



PUMA AG Rudolf Dassler Sport

INTERIM REPORT

1st Quarter of 2006



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Highlights Q1:

- Strong start into 2006: Q1 better than expected
- Consolidated sales rise almost 30%
- Gross profit margin remains above 52%
- EBIT margin above 20% despite strong brand investments
- EPS at €5.83 compared to €5.68

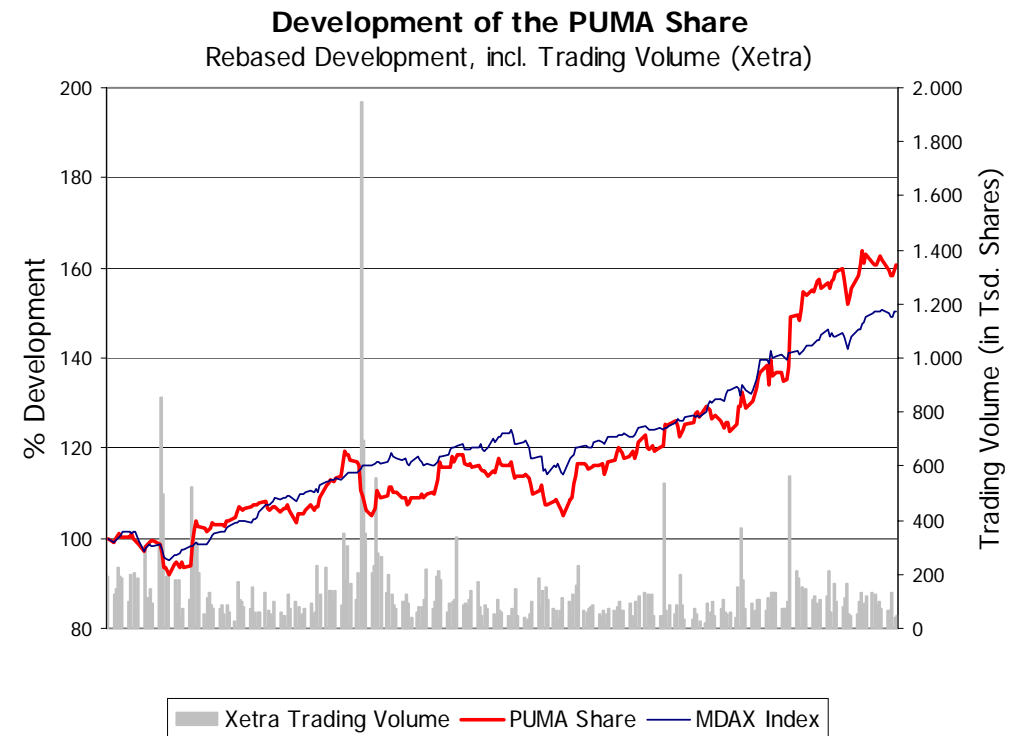
Outlook

- Further improvement in orders, now up by 35% to €1.1 billion, EMEA up double-digit y-o-y
- Management increases sales and earnings guidance for 2006



