For immediate release

MEDIA CONTACT:

Ulf Santjer, Tel. +49 9132 81 2489

INVESTOR CONTACT:

Dieter Bock, Tel. +49 9132 81 2261

Herzogenaurach, Germany, February 10, 2006 – PUMA AG announces its consolidated financial results for the 4th Quarter and Financial Year of 2005

Highlights Q4:

- Strong growth, consolidated sales up 28%
- All regions contribute to the growth
- Gross profit margin at 50%
- Net earnings 15% above last year
- EPS reaches 2.76 € versus 2.38 € in last year's quarter

Highlights FY 2005:

- Global brand sales up strongly by over 18% reaching € 2.4 billion
- Consolidated sales rose by 16% to nearly € 1.8 billion
- Gross profit margin with 52% at a new record-year
- EBT across the € 400 million mark for the first time
- EPS climbs from €16.14 to €17.79, up 10%

Outlook 2006:

- Record orders of over € 1 billion at the start of Phase IV
- Management raises sales forecast to new record-high for the first year of Phase IV – sales growth of approximately 30% to € 2.3 billion expected
- Earnings outlook better than planned

Due to the first time valuation of the Management Incentive Program (IFRS 2 "Share-based Payments"), for comparable reasons, the last years numbers were restated. As a consequence, personnel expenses increased by € 5.9 million and net earnings reduced accordingly. Furthermore, due to a tax review the previous year tax expenses were reduced by € 7.3 million which has positive effected net earnings. In total, due to the restatement EPS went up from € 16.06 to € 16.14 for the fiscal year 2004 and from € 2.31 to € 2.38 in Q4. The following comment refers in last years comparison to the restated numbers.

In the 2005 financial year PUMA followed up on its success story with a new record high in sales and earnings. The initial targets set for Phase III of the company's long-term development plan were not only achieved, but also significantly exceeded in 2005. This marks yet another successful conclusion one year ahead of schedule.

Brand sales climbed by over 18% to € 2.4 billion in the financial year. For the 7th consecutive year consolidated sales rose in double digits, increasing by 16% to nearly € 1.8 billion in 2005. At 52%, the gross profit margin peaked to a new record high not only for PUMA, but also for the entire sporting goods industry. For the first time, pre-tax earnings crossed the € 400 million mark. Net earnings also grew for the 7th year in a row at a double digit rate and the year 2005 closed with record high results for the fifth consecutive time. Earnings per share climbed from € 16.14 to € 17.79, and significantly exceeded initial expectations once again.

Overall, the Company posted growth for the eleventh consecutive year since the launch of the long-term corporate planning program initiated in 1993, including double-digit growth and earnings records in nine of these years. During this period, market capitalization and shareholder value grew by more than 3,500 percent to nearly € 4 billion.

Highlights Q4

In Q4, consolidates sales increased 27.7% to € 349 million, or currency neutral up by 22%. In Euro terms Footwear rose by 25.8% to € 221 million, Apparel by 31.8% to € 101 million and Accessories by 28.9% to € 27 million. By regions, EMEA increased sales better than expected at 6%, America was significantly up by 83.9% (currency-adjusted 66.6%) and Asia/Pacific by 9.5% (7.3%). The gross profit margin reached 50%, a slight decrease versus last year. Due to further expansion of the own retail business and investments in product development operating expenses increased from 36% to 36.7% of sales. Pre-tax profit increased by 11.3% to last year's quarter and earnings per share improved by a strong 16% from € 2.38 to € 2.76.

Sales and Earnings Development January till December

Global Brand Sales at € 2.4 billion

The worldwide PUMA brand sales, comprised of consolidated and license sales, rose significantly by 18.4% to almost € 2.4 billion. Currency-adjusted sales were up by 18%.
Footwear sales improved by 17.7% to € 1,326 million. Apparel sales were up by 16.5% to € 828 million and Accessories jumped by 30.2% to € 233 million.

