



PUMA AG Rudolf Dassler Sport

FINANCIAL REPORT

January - June of 2010

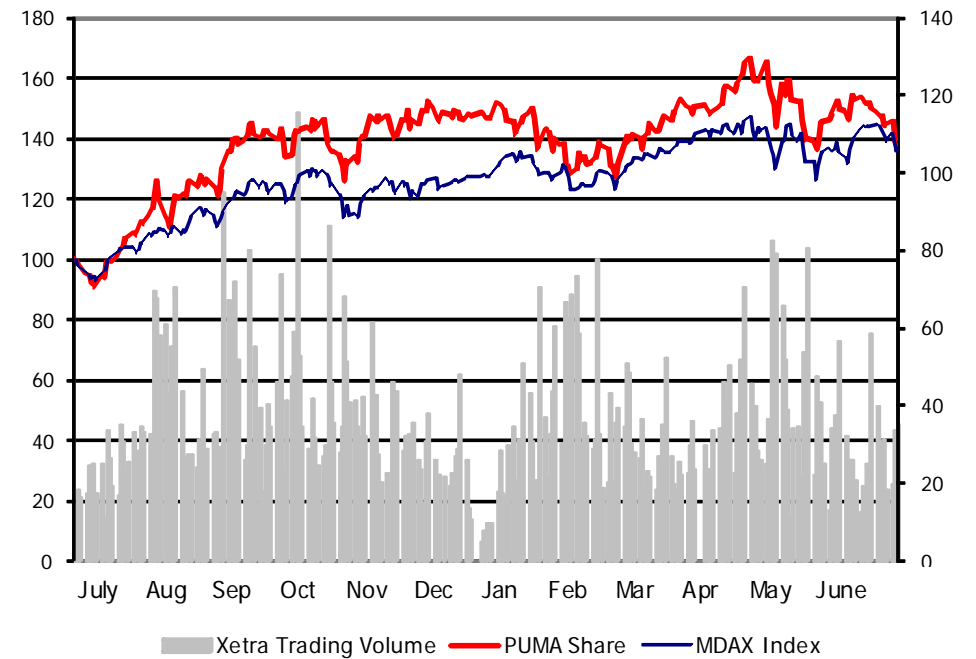


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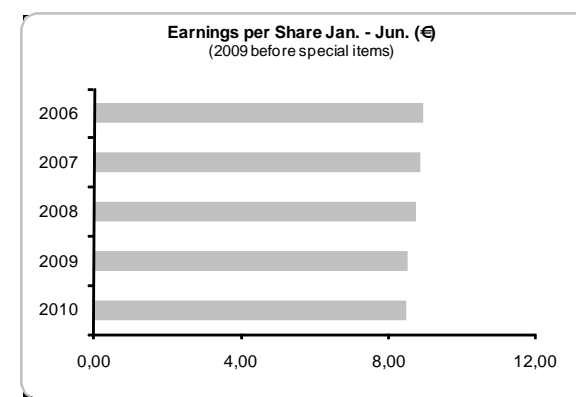
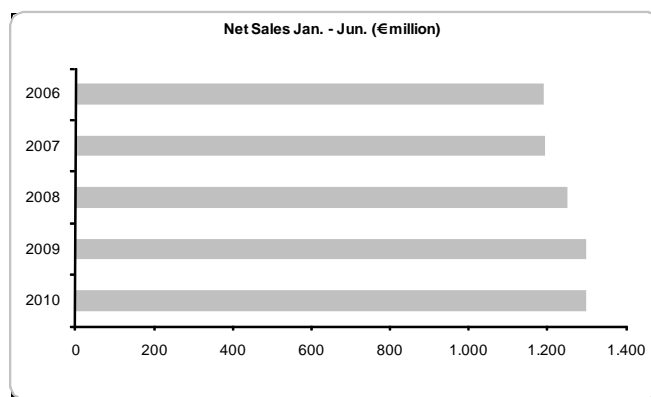
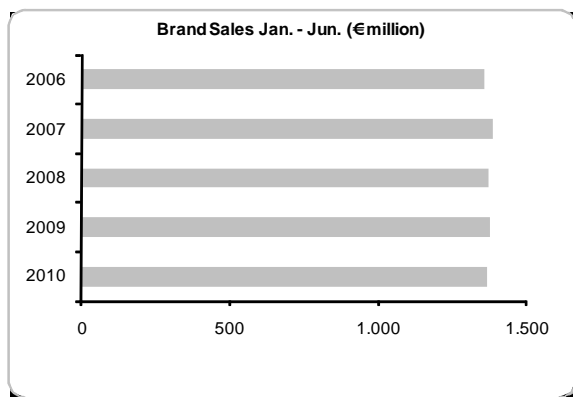
Development of the PUMA Share
Rebased Development incl. Trading Volume (Xetra)