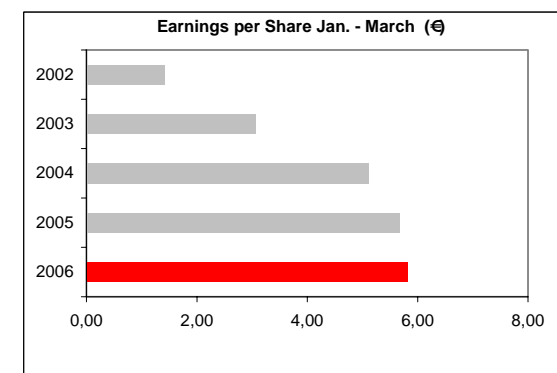
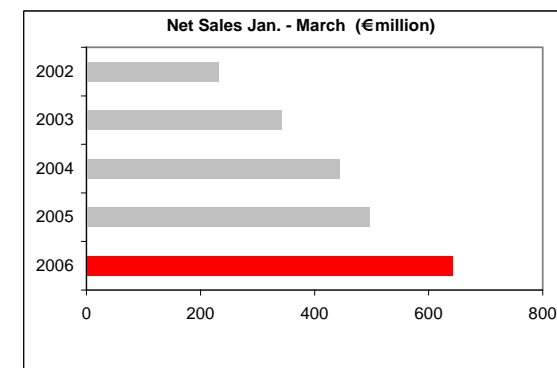
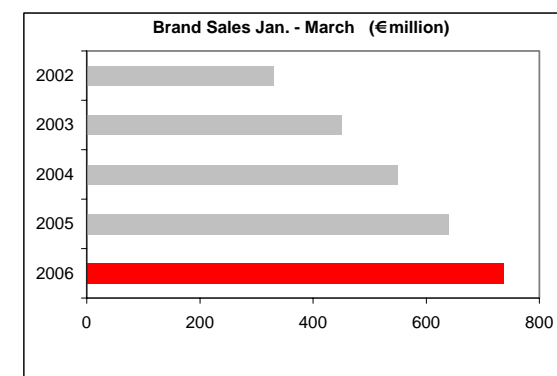
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Financial Highlights

	1-3/2006	1-3/2005	Devi- ation
	€ million	€ million	
Brand Sales	736,6	638,8	15,3%
Consolidated net sales	642,8	496,5	29,5%
Gross profit in %	52,4%	53,4%	
EBT	134,1	132,6	1,1%
- in %	20,9%	26,7%	
Net earnings	93,1	90,9	2,5%
- in %	14,5%	18,3%	
Total assets	1.551,9	1.086,0	42,9%
Equity ratio in %	61,4%	58,2%	
Working capital	440,3	276,1	59,5%
Cashflow - gross	132,9	137,0	-3,0%
Free cashflow	-135,2	-24,8	445,0%
Earnings per share (in €)	5,83	5,68	2,7%
Cashflow - gross per share (in €)	8,33	8,56	-2,8%
Free cashflow per share (in €)	-8,47	-1,55	446,2%
Share price at end of the period	312,46	193,13	61,8%
Market capitalization at end of the period	4.975,7	3.086,5	61,2%
Orders on hand	1.096,7	812,3	35,0%
Investments in tangible and intangible assets	17,5	17,1	2,0%



Sales and Earnings Development

Global branded sales rise more than 15%

PUMA's worldwide branded sales, which include consolidated and license sales, rose 15.3% to €737 million or currency adjusted by 11.8%. Footwear sales improved by 12.5%, Apparel by strong 19.1% and Accessories by almost 20%.

Consolidated sales rise almost 30%

In Q1, consolidated sales grew 29.5% (currency adjusted 25.4%) to €643 million. Hence, sales developed significantly better than expected with positive contributions from almost all product segments and regions. As already announced, due to the license take-backs and new Joint Ventures the consolidated business was extended to Japan (Apparel), China/Hong Kong, Taiwan, Canada and Argentina effective January 1, 2006. Furthermore, the fully owned subsidiaries in Dubai and India started their operating activities as of this year. Like-for-like, organic growth contributed a strong 10,7% and new consolidations 18.8% to the overall performance. In total, Footwear was up 18% (currency adjusted 14%) to €399 million, Apparel by a healthy 63.1% (59.8%) to €202 million and Accessories by 21.6% (19.3%) to €42 million.

Licensed business up almost 10% on a like-for-like basis

On a like-for-like basis, the licensed business increased by 9.9% to €87 million. However, due to the take-backs of the aforementioned license markets, total licensed sales declined by 34.1% versus prior year. Based on the remaining licensed business, the company realized a royalty and commission income of €8.5 million in the first quarter versus €12.5 million in the prior year.