Consolidated Sales at almost € 1.8 Million

Consolidated sales in the year 2005 were marked by yet another record high. After eleven years of growth, consolidated sales reached € 1,778 million. This corresponds to a rise of 16.2 % from the previous year's level of € 1,530 million. Currency-adjusted, sales were up 15.8%, which was significantly above the original expectations.
The Footwear segment posted a 16.2% increase in sales to € 1,175 million. Apparel sales were up by 13.9% to € 474 million. Accessories sales posted an increase of 25% bringing sales to € 129 million.

Extremely Positive Development in the License Business

PUMA issues licenses for a number of product segments to independent partners. Additionally, PUMA distribution licenses are also issued for PUMA core products in the various markets. Together with consolidated sales, these licensed sales are included in worldwide branded sales. Since the licensed sales are realized outside the PUMA Group, they are not consolidated. Overall, Licensed sales were up significantly by 25.4% climbing to € 610 million, or 24.7% after currency adjustment.

Royalty and commission income earned with license sales totalled € 56 million compared to € 44 million in the previous year. This corresponds to an increase of 27.4%.

Expansion of Retail Operations

The strategic expansion of the Group's own retail operations was continued in the financial year. A total of 20 concept stores were opened worldwide. Thus, at year-end, PUMA had 66 concept stores including seven stores operated by licensees. In 2005, sales from own retail were up by 47.2%, rising to € 247 million. The share of consolidated sales rose from 11% to 13.9%.

Gross Profit Margin Exceeds 52%

The desirability of the brand is also reflected in the gross profit margin, which positions the company at the upper end of the margin spread within the sporting goods industry. The gross profit margin climbed to 52.3% from the previous year's level of 51.9%. This corresponds to a margin improvement of 40 basis points. Both, the product and regional effects were more than compensated for by favorable exchange rates. In absolute figures, gross profit was up by a total of 17.1%, rising from € 794 million to € 930 million.
In terms of product segments, the margin in Apparel rose from 49.7% to 51.8% and in Accessories from 49% to 50.4%. The Footwear margin decreased slightly from 53.1% to 52.7%, which was attributable exclusively to the regional distribution of sales.

Cost Structure Increases Below Plan

Operating expenses for financial year 2005 consisting of selling, general and administrative expenses rose by 22.7% to € 564 million. Due to further investments in company-owned retail operations and the related higher operative expenditures, the cost structure increased from 30% to 31.7% of sales.

Investments in marketing/retail totalled € 272 million or 15.3% of sales, compared to the previous year's level of € 215 million or 14%. Product development and design expenses rose by 13.8% to € 42 million, remaining constant at 2.4% of sales. Other selling, administration and general expenses were up by 20% to € 250 million. As a percentage of sales, this corresponds to an increase from 13.6% to 14%. The increase is partly due to the first-time valuation of the share-based compensation system for Management.

Depreciation rose by 26% to € 24 million. This increase is mainly due to the expansion of own retail operations and the related investments.

Pre-Tax Profit Exceeds € 400 million

Operating profit (EBIT) improved by 10.8% to € 398 million. As a percentage of sales this corresponds to an operating margin of 22.4%.
Interest income rose from € 5.7 million to € 6.4 million and earnings before taxes (EBT) were up by 10.8% to € 404 million. Thus, for the first time in the company's history, the € 400 million mark was passed. As a percentage of sales, this corresponds to a gross return of 22.7%.
Tax expenses rose from € 104 million to € 117 million. The average tax rate was at 29%, compared to 28.6% in the previous year.

Net Earnings Above Expectations

Net earnings grew significantly by 10.5% to € 286 million, thus showing double-digit growth for the seventh consecutive year. Once again, this result clearly exceeded Management's expectations. The net rate of return expressed as a percentage of sales was 16.1%, compared to 16.9% in the previous year. Earnings per share were up 10.2%, climbing from € 16.14 to € 17.79, and diluted earnings per share rose from € 15.82 to € 17.68 or by 11.7%.