Financial Highlights	1-6/2010 € million	1-6/2009 € million	Deviation
Brand Sales	1.365,6	1.374,1	-0,6%
Consolidated net sales	1.298,5	1.297,7	0,1%
Gross profit in %	51,3%	51,1%	
Operating result before special items	183,2	177,1	3,4%
Special items	0,0	-110,0	
Net earnings	127,9	44,0	190,4%
- in %	9,8%	3,4%	
Total assets	2.377,6	2.047,8	16,1%
Equity ratio in %	61,7%	56,6%	
Working capital	521,7	540,6	-3,5%
Cashflow - gross	211,6	203,5	4,0%
Free cashflow (before acquisition)	77,3	45,1	71,3%
Earnings per share before special items (in €)	8,48	8,51	-0,4%
Earnings per share (in €)	8,48	2,92	190,4%
Cashflow - gross per share (in €)	14,03	13,49	4,0%
Free cashflow per share (in €) (before acquisition)	5,13	2,99	71,4%
Share price at end of the period	218,40	155,97	40,0%
Market capitalization at end of the period	3.281,8	2.352,4	39,5%
Investments in tangible and intangible assets (excluding goodwill)	23,3	24,6	-5,2%

Jochen Zeitz, CEO:

"PUMA performed according to plan in the second quarter and we are gearing up for solid growth in the second half of the year based on a strong outlook. Given an overall improvement of the global economies as well as our decisive measures taken in the past 18 months to adjust our organization and processes to the new market realities, we feel ready to re-engage with our long-term expansion plan as of next year. "Phase IV revisited 2011-2015" shall enable us to significantly tap into PUMA's long-term sales potential of 4 billion Euros and beyond."





Management Report

General Economic Conditions

According to a report of the "Kiel Institute for the World Economy" published on 17 June 2010, the global economy recovered more rapidly than expected, although the risks to which the upswing is exposed have recently increased. Following strong growth in the fourth quarter of 2009, the global real gross domestic product picked up significantly during the first three months of the current year and a steep rise in global production is also expected according to the IfW Indicator and Global Economic Activity calculated on the basis of data from 41 countries. The production increase in industrial nations also developed favorably and surpassed expectations. However, the economic upswing is due, not least, to the turnaround respecting companies' stockbuilding activity and to a still expansive financial policy in most countries.

Moreover, general economic conditions have again become somewhat gloomy recently. This is due to the confidence crisis in the euro region, which led to increasing volatility on financial markets and to many investors withdrawing from high risk asset investments. On the other hand, governments in important emerging countries, in particular in China, India and Brazil, tightened their economic policies in order to counteract an overheated economy and the emergence of asset price bubbles. At the same time, virtually all industrial countries streamlined their financial policies, in some cases substantially.

Strategy

With the objective of becoming "The Most Desirable and Sustainable Sportlifestyle Company", PUMA's position as one of the few, true multi-category brands is to be strengthened and the opportunities offered by the sportlifestyle market are to be systematically exploited in all categories and regions. As a multi-category supplier, PUMA is active in categories and business fields/divisions that suit its unique brand positioning, and in which permanent value increases can be achieved for the company. PUMA is positioned as a sportlifestyle brand that takes pleasure in skilfully combining sports and lifestyle influences and which strives to contribute to a better world.

The above-mentioned brand positioning is to be supported by selectively expanding the existing product categories, by regional expansion, and by expansion with non-PUMA brands.



Sales and Earnings Development

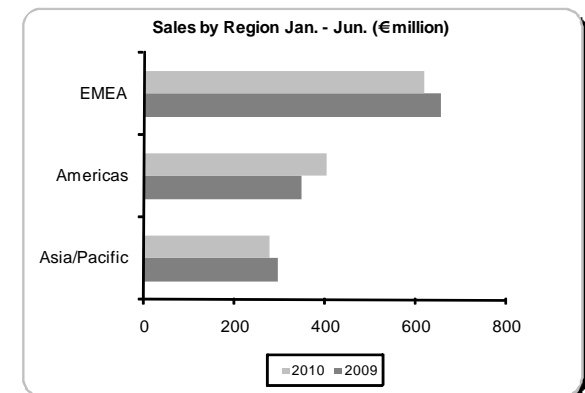
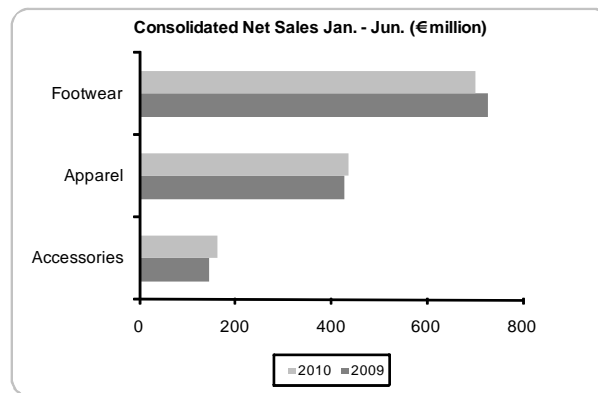
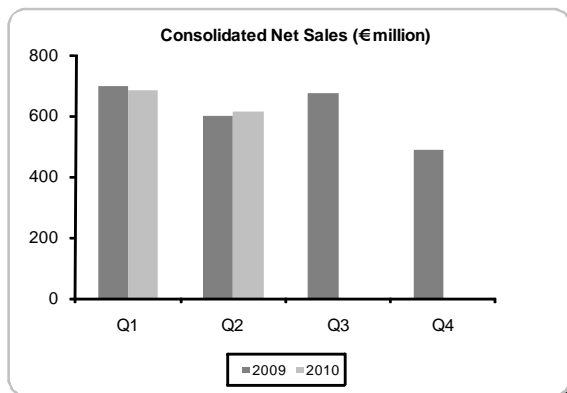
Global Brand Sales

PUMA's brand sales in the second quarter – comprised of consolidated and license sales - increased by 1.3% in Euro terms.

