Analyst Conference Call

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