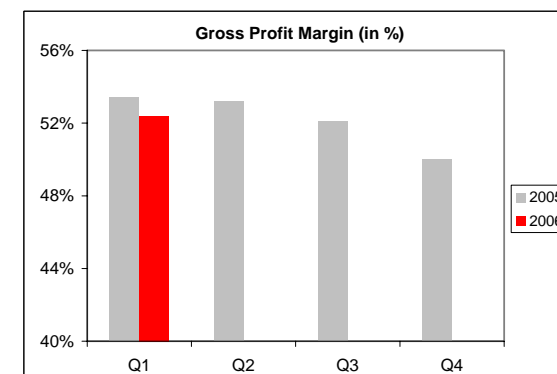
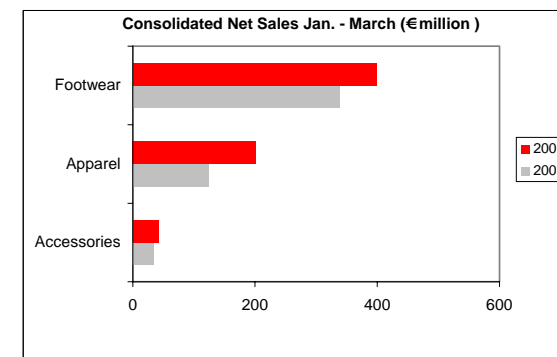
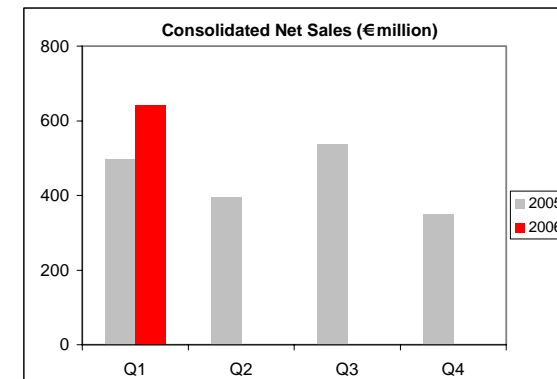
Gross profit remains above 52%

In Q1, gross profit margin stood better than expected at 52.4% compared to 53.4% last year, despite the planned and implemented shift in the regional and product mix. The Footwear margin decreased from 53.6% to 52% and Apparel from 53.4% to 52.9%. Accessories margin increased from 51.1% to 53.4%.

SG&A expenses at 32%

Due to strong brand investments and regional expansion, total SG&A rose 45.4% to €205 million. As a percentage of sales, the cost ratio increased as expected from 28.4% to 31.9%. The increase was mainly driven by strong Marketing/Retail expenses.

Marketing/Retail expenses rose as expected by 60.8% to above €100 million, representing a cost ratio of 15.6% compared to 12.6% last year. Product development and design expenses increased by almost 39% to €13 million and, as a percentage of sales, from 1.8% to 2%. Other selling, general and administrative expenses were up 32.4% to €92 million and remained around last year's level at 14.3% of sales.



EBIT margin above 20%

Despite the strong brand investments EBIT, margin reached 20.6% and remained on a very high level. In absolute amounts EBIT increased by 0.5% to €132 million versus the initial expectation of an earnings decline. Due to a strong increase in the financial results, pre-tax profit grew by more than 1% to €134 million. The tax ratio remained at 29.5 % and was unchanged versus last year's quarter.

Earnings per share above last year

In Q1, net earnings grew by 2.5%. In absolute amounts, net earnings accounted for €93 million versus €91 million last year. The net return amounts to 14.5% versus 18.3%. Earnings per share reached €5.83, a 2.7% increase to last year's €5.68. Diluted earnings per share were calculated at €5.78 compared with €5.63.

Net Assets and Financial Position

Equity ratio above 60%

Despite a 42.9% increase in the balance sheet total to €1,552 million, the equity ratio further improved. The end of March equity ratio reached 61.4% compared with 58.2% last year.