Dividend Doubled

At the Annual Meeting on April 27, 2006, the Board of Management will propose to double the dividend. The retained earnings of PUMA AG are to be used for the payment of a dividend of € 2.00 per share (previous year: € 1.00 per share) or a total of € 32 million for the financial year 2005. Thus, the dividend pay-out ratio on net earnings is up from 6.2% to 11.2%.

Rising Employee Numbers

PUMA created a large number of new jobs domestically and internationally in financial year 2005. On an annual average, the total workforce of 4,425 employees increased by 27.3% from the previous year's level of 3,475 employees. As of December 31, 2005 PUMA employed 5,092 employees worldwide, compared to 3,910 employees as of the 2004 balance sheet date. This corresponds to an increase by 1,182 employees, or 30.2%.

Net Assets and Financial Position

Equity Ratio in Excess of 66%

As of December 31, 2005, the PUMA Group's shareholder' equity amounted to € 875 million, compared to € 550 million in the previous year. This corresponds to an equity ratio of 66.3% compared to 58.4%. The balance sheet total in the period under review rose by 40.2% to € 1,321 million. An increase in the equity ratio reaffirms the strength of the Company's net assets, financial position and results of operations.

Perceptible Improvement in Liquidity

Liquid assets rose from € 369 million to € 476 million while liabilities to banks increased from € 13 million to € 45 million. Thus, net liquidity improved significantly and rose from € 356 million to € 430 million, despite the investment activity and utilisation of funds for the repurchase of treasury stock in the reporting year.

Regional Expansion Affects Working Capital
Inventories were up 18.5% to € 238 million and trade receivables increased by 65% to € 278 million. In particular, the regional expansion as well as the conversion of two distributors to Joint Ventures contributed to a disproportionately high increase in current assets. Due to the only minor increase in liabilities, working capital (net current assets) as of December 31, 2005 was up from € 148 million to € 256 million, reaching 14.4% of sales compared to 9.7% in the previous year. Without these effects working capital amounts to approximately 12% of sales, which is in the very low end of the industry.

Cashflow
Due to a higher working capital as well as significantly higher tax payments (+€ 60 mio.), cash from operating activities amounted to € 202 million versus € 286 million last year. For investing activities, the company increased the investments from € 29 million to € 67 million as expected.

In consideration of cash used in investing activities, the free cash flow in financial year 2005 amounted to € 134 million. The free cash flow before investments for acquisitions is € 152 million or 8.6% of sales.

Share buy back

In 2005, PUMA purchased 285,000 of its own shares and held 890,000 own shares at year-end for an investment of € 160 million.

Regional Development

Strong Results in All Regions
Sales in the **EMEA** region were up by 5.6%, rising to € 1.105 million, and were thus clearly above initial expectations. EMEA currently accounts for 62.2% of consolidated sales, compared to 68.4% last year. Divided into segments, Footwear rose by 1.5%, Apparel by 11%, and Accessories by as much as 26.2%.
Once again, the gross profit margin was improved despite the difficult market environment, which is an affirmation of the desirability of the brand. The gross profit margin reached 54.3%, compared with 53.3% in the previous year. As a percentage of regional sales the operating margin (EBIT) reached 27.4% after 27.8% in the previous year. The order volume developed very positively and closed the year at € 624 million or a 3.5% increase in comparison with the previous year.