Consolidated Sales

Consolidated sales in the second quarter increased by 2.5% in Euro terms to € 615.4 million. Currency neutral, consolidated sales softened by 4.8% on high comparables after closeout sales and a high inventory availability last year. Deliveries in June were impacted by late product deliveries and there were no pre-shipments unlike last year. On a currency-neutral basis, Footwear sales were down by 9.7% at € 321.2 million and Apparel sales fell by 5.3% to € 208.6 million. Due to first time consolidations, Accessories sales improved significantly by 20.6% to € 85.6 million.

After the first six months, consolidated sales were down by 3.7% currency-neutral but increased by 0.1% in reported terms to € 1,298.5 million. Sales in EMEA and Asia/Pacific were below last year's levels. Sales in the Americas region, however, increased 12.7% currency-neutral despite of the overall challenging market environment after both sub regions - North America and Latin America - sustained their positive performances from the first quarter. Footwear sales declined currency-neutral by 7.2% to € 700.1 million. Apparel sales decreased by 2.0% to € 435.4 million. Accessories sales, however, advanced by 8.9% to € 163.1 million.





Sales by customers	Q2		growth rates		1-6		growth rates	
	2010	2009	Euro	currency adjusted	2010	2009	Euro	currency adjusted
Breakdown by regions								
EMEA	267,6	288,3	-7,2%	-10,7%	619,4	654,4	-5,3%	-8,2%
Americas	212,6	168,6	26,1%	15,4%	403,0	346,7	16,2%	12,7%
Asia/Pacific	135,2	143,4	-5,7%	-17,0%	276,1	296,7	-6,9%	-12,8%
Total	615,4	600,3	2,5%	-4,8%	1.298,5	1.297,7	0,1%	-3,7%
Breakdown by product segments								
Footwear	321,2	330,0	-2,7%	-9,7%	700,1	727,1	-3,7%	-7,2%
Apparel	208,6	203,8	2,3%	-5,3%	435,4	426,3	2,1%	-2,0%
Accessories	85,6	66,4	28,9%	20,6%	163,1	144,3	13,0%	8,9%
Total	615,4	600,3	2,5%	-4,8%	1.298,5	1.297,7	0,1%	-3,7%

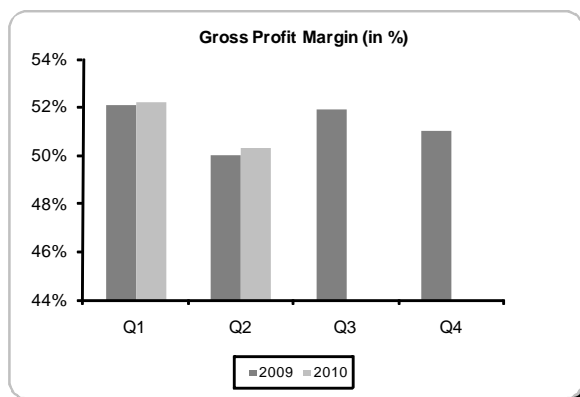


Gross Profit Margin

In the second quarter, the gross profit margin improved by 30 basis points from 50.0% last year to 50.3%. This increase mainly results from a lower share of closeout sales that more than offset negative impacts from currency hedging, the regional mix and higher raw material costs. After the first six months, PUMA's gross profit margin reached 51.3% after 51.1% last year. Footwear reported 50.6% compared to 49.7% and Apparel 52.7% versus 52.3%. Accessories declined to 50.7% from 54.9% last year, which is mainly due to the increase in the scope of consolidation with the inclusion of Cobra Golf.

Operating Expenses

Operating expenses increased by 3.4% to € 250.5 million in the second quarter due to the inclusion of the Cobra Golf business into the consolidation as well as currency effects. Omitting these two factors, OPEX would be below last year. In the first six months operating expenses declined by 0.7% to € 492.8 million, which translates into a cost ratio of 37.9% after 38.2%.





EBIT

The operating result came in at € 64.1 million in the quarter after € 63.1 million last year. As a percentage of sales, the EBIT ratio dropped slightly to 10.4% from 10.5%. Adjusted by costs stemming from the Cobra integration, the EBIT margin would have improved compared to last year.

After six months, the operating result before special items increased by 3.4% to € 183.2 million from € 177.1 million, which translates into an operating margin of 14.1% versus 13.6% last year.