Solid net cash position

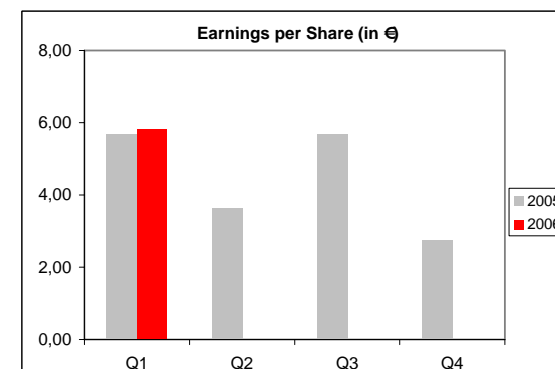
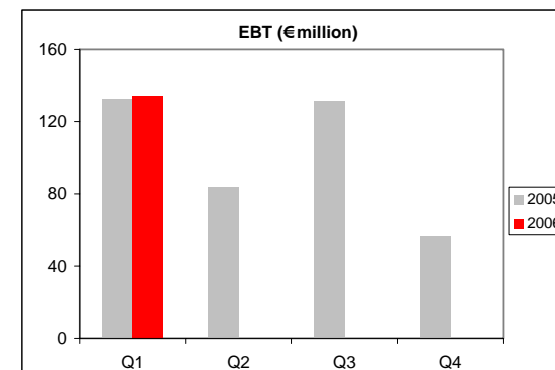
Cash and cash equivalents grew from €323 million to €354 million and bank debts increased from €22 million to €68 million. Therefore, net cash position slightly decreased from €302 million to €286 million due to the strong investments, the take-backs and Joint Ventures in several markets.

Working capital

Inventories increased by 49.2% to €283 million and receivables were up by 34.4% to €476 million. Total working capital at the end of March increased 59.5% and amounted to €440 million compared with €276 million last year. The increase was mainly due to the regional expansion. Excluding the regional expansion inventories increased by 17% and receivables by 21%.

Capex/Cashflow

Capex increased from €21 million to €59 million, whereby €42 million are related to acquisitions. Tax payments rose from €21 million to €34 million. Due to these effects as well as the higher working capital due to the regional expansion, free cashflow was €-135 million compared to €-25 million last year.



Share buyback

PUMA purchased another 50,000 of its own shares during the first three months. At quarter-end, a total of 940,000 shares were held as treasury stock, accounting for 5.6% of total share capital.

Regional Development

Change in regional mix

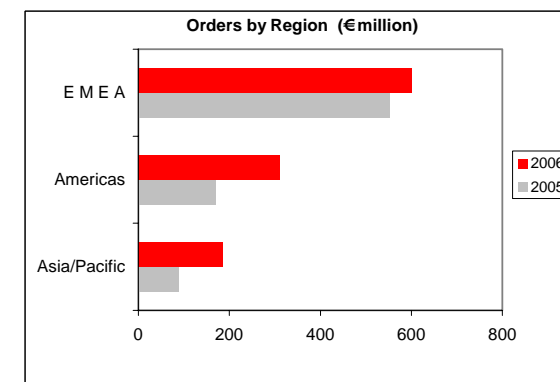
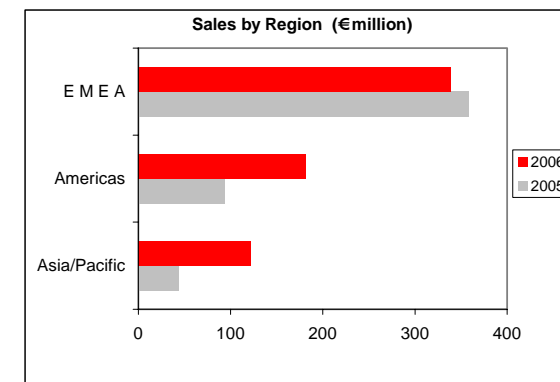
Due to the license take-backs and Joint Ventures, the regional mix changed significantly resulting in a more balanced regional business portfolio. Now, EMEA accounts for 52.8% (last year 72.2%), Americas for 28.3% (19%) and Asia/Pacific for 18.9% (8.8%).