Sales in **America** showed impressive growth at 57.4%. Sales in the 2005 financial year climbed to € 476 million. This corresponds to an increase of 55.9% in USD. Thus, the share of consolidated sales was significantly increased from 19.8% to 26.8%. All product segments contributed to the growth at double-digit rates: The Footwear segment grew by an impressive 70.2% (currency adjusted: 68.9%), Apparel was up by 27.6% (26%) and Accessories grew by 40.1% (37%). The US market in particular contributed significantly to the overall performance in this region with currency-neutral sales growth of over 50%, which brought sales to USD 472 million.
The gross profit margin in the America region showed a slight decrease of 40 basis points to 48.9%. The operating margin remained constant at the previous year's level of 19.6%. Including the acquisition in Argentina and Canada, orders on hand at the 2005 year-end were up once again significantly by 109.4% (currency adjusted 85.7%) in the overall region. Growth in the US continued to accelerate. As of December 31, 2005 orders on hand amounted to USD 262 million, which corresponds to an increase of 63.6%.

Asia/Pacific sales rose by 8.5% to € 196 million, which corresponds to a currency-neutral increase of 11.1%. Overall, the Asia/Pacific region contributed 11% to consolidated sales. Divided into product segments, Footwear revenues rose by 6.2% (currency-adjusted 8.7%), Apparel improved by 5.9% (2.2%) and Accessories grew by 17.6% (20.3%).
The gross profit margin improved by 140 basis points from 48.1% to 49.5%. The operating margin was at 21.0%, compared to 21.9% in the previous year.
For the first time, the Apparel business in Japan as well as the PUMA business in China, Hong Kong and Taiwan will be consolidated with effect as of January 1, 2006. Orders on hand in this region increased to € 159 million as of December 31, 2005, or an increase of nearly 100% from the previous year's level.

Outlook 2006

Record Orders with over € 1 Billion at the Start of Phase IV

Orders on hand at the end of the year increased for the tenth consecutive time and topped the € 1 billion mark for the first time. Total orders jumped from € 823 million to € 1.069 million in a strong 30% increase and therefore for the consecutive seventh time significantly over the previous year's level. Currency-adjusted orders were up by 25.7% from the previous year.

The order books also contain orders of the new subsidiaries and joint ventures, which are consolidated for the first time as of January 1, 2006. Even without the regional expansion, the orders increase of 16.6% is also significantly in the double-digits.

Classified by segments, Footwear accounted for € 714 million of consolidated orders after being € 580 million in the previous year. This corresponds to growth of 23%. Apparel orders showed a significant increase by 50.1%, and thus jumped significantly from € 196 million to € 295 million. Orders in the Accessories segment were up 31.5%, rising from € 46 million to € 61 million.

Management Raises Sales Forecast to New Record-High for the First Year of Phase IV

Due to a significant improvement in the orders position for the EMEA region, a stronger than expected order volume in America and the accelerated integration of now six license markets into the Group as early as the beginning of the year, Management raises the original sales target for the first year of Phase IV. On a currency neutral basis, a growth of approximately 30% on consolidated sales, and thus a new record high of approximately € 2.3 billion is now expected.

Sales Increase in All Regions

The planned sales growth should extend throughout all regions. Due to the takeovers of individual license markets, the regional distribution of sales will improve as planned. The share of Asia/Pacific should grow from 11% to 20% of consolidated revenue. America should continue to yield 27% of consolidated sales, while the EMEA region is expected to decline as planned from 62% to approximately 53%.

Operating Profit Raised to € 350 Million

As already announced at the launch of Phase IV, the regional sales shift will impact the average gross profit margin. Overall, the gross profit margin in 2006 is expected to fluctuate within the range of 50% and 51%. The takeover of six license markets into the consolidated group will lead to a corresponding reduction in royalty and commission income. Selling, general and administrative expenses will be impacted in particular by high marketing expenses for the World Soccer Championships and other PUMA campaigns, as well as by planned expansion of the Group's retail operations and higher expenses for product development, design and distribution. Overall, however, due to the higher sales expectations, operating expenses will rise only by approximately 35% of sales, compared to the originally expected 37%.