Financial Result/Income from associated companies

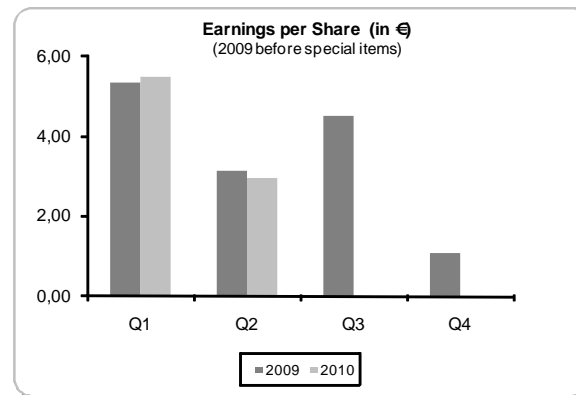
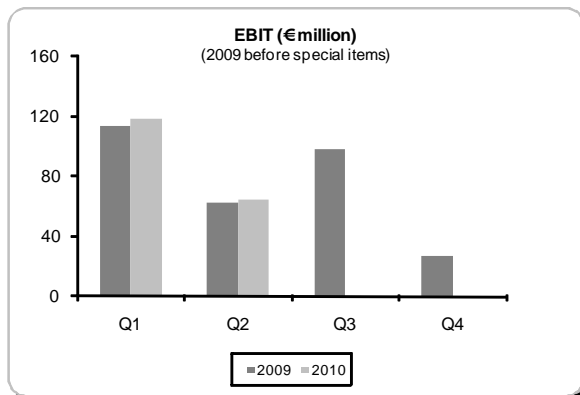
Due to lower interest rates and lower accumulation of interest on purchase price liabilities from acquisitions, the financial result in the second quarter was at € -1.5 million versus € -2.1 million last year.

After six months, the financial result stood at € -2.7 million compared to € -3.7 million last year. An income of € 0.4 million was generated from associated companies in the quarter.

Net Earnings

The company's pre-tax profit (EBT) was € 63.1 million in the second quarter versus € 61.0 million last year. Net earnings totaled € 44.8 million versus € 38.5 million, representing an increase of 16.4%. This translates into earnings per share of € 2.97 compared to € 2.55 last year.

In the first half, EBT rose significantly to € 180.9 million from € 63.4 million last year. As a result, net earnings improved by 190.4% to € 127.9 million from € 44.0 million. Earnings per share were at € 8.48 compared to € 2.92. The operational tax ratio was calculated at 29.3% versus last year's 26.5%.





Net Assets and Financial Position

Equity

As of June 30, 2010, total assets were up by 16.1% to € 2,377.6 million. The equity ratio improved from 56.6% in last year to 61.7% in spite of a higher balance sheet total.

Working Capital

Net inventory increased by 5.7% to € 456.8 million but decreased 5.7% on a currency-adjusted basis. Accounts receivable increased by 8.1% from € 502.8 million to € 543.4 million, which compares to a currency-adjusted decrease of 0.7%. Working capital improved to € 521.7 million from € 540.6 million last year – showing again a significant improvement compared to previous quarters and thus underpinning our strong focus on managing working capital.

Capex/Cashflow

In the first six months, the company invested € 23.3 million versus € 27.4 million last year. The reduction in capital expenditure together with a solid improvement in working capital led to a strong increase in PUMA's free cashflow before acquisitions of € 77.3 million from € 45.1 million last year. An outflow of € 101.9 million versus € 61.0 million last year related to acquisitions.

Cash Position

Given the strong focus on cash management, total cash at the end of June rose by 49.8% from € 302.7 million to € 453.4 million and bank debts declined by 28.8% from € 44.8 million to € 31.9 million this year. As a result, net cash was up from € 257.9 million to € 421.5 million this year, representing a remarkable increase of 63.4%.

Share Repurchase

PUMA AG started its share buyback program and purchased 55,892 of its own shares during the second quarter, which equals 0.4% of the share capital and reflects an investment of € 12.9 million.



Outlook 2010

Global Economy

According to a report of the “Kiel Institute for the World Economy” published on 17 June 2010, most early indicators still point to continued expansion of production. The global economy has probably again picked up significantly in the spring quarter, whereas economic dynamics are expected to weaken perceptibly in the second quarter of 2010 and particularly in 2011 due, on the one hand, to a lessening of the economic impetus that triggered the upswing. In addition, the substantial impetus from the inventory investment cycle in the industrial countries will slow down. The economy in the euro region is adversely affected by the confidence crisis on financial markets, which forces the public sector to make dramatic savings efforts, in particular in peripheral countries. The presently very high economic dynamics in emerging countries will probably slow down due to streamlined economic policies, but also as a result of lower expansion in demand in industrial countries during the forecast period.

A dramatic economic downturn is not expected, however. Overall, global production is likely to increase. The real gross domestic product growth rate will probably decline somewhat in the coming year, leveling off at a rate where utilization of global capacities should no longer increase. The unemployment ratio in industrial countries will decline only slightly for the time being. Against this backdrop, inflation is expected to be low, although increased expectations of inflation constitute a major risk given the dimension of liquidity necessary to support the financial sector.

Investments

Investments of between € 40 million and € 50 million are planned for 2010. Of these, the major part is attributable to infrastructure investments and selective investments in retail trade operations.