Sales in the **EMEA-region** reached €339 million versus €359 million last year. The anticipated decline was due to the strong top-line performance in Q1 2005, hence leading to strong comp basis. Gross profit margin reached 55.2% compared to 55.6% last year. However, orders for EMEA now report a better than expected increase of nearly 12% to €600 million. All countries in this region contributed to the improvement.

Sales in the **Americas** continued to grow strongly. Currency adjusted, Q1 sales jumped 75.2% and in Euro terms by 93.1% to €182 million. The growth was due to a particularly strong organic business as well as the consolidation of Canada and Argentina. Gross profit margin increased from 46.1% to 47.5%. The order volume was up by a strong 87.8% to €310 million, or currency neutral by 71.6%.

In the **US** market, sales increased like-for-like by 62.4% to \$157 million and end-of-quarter orders were up by strong 45.9%.

In the **Asia/Pacific** region sales increased by a strong 177.6% (currency-adjusted 179.5%) to €122 million. The organic growth contributed 17.7% to the overall performance and the remaining growth was contributed by the regional expansion. The gross profit margin increased by 100 basis points to 51.9%. As of March 31, 2006, orders on hand were up 114.6% (currency adjusted 115%) and totaled €187 million.



Outlook 2006

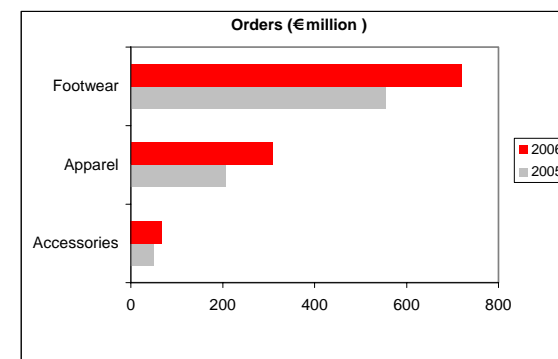
Future orders now up 35%

Consolidated orders further improved and increased by 35% (currency adjusted 31.3%) to €1,097 million. This represents the 41st consecutive quarter of order increase. In terms of product segments, Footwear increased by 29.8% (25.5%) to €720 million, Apparel 49.1% (46.4%) to €309 million and Accessories by 34.6% (32.1%) to €68 million.

Management increases sales and earnings guidance for FY2006

Due to a further improvement in the order position for the EMEA region and the overall strong performance in Q1, Management once again raises its sales forecast and now expects a growth of up to 35% for FY 2006, reaching almost €2.4 billion. The gross profit margin should range between 50% and 51%, given the anticipated shift in regional and product mix. The takeover of the license markets into the consolidated business will lead to a corresponding reduction in royalty and commission income. Selling, general and administrative expenses will be impacted in particular by disproportionately high marketing expenses relating to the World Cup and other PUMA campaigns, as well as by planned expansion of the Group's retail operations and higher expenses for infrastructure. Overall operating expenses are assumed to rise to approximately 35% of sales. The operating margin is expected to decrease versus the prior year to approximately 15% of sales as a result of the brand-building investments in 2006 and conversion of the license businesses into consolidated business. Based on the higher top-line growth, Management also increases operating profit expectation to now around €360 million. The tax rate is expected to be below the original guidance and should be between 30% and 31%.

As a result, net earnings are now expected to be only high single-digits below the previous year's level. Thus, in absolute figures, net earnings are expected to significantly exceed the original expectations for 2006 communicated with the Phase IV strategy mid last year.



Jochen Zeitz, CEO: "We are pleased to have catalyzed our Phase IV growth plans with a Q1 above our expectations and the smooth integration of former licensee partners into our consolidated business. With the World Cup and other exciting initiatives still to come in 2006, we remain very positive in the outlook for the remainder of the year."