The operating margin is expected to decrease to approximately 15% as a result of brand -building investments in 2006 and licensee conversion. Based on the very positive order position and the faster than expected implementation of Phase IV measures, Management now expects an operating profit of at least € 350 million, compared to the original expectation of between € 300 and € 330 million. The tax rate is expected to be in the 31% - 33% range.

Despite the planned strategic expenditure, consolidated earnings are expected to be only 10%-15% below the previous year's level, compared to the announced 20%. Thus, in absolute figures consolidated earnings are expected to significantly exceed the original expectations.

Expansion of the Consolidation Group in 2006

Beginning in financial year 2006, the consolidated group will be expanded by companies in Japan, Taiwan, China, Hong Kong, Argentina and Canada. The structuring of contracts with some joint venture companies is such that a disclosure of minority interests is not required since, in economic terms, these companies are fully controlled by PUMA as of January 1, 2006.

Jochen Zeitz, CEO: "With a better than expected result in Q4 and for the full year 2005 as well as a very positive start of Phase IV, we are confident that during the World Cup year 2006 PUMA will once again achieve record sales followed by new record earnings in 2007 thus taking another important step towards accomplishing our long-term company objectives."

Income Statements

	Q4/2005 € million	Q4/2004 € million *	Deviation	1-12/2005 € million	1-12/2004 € million *	Deviation
Net sales	**349,2**	**273,4**	27,7%	**1.777,5**	**1.530,3**	16,2%
Cost of sales	-174,4	-131,5	32,6%	-847,8	-736,4	15,1%
Gross profit	**174,7**	**141,8**	23,2%	**929,8**	**794,0**	17,1%
- in % of net sales	50,0%	51,9%		52,3%	51,9%	
Royalty and commission income	15,5	10,6	45,8%	55,7	43,7	27,4%
	190,2	152,5	24,8%	985,4	837,7	17,6%
Selling, general and administrative expenses	-128,2	-98,5	30,1%	-563,5	-459,4	22,7%
EBITDA	**62,0**	**54,0**	15,0%	**421,9**	**378,3**	11,5%
Depreciation and amortisation	-7,0	-5,5	28,3%	-24,3	-19,3	26,0%
EBIT	**55,0**	**48,5**	13,4%	**397,7**	**359,0**	10,8%
- in % of net sales	15,7%	17,7%		22,4%	23,5%	
Interest result	1,5	2,3	-34,3%	6,4	5,7	13,1%
EBT	**56,5**	**50,7**	11,3%	**404,1**	**364,7**	10,8%
- in % of net sales	16,2%	18,6%		22,7%	23,8%	
Income taxes	-15,7	-12,1	29,9%	-117,2	-104,4	12,3%
- Tax ratio	27,8%	23,8%		29,0%	28,6%	
Net earnings attributable to miniority interest	3,3	-0,2		-1,1	-1,7	-34,6%
Net earnings	**44,1**	**38,4**	14,8%	**285,8**	**258,7**	10,5%
Net earnings per share (€)	**2,76**	**2,38**	16,0%	**17,79**	**16,14**	10,2%
Net earnings per share (€) - diluted	**2,76**	**2,38**	16,2%	**17,68**	**15,82**	11,7%
Weighted average shares outstanding				16,066	16,025	0,3%
Weighted average shares outstanding - diluted				16,163	16,353	-1,2%