In addition, short-term purchase price liabilities from corporate acquisitions still exist, which may lead to an additional cash outflow of € 28.1 million in 2010.

PHASE IV Revisited (2011-2015) - New refined strategy to unfold PUMA's long-term potential

PUMA's initial Phase IV expansion plan was slowed down by the global economic crisis that curbed PUMA's sales progress. With an improved outlook of the global economy, which should lead to a reasonable market recovery, PUMA's management is revisiting its long term development plan, leading to a refined strategy, aligned with today's market realities, to unfold PUMA's long-term potential. The strategy and impact of “Phase IV Revisited 2011-2015” will be laid out in detail – together with the release of PUMA's third quarter results - on October 26th at the Brand Center of PUMAVision Headquarters in Herzogenaurach, Germany.

Outlook 2010

Given a strong outlook in sales for the second half, we continue to expect sales growth in the low to mid single digits for the full year 2010. Gross profit margins should remain unchanged to last year's level. EBIT before special items is expected to improve compared to last year.

Balance Sheet	June 30,'10	June 30,'09	Devi-	Dec. 31,'09
	€ million	€ million	ation	€ million
ASSETS				
Cash and cash equivalents	453,4	302,7	49,8%	485,6
Inventories	456,8	432,1	5,7%	348,5
Trade receivables	543,4	502,8	8,1%	397,8
Other current assets (Working Capital)	142,0	118,0	20,3%	125,6
Other current assets	26,6	5,9	349,3%	1,7
Current assets	1.622,1	1.361,5	19,1%	1.359,2
Deferred taxes	51,5	114,9	-55,2%	67,7
Other non-current assets	637,7	571,4	11,6%	587,2
Difference from preliminary purchase price allocation	66,3	0,0		0,0
Non-current assets	755,4	686,3	10,1%	654,9
	2.377,6	2.047,8	16,1%	2.014,1
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current bank liabilities	31,9	44,8	-28,8%	36,8
Trade liabilities	389,3	271,5	43,4%	262,1
Other current liabilities (Working Capital)	231,2	240,7	-4,0%	257,0
Other current liabilities	87,3	154,3	-43,4%	64,1
Current liabilities	739,7	711,4	4,0%	620,0
Deferred taxes	4,4	26,5	-83,4%	4,4
Pension provisions	24,5	20,6	18,9%	25,2
Other non-current liabilities	142,9	131,1	9,0%	124,6
Non-current liabilities	171,8	178,2	-3,6%	154,2
Shareholders' equity	1.466,1	1.158,3	26,6%	1.239,8
	2.377,6	2.047,8	16,1%	2.014,1

Income Statement	Q2/2010 € million	Q2/ 2009 € million	Devi- ation	1-6/2010 € million	1-6/2009 € million	Devi- ation
Sales	615,4	600,3	2,5%	1.298,5	1.297,7	0,1%
Cost of sales	-305,9	-300,2	1,9%	-632,6	-634,6	-0,3%
Gross profit	309,5	300,1	3,1%	665,9	663,1	0,4%
- in % of consolidated sales	50,3%	50,0%		51,3%	51,1%	
Royalty and commission income	5,1	5,2	-1,1%	10,0	10,2	-1,9%
	314,6	305,2	3,1%	675,9	673,3	0,4%
Other operating income and expenses	-250,5	-242,2	3,4%	-492,8	-496,2	-0,7%
Operational result before special items	64,1	63,1	1,7%	183,2	177,1	3,4%
Special items	0,0	0,0		0,0	-110,0	
EBIT	64,1	63,1	1,7%	183,2	67,1	173,1%
- in % of consolidated sales	10,4%	10,5%		14,1%	5,2%	
Financial result	-1,5	-2,1	27,0%	-2,7	-3,7	27,4%
Income from associated companies	0,4	0,0		0,4	0,0	
EBT	63,1	61,0	3,4%	180,9	63,4	185,5%
- in % of consolidated sales	10,2%	10,2%		13,9%	4,9%	
Taxes on income	-18,2	-23,0	-20,6%	-53,0	-20,3	161,8%
- Tax rate	28,9%	37,7%		29,3%	32,0%	
Net earnings attributable to minority interest	-0,1	0,5	-111,1%	0,0	0,9	-104,8%
Net earnings	44,8	38,5	16,4%	127,9	44,0	190,4%
Earnings per share (€)	2,97	2,55		8,48	2,92	
Earnings per share (€) - diluted	2,96	2,55		8,45	2,92	
Weighted average shares outstanding				15,077	15,082	0,0%
Weighted average shares outstanding - diluted				15,138	15,082	0,4%



Statement of Comprehensive Income	After tax	Tax impact	Before tax	After tax	Tax impact	Before tax
	2010	2010	2010	2009	2009	2009
	€ Mio.	€ Mio.	€ Mio.	€ Mio.	€ Mio.	€ Mio.
Net earnings before attribution	127,9		127,9	43,1		43,1
Unrecognized net actuarial gain/loss	0,0		0,0	0,0		0,0
Currency changes	104,1		104,1	-5,5		-5,5
Neutral effects hedge accounting	30,5	-14,1	44,6	-17,4	7,1	-24,5
Other result	134,5	-14,1	148,6	-22,8	7,1	-29,9
Comprehensive income	262,4	-14,1	276,5	20,3	7,1	13,2
attributable to:						
Minorities	0,1		0,1	-0,6		-0,6
Equity holder of the parent	262,4	-14,1	276,5	20,9	7,1	13,8