Balance Sheet

	Mar. 31, '06	Mar. 31, '05	Devi- ation	Dec. 31, '05
	€ million	€ million		€ million
ASSETS				
Cash and cash equivalents	354,1	323,3	9,5%	475,5
Inventories	283,4	189,9	49,2%	238,3
Trade receivables	475,8	354,1	34,4%	277,5
Other current assets	101,8	33,2	206,9%	80,1
Current assets	1.215,1	900,5	34,9%	1.071,4
Deferred income taxes	50,5	49,9	1,1%	48,6
Property, plant and equipment	136,8	92,2	48,4%	121,9
Intangible assets	129,1	37,3	245,7%	59,4
Other non-current assets	20,4	6,1	237,0%	19,8
Non-current assets	336,8	185,5	81,5%	249,6
	1.551,9	1.086,0	42,9%	1.321,0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current bank liabilities	68,1	21,8	212,6%	45,1
Trade payables	188,7	161,4	16,9%	178,7
Tax provisions	32,8	51,6	-36,4%	24,2
Other current provisions	60,1	66,3	-9,2%	51,1
Liabilities from acquisitions	26,7	0,0		6,9
Other current liabilities	123,8	120,9	2,4%	78,5
Current liabilities	500,2	422,0	18,5%	384,5
Deferred income taxes	20,0	9,6	108,3%	20,0
Pension provisions	21,4	21,5	-0,4%	22,6
Liabilities from acquisitions	49,7	0,0		10,7
Other non-current liabilities	6,9	1,0	577,9%	7,8
Non-current liabilities	98,1	32,1	205,5%	61,2
Total shareholders' equity	953,6	631,9	50,9%	875,4
	1.551,9	1.086,0	42,9%	1.321,0



Income Statements

	Q1/2006	Q1/2005	Devi- ation
	€ million	€ million	
Net sales	642,8	496,5	29,5%
Cost of sales	-306,0	-231,5	32,2%
Gross profit	336,8	265,0	27,1%
- in % of net sales	52,4%	53,4%	
Royalty and commission income	8,5	12,5	-32,4%
Selling, general and administrative expenses	345,3	277,6	24,4%
EBITDA	140,1	136,5	2,7%
Depreciation and amortisation	-7,9	-5,0	59,4%
EBIT	132,2	131,5	0,5%
- in % of net sales	20,6%	26,5%	
Interest result	1,9	1,1	67,7%
EBT	134,1	132,6	1,1%
- in % of net sales	20,9%	26,7%	
Income taxes	-39,6	-39,1	1,1%
- Tax ratio	29,5%	29,5%	
Net earnings attributable to minority interest	-1,4	-2,7	-46,5%
Net earnings	93,1	90,9	2,5%
Net earnings per share (€)	5,83	5,68	2,7%
Net earnings per share (€) - diluted	5,78	5,63	2,6%
Weighted average shares outstanding	15,961	15,996	-0,2%
Weighted average shares outstanding - diluted	16,106	16,134	-0,2%



Cashflow Statement

	1-3/2006	1-3/2005	Devi- ation
	€ million	€ million	
Earnings before taxes on income	134,1	132,6	1,1%
Depreciation	7,9	5,0	59,4%
Non cash effected expenses and income	-9,2	-0,6	1417,6%
Cashflow - gross	132,9	137,0	-3,0%
Change in net assets	-176,0	-122,0	44,2%
Taxes, interests and other payments	-33,9	-20,5	65,0%
Cashflow from operating activities	-77,0	-5,6	1281,5%
Payments for acquisitions	-41,8	-3,7	1038,2%
Purchase of property and equipment	-17,5	-17,1	2,0%
Interest received and others	1,1	1,6	-29,3%
Cashflow from investing activities	-58,2	-19,2	202,6%
Free Cashflow	-135,2	-24,8	445,0%
Dividend payments	0,0	-16,0	-100,0%
Purchase of own shares	-14,6	-14,9	-1,6%
Other changes	32,4	6,0	443,5%
Cashflow from financing activities	17,7	-24,9	-171,3%
Effect on exchange rates on cash	-3,9	3,7	-206,7%
Change in cash and cash equivalents	-121,4	-46,0	-163,7%
Cash and cash equivalents at beginning of financial year	475,5	369,3	28,8%
Cash and cash equivalents end of the period	354,1	323,3	9,5%



