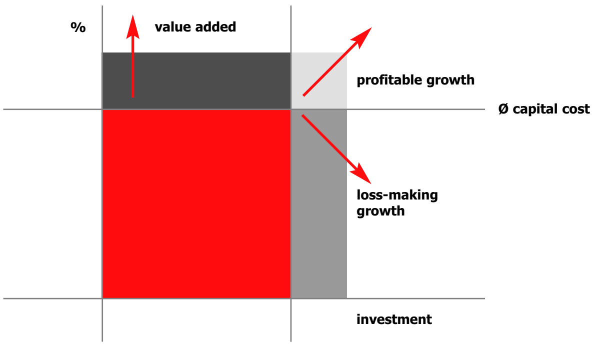
Value-Based Management

Only those who earn a rate of return above their cost of capital will succeed in achieving a sustained increase in corporate value. In keeping with this principle, PUMA has implemented a system of value-based management.



Value Contribution

The measurement of return on capital is based on the cashflow return on investment ("CFROI"), which, in simplified terms, is calculated as the gross cashflow divided by the gross investment base. The gross investment base is the total amount of available funds and assets before accumulated depreciation and amortization.

The absolute value contribution corresponds to the difference, multiplied by the gross investment base, between the return on capital (CROI) and cost of capital (WACC). A positive value contribution is earned when the return on capital is greater than the cost of capital.

Calculation of CFROI and Value Contribution

million €	2004	2003	2002	2001	2000
Earnings after tax	259.0	179.9	84.7	40.2	17.6
+ Depreciation and amortization	19.3	20.1	12.5	8.4	6.8
+ Interest expenses	1.3	1.4	2.5	3.6	3.8
Gross cashflow	**279.6**	**201.4**	**99.6**	**52.1**	**28.1**
Monetary assets	559.9	367.8	250.0	156.0	152.9
- Non interest-bearing liabilities	287.7	253.0	225.9	154.4	125.8
Net liquidity	272.1	114.9	24.1	1.6	27.1
+ Inventroy	201.1	196.2	167.9	144.5	95.0
+ Fixed assets at prime cost	135.8	107.6	88.1	77.0	51.9
+ Intangible assets at prime cost	46.1	44.6	29.2	28.2	11.0
Gross investment basis	**655.1**	**463.3**	**309.3**	**251.3**	**185.0**
Cashflow return on investment (CFROI)	**42.7%**	**43.5%**	**32.2%**	**20.7%**	**15.2%**
CFROI - WACC	**33.9%**	**35.9%**	**23.2%**	**12.1%**	**7.3%**
Absolute value contribution	**222.3**	**166.3**	**71.7**	**30.4**	**13.5**