Cashflow Statement	1-6/2010 € million	1-6/2009 € million	Devi- ation
EBT	180,9	63,4	
Depreciation	26,6	31,0	-14,3%
Special Items	0,0	110,0	-100,0%
Non cash effected expenses and income	4,1	-0,9	
Cashflow - gross	211,6	203,5	4,0%
Change in net working capital	-84,1	-91,8	-8,4%
Taxes, interests and other payments	-38,5	-48,1	-19,9%
Cashflow from operating activities	89,0	63,5	40,1%
Payments for acquisitions	-101,9	-61,0	67,1%
Purchase of property and equipment	-18,5	-24,6	-24,8%
Interest received and others	6,8	6,2	10,0%
Cashflow from investing activities	-113,6	-79,4	43,1%
Free Cashflow	-24,5	-15,8	54,9%
Free Cashflow (before acquisition)	77,3	45,1	71,3%
Capital increase	0,0	0,0	0,0%
Dividend payments	-27,1	-41,5	-34,5%
Purchase of own shares	-12,9	0,0	0,0%
Other changes	-8,0	-14,3	-43,7%
Cashflow from financing activities	-48,1	-55,7	-13,7%
Effect on exchange rates on cash	43,8	-0,7	-6379,5%
Impact of translation adjustments	-3,4	0,0	
Change in cash and cash equivalents	-32,2	-72,3	-55,4%
Cash and cash equivalents at beginning of financial year	485,6	375,0	29,5%
Cash and cash equivalents end of the period	453,4	302,7	49,8%



Changes in Equity	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					
€ million										
Dec. 31, 2008	41,0	185,5	69,5	-92,0	11,1	1.175,6	-216,1	1.174,7	2,5	1.177,2
Dividend payment						-41,5		-41,5		-41,5
Currency changes				-5,7				-5,7	0,3	-5,5
Net effect on cashflow hedges, net of taxes					-17,4			-17,4		-17,4
Value of employees services		2,3						2,3		2,3
Consolidated profit						44,0		44,0	-0,9	43,1
Reduction of subscribed capital due to cancellation of own shares	-2,4					-213,7	216,1	0,0		0,0
June 30, 2009	38,6	187,8	69,5	-97,8	-6,2	964,5	0,0	1.156,5	1,8	1.158,3
Dec. 31, 2009	38,6	190,6	69,5	-91,3	-13,6	1.045,8	0,0	1.239,7	0,1	1.239,8
Dividend payment						-27,1		-27,1		-27,1
Currency changes				104,0				104,0	0,0	104,1
Net effect on cashflow hedges, net of taxes					30,5			30,5		30,5
Value of employees services		3,9						3,9		3,9
Consolidated profit						127,9		127,9	0,0	127,9
Purchase of treasury stock							-12,9	-12,9		-12,9
June 30, 2010	38,6	194,5	69,5	12,8	16,9	1.146,5	-12,9	1.465,9	0,2	1.466,1

Operating Segments Q2/2010

Regions	External Sales		EBIT		Investments	
	Q2/2010 € million	Q2/2009 € million	Q2/2010 € million	Q2/2009 € million	Q2/2010 € million	Q2/2009 € million
EMEA	247,5	272,3	1,3	6,8	17,7	8,7
Americas	199,1	167,5	18,1	12,0	3,1	2,6
Asia/Pacific	126,2	137,9	2,7	8,8	1,6	1,4
Central units/consolidation	42,6	22,4	42,0	35,5	89,5	-3,0
Special items			0,0	0,0		
Total	615,4	600,3	64,1	63,1	111,9	9,8

	Depreciation	
	Q2/2010 € million	Q2/2009 € million
EMEA	5,0	5,6
Americas	3,6	4,1
Asia/Pacific	2,0	2,0
Central units/consolidation	2,7	3,5
Total	13,2	15,2

Product	External Sales		Gross Profit Margin	
	Q2/2010 € million	Q2/2009 € million	Q2/2010 € million	Q2/2009 € million
Footwear	321,2	330,0	50,5%	48,7%
Apparel	208,6	203,8	51,7%	50,7%
Accessories	85,6	66,4	46,2%	54,2%
Total	615,4	600,3	50,3%	50,0%

	Q2/2010 € Mio.	Q2/2009 € Mio.
EBIT	64,1	63,1
Financial Result	-1,5	-2,1
Income from Associated Companies	0,4	
EBT	63,1	61,0