Changes in Equity

	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	
	Subscribed capital	Group reserves			Consolidated profit/net income for the year	Treasury stock	Total Equity before Minorities	Minorities	Total Equity	
		Capital reserve	Revenue reserves	Difference from currency conversion	Cashflow hedges					
Dec. 31, 2004 (reported)	42,7	72,5	169,5	-33,0	-30,3	414,6	-100,2	535,8	2,4	538,2
Adjustment / restatement		6,1				-6,8		-0,7		-0,7
Dec. 31, 2004 (resrated)	42,7	78,6	169,5	-33,0	-30,3	407,8	-100,2	535,1	2,4	537,5
Dividend payment						-16,0		-16,0		-16,0
Currency changes				11,1				11,1	0,3	11,4
Net effect on cashflow hedges, net of taxes					18,8			18,8		18,8
Value of employees services		1,6						1,6		1,6
Consolidated profit						90,9		90,9	2,7	93,5
Purchase of treasury stock							-14,9	-14,9		-14,9
March 31, 2005	42,7	80,2	169,5	-21,9	-11,5	482,7	-115,1	626,6	5,3	631,9
Dec. 31, 2005	43,2	99,6	179,5	6,3	21,5	680,3	-159,6	870,9	4,5	875,4
Currency changes				-8,2				-8,2		-8,2
Changes in the consolidated group								0,0	7,9	7,9
Net effect on cashflow hedges net of taxes					-2,7			-2,7		-2,7
Value of employees services		1,3						1,3		1,3
Consolidated profit						93,1		93,1	1,4	94,5
Purchase of treasury stock							-14,6	-14,6		-14,6
March 31, 2006	43,2	101,0	179,5	-1,9	18,8	773,4	-174,2	939,8	13,8	953,6



Segment Data

	Sales		Gross profit	
	1-3/2006	1-3/2005	1-3/2006	1-3/2005
by head office location of customer				
Breakdown by regions	€ million	€ million	%	%
EMEA	339,3	358,5	55,2%	55,6%
America	181,9	94,2	47,5%	46,1%
- thereof USA in US\$	156,6	96,4		
Asia/Pacific Rim	121,7	43,8	51,9%	50,9%
	642,8	496,5	52,4%	53,4%

	Sales		Gross profit	
	1-3/2006	1-3/2005	1-3/2006	1-3/2005
Breakdown by product segments	€ million	€ million	%	%
Footwear	399,1	338,2	52,0%	53,6%
Apparel	201,6	123,6	52,9%	53,4%
Accessories	42,2	34,7	53,4%	51,1%
	642,8	496,5	52,4%	53,4%



Notes to the Interim Report

ACCOUNTING STANDARDS

The unaudited interim report of PUMA AG and its subsidiaries (which together form the PUMA group) for the first quarter 2006 was prepared according to the International Financial Reporting Standards (IFRS) passed by the International Accounting Standards Board (IASB) and took over by EU. The interim report is up to standard to IAS 34 "Interim Financial Reporting".

The accounting standards applied in the preparation of this interim report correspond to all committing standards and interpretations of IASB which are valid starting from January 1st, 2006.

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

CONSOLIDATED GROUP

In the context of its long-term corporate development plan (Phase IV), PUMA has acquired the majority share or 100% respectively in the following companies as of January 1st, 2006: PUMA Apparel Japan K.K., Japan, PUMA Taiwan Sports Ltd., Taiwan, Liberty China Holding Ltd., British Virgin Islands, Liberty Sports Marketing Ltd., Hong Kong, Liberty Shanghai Ltd., China, Unisol S.A., Argentina and ATA Inc., Canada. In accordance with the agreements concluded with minority shareholders with a view to acquisition after expiry of the term of the agreement, the companies in Japan and Taiwan are to be allocated to the PUMA Group at 100% in economic terms with effect from January 1, 2006. The companies in China/Hong Kong and Argentina are purely joint ventures which are recognized through taking the respective minority interest into account.