** restated*

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Balance Sheet

	Dec. 31, '05 € million	Dec. 31, '04 € million *	Devi-ation
ASSETS			
Cash and cash equivalents	475,5	369,3	28,7%
Inventories	238,3	201,1	18,5%
Trade receivables	277,5	168,1	65,0%
Other current assets	80,1	34,4	132,5%
Current assets	**1.071,4**	**773,0**	38,6%
Deferred income taxes	48,6	51,6	-5,8%
Property, plant and equipment	121,9	84,7	43,9%
Intangible assets	59,4	27,2	118,5%
Other non-current assets	19,8	5,9	237,3%
Non-current assets	**249,6**	**169,3**	47,4%
	1.321,0	**942,3**	40,2%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current bank liabilities	45,1	12,9	248,4%
Trade payables	178,7	136,9	30,5%
Tax provisions	24,2	33,7	-28,3%
Other current provisions	51,1	53,8	-5,0%
Liabilities from acquisitions	6,9	0,0	
Other current liabilities	78,5	95,6	-17,9%
Current liabilities	**384,5**	**333,0**	15,5%
Deferred income taxes	20,0	9,6	108,3%
Pension provisions	22,6	21,2	6,9%
Liabilities from acquisitions	10,7	0,0	
Other non-current liabilities	7,8	28,4	-72,6%
Non-current liabilities	**61,2**	**59,2**	**3,4%**
Total shareholders' equity	**875,4**	**550,2**	59,1%
	1.321,0	**942,3**	40,2%

** restated*

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Cashflow Statement

	1-12/2005 € million	1-12/2004 € million *	Devi-ation
Earnings before taxes on income	**404,1**	**364,7**	**10,8%**
Depreciation	24,3	19,3	26,0%
Non cash effected expenses and income	4,6	0,8	445,6%
Cashflow - gross	**432,9**	**384,8**	**12,5%**
Change in net assets	-71,0	1,2	
Taxes, interests and other payments	-160,2	-100,3	59,7%
Cashflow from operating activities	**201,6**	**285,7**	**-29,4%**
Payments for acquisitions	-17,9	0,0	
Purchase of property and equipment	-61,9	-43,1	43,5%
Interest received and others	12,6	14,0	-10,1%
Cashflow from investing activities	**-67,3**	**-29,2**	**130,6%**
Free Cashflow	**134,4**	**256,6**	**-47,6%**
Capital increase	16,2	23,2	-30,2%
Dividend payments	-16,0	-11,2	43,3%
Purchase of own shares	-59,4	-79,2	-25,0%
Other changes	18,5	-3,5	-620,1%
Cashflow from financing activities	**-40,8**	**-70,8**	**-42,4%**
Effect on exchange rates on cash	12,6	-7,0	-278,7%
Change in cash and cash equivalents	**106,2**	**178,8**	40,6%
Cash and cash equivalents at beginning of financial year	369,3	190,6	93,8%
Cash and cash equivalents end of the period	**475,5**	**369,3**	**28,7%**

** restated*

Segment Data

	Sales		Gross profit		Sales		Gross profit	
	Q4/2005	Q4/2004	Q4/2005	Q4/2004	1-12/2005	1-12/2004	1-12/2005	1-12/2004
	by head office location of customer				by head office location of customer			
Breakdown by regions	€ million	€ million	%	%	€ million	€ million	%	%
EMEA	161,2	152,1	50,7%	51,0%	1.104,9	1.046,8	54,3%	53,3%
America	136,4	74,2	51,9%	57,1%	476,3	302,6	48,9%	49,3%
- thereof USA in US$	135,0	76,0			472,4	307,9		
Asia/Pacific Rim	51,6	47,1	43,1%	46,6%	196,3	181,0	49,5%	48,1%
	349,2	273,4	50,0%	51,9%	1.777,5	1.530,3	52,3%	51,9%

	Sales		Gross profit		Sales		Gross profit	
	Q4/2005	Q4/2004	Q4/2005	Q4/2004	1-12/2005	1-12/2004	1-12/2005	1-12/2004
Breakdown by product segments	€ million	€ million	%	%	€ million	€ million	%	%
Footwear	221,3	175,9	51,1%	52,3%	1.175,0	1.011,4	52,7%	53,1%
Apparel	101,0	76,6	48,8%	51,2%	473,9	416,0	51,8%	49,7%
Accessories	26,9	20,9	46,2%	50,5%	128,6	102,9	50,4%	49,0%
	349,2	273,4	50,0%	51,9%	1.777,5	1.530,3	52,3%	51,9%

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.