Operating Segments 1-6/2010

Regions	External Sales		EBIT		Investments	
	1-6/2010 € million	1-6/2009 € million	1-6/2010 € million	1-6/2009 € million	1-6/2010 € million	1-6/2009 € million
EMEA	582,7	616,3	59,9	66,1	23,2	17,7
Americas	388,1	344,6	40,9	23,7	4,4	3,9
Asia/Pacific	254,2	286,5	12,0	22,0	2,7	2,3
Central units/consolidation	73,5	50,3	70,4	65,3	90,0	143,0
Special items			0,0	-110,0		
Total	1.298,5	1.297,7	183,2	67,1	120,2	167,0

	Depreciation		Inventories		Trade Receivables	
	1-6/2010 € million	1-6/2009 € million	1-6/2010 € million	1-6/2009 € million	1-6/2010 € million	1-6/2009 € million
EMEA	10,1	11,2	235,9	265,7	286,9	279,8
Americas	7,1	8,5	131,2	121,7	151,5	118,1
Asia/Pacific	3,9	3,9	68,2	74,5	68,4	74,0
Central units/consolidation	5,6	7,4	21,5	-29,9	36,7	31,0
Total	26,6	31,0	456,8	432,1	543,4	502,8

Product	External Sales		Gross Profit Margin	
	1-6/2010 € million	1-6/2009 € million	1-6/2010 € million	1-6/2009 € million
Footwear	700,1	727,1	50,6%	49,7%
Apparel	435,4	426,3	52,7%	52,3%
Accessories	163,1	144,3	50,7%	54,9%
Total	1.298,5	1.297,7	51,3%	51,1%

	1-6/2010 € Mio.	1-6/2009 € Mio.
EBIT	183,2	67,1
Financial Result	-2,7	-3,7
Income from Associated Companies	0,4	
EBT	180,9	63,4



Notes to the Financial Report for the First Six Months of 2010

GENERAL REMARKS

Under the "PUMA" brand name, PUMA Aktiengesellschaft Rudolf Dassler Sport (hereinafter "PUMA AG") and its subsidiaries are engaged in the development and sales of a broad range of sport and sportlifestyle products including footwear, apparel and accessories. The company is a joint stock company under German law, with registered head office in Herzogenaurach, Federal Republic of Germany; its responsible court of registration is at Fürth (Bavaria).

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

ACCOUNTING STANDARDS

The unaudited financial report of PUMA AG 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, 2009. The consolidated financial statements details contained therein apply to the financial reports for 2010, 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, 2009.

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.

CONSOLIDATED GROUP

Effective from April 16, 2010 PUMA has signed an agreement to acquire 100 percent of the golf equipment brand Cobra Golf from Acushnet Company, the golf business of Fortune Brands, Inc. The acquisition includes the Cobra brand as well as related inventory, intellectual property and endorsement contracts. The purchase price allocation is planned to be finished in Q3.

Effective on April 8, 2010 PUMA acquired 20.1% of the shares of Wilderness Holdings Limited and considered the company at equity.

Wilderness Holdings Limited, a company operating out of Botswana and South Africa, is the leading ecotourism and conservation company in southern Africa, operating under the premise that it is building sustainable economies through experience-based tourism that contributes to both biodiversity conservation and development of rural communities.

In 2010 PUMA Sports Spain SL was established.

With the second quarter the companies have been consolidated accordingly.



SEASONAL VARIANCE

The group's sales fluctuate with the seasons. Consequently, the sales and resulting earnings vary in the course of a year. Normally, sales and operational earnings reach their peak in the first and third quarter while the second and fourth quarter may be characterized by lower levels.

EMPLOYEES

	2010	2009
Number of employees at the beginning of the period	9,646	10,069
Number of employees at the end of the period	9,225	9,796
Average number of employees	9,172	9,842

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.

	2010	2009
Earnings per share	€ 8.48	€ 2.92
Diluted earnings per share	€ 8.45	€ 2.92

DIVIDEND

According to the Annual Shareholders' Meeting on April 20, 2010, a dividend of € 1.80 per share was approved for the fiscal year 2009. The dividend totaled € 27.1 million and was paid to the shareholders beginning on April 21, 2010.



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.

SAPARDIS S.A., a fully-owned subsidiary of PPR S.A., Paris, holds currently 70.7% of the subscribed capital (corresponding to 71.0% of shares outstanding). Furthermore, the Company is aware of the fact that BlackRock Inc. , Invesco Limited and Bear Sterns Int. Ltd. have exceeded the threshold of 3% as well as Morgan Stanley the threshold of 5%.

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. This approval replaces the approval given at the Annual General Meeting on May 13, 2009.

The company added 55,892 shares to the treasury stock during the first six months, which corresponded to an investment of € 12.9 million. At the end of June, the company held a total of 55,892 shares. This represents 0.4% of the total subscribed capital.

Development Number of Shares

	2010	2009
Number of shares at the beginning of the period	15,082,464	16,032,464
Cancelled own shares	0	-950,000
conversion of Management Incentives	0	0
Number of shares at the end of the period/subscribed capital	15,082,464	15,082,464
thereof own shares/treasury stocks	55,892	0
Shares outstanding at the end of the period	15,026,572	15,082,464
Weighted average number of shares, outstanding	15,076,987	15,082,464
Diluted number of shares	15,137,916	15,082,464



Authorized Capital

The resolution adopted by the Annual General Meeting on April 11, 2007 authorized the Management Board to increase until April 10, 2012 the share capital of the company, with the consent of the Supervisory Board as follows:

- by issuing, on one or more occasions, new, no par value, bearer shares against cash contributions by up to € 7,500,000.00. The shareholders are basically entitled to have a pre-emptive right (Authorized Capital I).
- by issuing, on one or more occasions, new, no par value, bearer shares against cash or non-cash contributions by up to € 7,500,000.00. The pre-emptive right can be excluded in whole or in part (Authorized Capital II).