Due to the change in the consolidated group, assets and liabilities were affected at the date of initial consolidation as follows:

	€ million
Inventory	41.3
Receivables	14.7
Goodwill	67.7
Other assets	29.2
Bank liabilities	0.0
Other liabilities	-30.6
Purchase price	122.3

The total purchase price is expected to be € 122.3 million whereof € 67.7 million account for goodwill and € 54.6 million for acquired net assets. A total of € 61.2 million was already paid. The remaining amount of € 61,1 million is included in liabilities from acquisitions. Sales in the reporting period was affected with € 93.0 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.

EMPLOYEES

	2006	2005
Number of employees at the beginning of the period	5,092	3,910
Number of employees at the end of the period	6,767	4,088
Average number of employees	5,930	3,999



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. As of March 31, 2006 there were outstanding stock options from the Management Incentive Program which have diluted the earnings per share.

	2006	2005
Earnings per share	€5.83	€5.68
Diluted earnings per share	€5.78	€5.63

DIVIDEND

According to the Annual Shareholders' Meeting on April 27, 2006, a dividend of €2.00 per share was approved. The dividend totals €31.9 million and will be paid to the shareholders beginning on April 28, 2006.

SHAREHOLDERS' EQUITY

Subscribed Capital

As of March 31, 2006 the subscribed capital amounted to €43.2 million, divided into 16,864,214 no par value shares.

Treasury Stock

Between January and March the company added another 50,000 shares to the treasury stock which corresponded to an investment of €14.6 million. At the end of March, the PUMA held a total of 940,000 shares for an investment of €174.2 million. This represents 5.6% of the total subscribed capital. The own shares reduce equity capital (see "Changes in Equity").

Development of the Number of Shares

	2006	2005
Number of shares at the beginning of the period	16,864,214	16,666,714
+ conversion of Management Incentives	0	0
Number of shares at the end of the period/subscribed capital	16,864,214	16,666,714
thereof own shares/treasury stocks	-940,000	-685,000
Shares outstanding at the end of the period	15,924,214	15,981,714
Weighted average number of shares, outstanding	15,961,091	15,996,220
Diluted number of shares	16,106,222	16,134,229

Authorized Capital

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

Management Incentive Program

Out of the options (SOP) issued to the management a total of 459,500 stock options were outstanding at end of the reporting period, whereby 136,150 are allocated to the board of management. In addition, the board of management also had 250,000 virtual options.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date which may affect the financial situation and earnings position as of March 31, 2006.

Herzogenaurach, April 28, 2006

The Board of Management



Board of Management

Jochen Zeitz

Chairman/CEO

(Marketing, Sales, Administration and Human Resources)

Martin Gänsler

Deputy Chairman

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

Dieter Bock

CFO

(Finance, Controlling, Tax and Investor Relations)

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)

Klaus Bauer

(Operations, Human Resources)

Supervisory Board

Werner Hofer

(Chairman)

Thore Ohlsson

(Deputy Chairman)

Arnon Milchan (until January 9, 2006)

David Matalon (until January 9, 2006)

Dr. Rainer Kutzner (from February 15, 2006)

Katharina Wojaczek

(Employees' Representative)

Erwin Hildel

(Employees' Representative)



Financial Calendar

30. CW 2006	Financial Results Q2 2006 Analyst Conference Call
43. CW 2006	Financial Results Q3 2006 Analyst Conference Call
7./8. CW 2007	Financial Results FY2006 Press Conference Analyst Conference Call
April 2007	Annual Shareholders' Meeting FY2006
17. CW 2007	Financial Results Q1 2007 Analyst Conference Call

The financial releases and other financial information are available on the Internet at „about.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.

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