

## Development of the World Economy

According to a value assessment of the “Kiel Institute for World Economics,” the world economy maintained its upswing in 2004 but lost some momentum from the spring onward. This weakening is attributable in part to a tightening of previously expansive economic policy. Although the impetus of US fiscal policy had lost most of its momentum, monetary conditions nevertheless remained clearly positive. China took administrative measures to slow down the excessive economic boom. Economic activities were additionally dampened by the steep rise in oil prices. However, the negative effects of oil price increases were buffered by economic expansion in various regions of the world.

The economic recovery also continued in the Euro zone over the course of the year. Real gross domestic product grew faster than in the second half of 2003. In general, however, development in the Euro Zone differed significantly from country to country.

The major sports events in the year 2004 also had a positive impact on the sporting goods industry. Despite limited consumer spending, additional growth was reported in nearly all markets. Overall, PUMA has achieved strong global positioning as a Sportlifestyle brand, resulting in a competitive advantage and enabling adaptation to constantly changing market conditions. The selective distribution strategy will anchor and further expand the desirability of the brand.