Conditional Capital

Pursuant to Article 4, Item 2 of the Articles of Association, conditional capital was created in 2001. This conditional capital lapsed in financial year 2009.

In accordance with a resolution passed by the Annual General Meeting of April 22, 2008, the share capital can be increased by up to € 1.5 million through issuance of up to 600,000 new shares of stock. The conditional capital may be used exclusively for the purpose of granting subscription rights (stock options) to members of the Board of Management and other executive staff of the Company and subordinate affiliated companies.

Management Incentive Program

PUMA implements share-based remuneration systems in the form of stock option programs (SOP) and stock appreciation rights (SAR) with a view to providing long term incentive effects and thus retaining management staff in the company over the long term.

From option programs issued in previous years 191,000 virtual options from the SAR program were outstanding at the end of the reporting period. For further explanations concerning the respective programs please refer to the Annual Report 2009.

At the shareholders' meeting held on 22 April 2008, a new stock option program (SOP) was resolved upon in the form of a "Performance Share Program". To this end, conditional capital was created and the Supervisory Board or the Management Board, respectively, were authorised to issue subscription rights to Board members and other executive staff of the Company and to subordinated affiliated companies up to the end of a period of five years (following entry of the Conditional Capital in the Commercial Register), but at least, however, until the end of a three month period following the ordinary shareholders' meeting in the year 2013.

As far as Management Board members are concerned, the responsibility lies exclusively with the Supervisory Board. In all, up to 1,200,000 subscription rights (thereof, up to 65% attributable to the Board) may be issued. The subscription rights may be issued within the subscription period in annual tranches of a maximum of 30% of the total volume, whereby the first tranche was issued with a total of 113,000 subscription rights as of July 21, 2008, the second tranche was issued with a total of 139,002 subscription rights as of April 14, 2009 and the third tranche was issued at April 22, 2010 with a total of 126,184 subscription rights.

The subscription rights issued are to run over a five-year term and should be exercised after a period of two years at the earliest, provided however, that the PUMA share price achieved an increase of at least 20%. In contrast to traditional stock option programs, participants are not entitled to acquire shares at a certain preferred price. Instead, provided that performance targets are met, Management is granted the same value in shares rather than a cash bonus.

The authorisation also involves a provision that the Supervisory Board, in keeping with the recommendations of the Corporate Governance Code, can limit the content and volume of the subscription rights granted to Management Board members either fully or in part in the event of extraordinary, non-foreseeable developments. The Management Board may also use this possibility with respect to the other executive staff concerned.



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.

SPAIN ARBITRATION RULING

According to an arbitration ruling the former Spanish license holder Estudio 2000 S.A., which owned several PUMA trademark rights, has been obliged to vest these to PUMA AG. Through the vesting of all of the word, image and combined PUMA trademark rights in Spain, PUMA AG would ultimately own all trademark rights and take over the operational business in Spain, hence ensuring a consistent brand management strategy. According to the arbitration ruling, the vesting of the trademark rights is subject to a one-time payment of up to 98 million Euros to Estudio 2000 S.A. However, after a thorough legal assessment, PUMA AG will challenge the ruling and believes that a favourable outcome is more likely than not. PUMA now confirms that a cancellation recourse will be filed within the next days. This potential is classified as a contingent liability which has not been recognized as a liability in the financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

Several group companies are undergoing tax audits. Additional tax payments as a result of such audits can currently not be quantified.

No further events occurred after the balance sheet date which may affect the financial situation and earnings position as of June 30, 2010.

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, 2010

The Board of Management



Board of Management

Jochen Zeitz
Chairman and CEO

Melody Harris-Jensbach
Deputy CEO
(Chief Product Officer)

Klaus Bauer
(Chief Operating Officer)

Stefano Caroti
(Chief Commercial Officer)

Reiner Seiz
(Chief Supply Chain Officer)
Deputy Member of the Board of Management

Antonio Bertone
(Chief Marketing Officer)
Deputy Member of the Board of Management

Supervisory Board

François-Henri Pinault
Chairman

Thore Ohlsson
Deputy Chairman

Jean-François Palus

Grégoire Amigues

Erwin Hildel
Employees' Representative

Oliver Burkhardt
Employees' Representative



Financial Calendar FY 2010

February 17, 2010	Financial Results FY 2009
April 20, 2010	Annual Shareholders' Meeting
April 28, 2010	Financial Results Q1/2010 Press- and Analyst-Conference Call
July 29, 2010	Financial Results Q2/2010 Press- and Analyst-Conference Call
October 26, 2010	Financial Results Q3/2010 Press- and Analyst-Conference Call

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

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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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