



DEAR SHAREHOLDERS OF PUMA,

2017 WAS A GREAT YEAR FOR US AT PUMA AND SHOWS THAT OUR HARD WORK IS STARTING TO ALSO SHOW FINANCIAL RESULTS. WE GREW OUR REVENUE BY 16% AND FOR THE FIRST TIME IN OUR HISTORY WE ACHIEVED SALES OF MORE THAN FOUR BILLION EURO. WE ALMOST DOUBLED OUR EBIT AND MORE THAN DOUBLED BOTH OUR NET EARNINGS AND CASH FLOW.

These results exceeded our initial expectations for the year and led us to adjust our guidance three times. We had a solid development geographically with double digit growth in all regions, and we are very proud that the growth was again led by very strong development in footwear, which grew 24%. We know that we still have a way to go as a brand before you as investors will be satisfied with us and that we must continue to show sustainable growth in both top and bottom lines. We feel that the improved sell-through results in stores and the continued positive feedback from our retail partners confirms we are on the right track and that our strategy, marketing and products are working.

We are committed to continuing to work hard and further invest to become the *Fastest Sports Brand* in the world and create value for retailers, improve performance for athletes, and excite consumers. This is the way we at PUMA can achieve the returns on investment that you, as our shareholder, deserve.

In January 2018, our majority shareholder, Kering S.A., announced plans to distribute parts of its PUMA shares to Kering's shareholders (dividend in kind), thus reducing its stake in PUMA. This transaction is subject to approval at the Annual General Meeting of Kering S.A. in April 2018.

We at PUMA, welcome and fully support this proposal and we are very pleased that Kering has proposed this way of reducing its stake in our company. This transaction would lead to a much greater free float of PUMA shares providing investors with an enhanced possibility to invest in us, while also allowing us to continue with our current business strategy.

The strategy that we have executed over recent years and that is starting to show financial results would not have been possible without the support of Kering as the majority shareholder. Based on PUMA's positive business development in 2017, with a significant improvement of profitability and cash flow, we, the Managing Directors and the Administrative Board, will propose a one-off total dividend of €12.50 per share for the 2017 financial year to you as our shareholders at the Annual General Meeting.

In 2017, we continued to focus on our five priorities: increasing brand heat, a competitive product range, a leading offer for women, improving the quality of distribution and organizational speed.

We continued to invest heavily in marketing to drive brand heat. The vast majority of our marketing expenses continued to be focused on sports performance partnerships, including those with the world's fastest athletes Usain Bolt and Andre De Grasse, star footballers like Antoine Griezmann and Sergio Agüero, world-class golfers Lexi Thompson and Rickie Fowler, football federations like Italy, Switzerland and Uruguay, football clubs like Arsenal FC, Borussia Dortmund and Chivas, the Jamaican and Cuban Olympic Federations and many others. In 2018, we will also welcome new partners with Olympique de Marseille, Borussia Mönchengladbach and A.C. Milan to our PUMA family.

Our marketing team has also focused on working with cultural, music and fashion icons to connect with young trend-setting audiences. We see that storytelling with these influencers, especially through social media, has become a very powerful brand asset. This has created a lot of brand heat and made PUMA one of the hottest sports and lifestyle brands for young consumers. In 2017, PUMA has further built on this success, partnering with global stars such as Rihanna, Cara Delevingne, The Weeknd, Big Sean, and most recently Lewis Hamilton and Selena Gomez. Our marketing team winning the *Marketer of the Year Award 2017* from Footwear News Magazine in the United States shows that our innovative work is being acknowledged.

On the product side, we launched two completely new football footwear franchises, PUMA ONE and PUMA FUTURE. Both have been well-received by our retail partners and shown very good initial sell-through results. We also continued to place strong emphasis on innovations, such as our proprietary customizable lacing system NETFIT and our brand-new JAMMING midsole technology, whose NRGY beads provide high comfort and high energy return. In Golf we launched our COBRA Golf KING F7 & F7+ smart drivers, with embedded sensors, allowing golfers to automatically track the distance and accuracy of each drive.

Over recent years, PUMA has renewed its focus on the Women's segment. With our unique heritage and our new 360° approach *where the gym meets the runway*, we have again been able to generate overproportionate growth in the Women's segment in 2017. Together with powerful ambassadors like Cara Delevingne and the New York City Ballet, we continued our *DO YOU* campaign, which aims to inspire confidence in women around the world. Our Women's Creative Director, Rihanna, again presented two strong seasonal collections of her *FENTY PUMA by Rihanna* line, in highly anticipated shows at the Paris and New York Fashion Weeks. And just recently, singer, actress and producer Selena Gomez presented the PHENOM and EN POINTE fitness footwear and apparel lines, and received great media echo and promising sales results in retail.

PUMA has continued to improve the quality of its distribution and expanded its presence in key Sports Performance and Sportstyle accounts around the world. We have further strengthened our relationships with key retailers and are doing everything we can to be a reliable and positive partner for their businesses. It is our clear objective to create win-win situations for both our partners and ourselves, enabling retailers to make money with our products. Through improved sell-through, PUMA gained more shelf space in retail

stores during 2017. Furthermore, we continued to upgrade our owned-and-operated retail store network with further openings of new stores and refurbishments of existing stores. We relaunched our eCommerce presence www.PUMA.com to create a more modern and mobile-first format, which initially went live in Europe in June. This platform will be rolled out to the other regions during 2018 and 2019.

We have continued to speed up our operational processes and systems by further enhancing PUMA's International Trading Organization, the roll-out of new product development systems, further standardization of ERP systems and improvements to the overall IT infrastructure. We have also continued to invest in our infrastructure and have seen new modern offices being opened in 2017 in Hong Kong and Milan and in April 2018 we will open the extension of our headquarters in Herzogenaurach, Germany.

Social, economic and environmental sustainability remain core values for PUMA. As a long-term signatory to the United Nations Global Compact we have linked our sustainability strategy to the United Nations Sustainable Development Goals. Half way through our 10FOR20 Sustainability Targets, we are well on track to create positive impact through industry collaboration and selected partnerships with leading sustainability initiatives. In 2017, we used 40% cotton from the Better Cotton Initiative and 46% bluesign certified polyester in our products. 99% of our leather was supplied by Leather Working Group medal rated tanneries and 92% of our paper and cardboard was FSC certified.

In the field of human rights and social compliance, we increased the percentage of shared audit assessments to 27% and piloted a harmonized industry assessment tool which will help to reduce duplicative audits by individual brands, thus saving time and resources that can be spent more efficiently to drive positive change. The increase in shared assessments allowed us to expand our compliance program deeper into the supply chain where we now also cover our core material and component suppliers.

Our employees supported our efforts to create positive impact where PUMA operates and spent 17,500 hours on community engagement.

PUMA's improved performance in 2017 is the direct result of the great work and effort of our people at PUMA. I am proud to work with such a talented and dedicated team. I feel we are a great family! I would like to use this opportunity to express my sincerest thanks to everyone on the PUMA team! I would also like to thank you, our shareholders, for your support. You have stood by us, even in more difficult times, when the results were disappointing. I assure you that we will continue to work very hard in 2018 and beyond, to deliver good returns on your investment. With a powerful momentum, reignited brand heat and strong products, I am confident that 2018 will be another great year for PUMA.

Yours sincerely,



Bjørn Gulden
Chief Executive Officer PUMA