

**PRESS RELEASE**

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**PPR acquires a controlling stake in PUMA and announces the launch of a friendly takeover offer**

PPR announces today that it has entered, through its subsidiary SAPARDIS, into an agreement with Mayfair Beteiligungsfondsgesellschaft I mbH to acquire its 27.1% stake in PUMA for EUR330 per share in cash excluding the 2006 dividend of EUR2.5 per share, implying a total consideration of EUR1.4 billion. Following this acquisition, PPR intends to launch a friendly takeover offer in cash on the remaining outstanding PUMA shares at the same price of EUR330 per share. The offer price values PUMA at EUR5.3bn (equity value), implying a 24% premium on the undisturbed one-month weighted average share price (as of April 3<sup>rd</sup>).

The Management Board of PUMA fully supports this friendly transaction and intends to recommend the offer after reviewing the offer document.

**Highlights**

- **PUMA is a leading global sportlifestyle company with EUR2.4bn sales and a world-class management**
- **PPR's portfolio of leading premium consumer and luxury brands creates a unique environment for PUMA's development**
- **Consistent with PPR's strategy to strengthen its portfolio with higher growth and higher margin businesses**
- **An opportunity for PUMA to access PPR's core skills and group resources to support its development**
- **PPR has agreed to acquire Mayfair's 27.1% stake in PUMA for EUR330 per share**
- **Agreed cash tender offer for remaining shares at same price, implying a 24% premium over one-month average undisturbed share price**
- **Friendly offer with full support by PUMA's Management Board**

Commenting on the transaction, François-Henri Pinault, Chairman and CEO of PPR, said: *"I am delighted to have reached an agreement with Mayfair supported by PUMA which creates the basis for a combined future for our two Groups. This friendly transaction represents an exciting development for PPR and a milestone in our strategy of profitable growth. I am confident that PPR is the ideal partner to support PUMA in its current development phase to become a global iconic sportlifestyle company."*

Jochen Zeitz, Chairman and CEO of PUMA AG, said: *"As we continue the execution of our Phase IV strategy, we are convinced that PPR's proposal is a unique opportunity to get additional long term support to achieve our global targets and our mission to become the most desirable sportlifestyle company in the world. My colleagues and I have carefully considered this proposal by PPR and subject to review of the offer document we will recommend it to our shareholders. We strongly believe that this friendly transaction is in the best interests of the company and that the offer price is fair to all PUMA shareholders."*

## Transaction Benefits

PPR's strategy is based on achieving superior growth through a focus on international expansion, global brands and retail operations. The ambition is to strengthen PPR's portfolio with higher growth and higher margin businesses and the PUMA transaction is entirely consistent with these strategic priorities.

PUMA is a leading company in the sportlifestyle market with a strong international presence and an attractive financial profile. The PUMA brand is product driven, consumer focused with a high global recognition, and therefore fits perfectly within PPR's global brand portfolio. PUMA's historical performance has been driven by a highly-skilled management and PPR believes that this team will find additional resources within the PPR group and in particular to:

- Enhance multi-channel route-to-market and international roll-out
- Access PPR's in-house design and sourcing skills to expand high end product lines
- Enhance operational and financial performance throughout PUMA's activities and regions, benefiting from sharing best practice
- Benefit from PPR's experience in managing multiple brands while maximizing the value of each individual brand

## Offer details

PPR has signed an agreement with Mayfair for the acquisition of its 27.1% stake in PUMA, for EUR330 per share in cash excluding the 2006 dividend of EUR2.5 per share (to be paid on April 12), implying a total consideration of EUR5.3 billion (assuming 100% acceptance).

Following the acquisition of Mayfair's stake, PPR intends to launch an agreed takeover offer in cash on the remaining outstanding PUMA shares at the same price of EUR330 per share. This price represents:

- A strong premium on the one-month undisturbed weighted average share price (April 3, 2007) of 24%
- An enterprise value of EUR4.9 billion implying a 2006 EV/EBITDA multiple of 12.2x and a 2006 EV/EBIT multiple of 13.4x.

The transaction will have positive financial impacts on PPR including enhanced sales growth, profitability and EPS accretion.

The PUMA Management Board has indicated its unanimous support to the proposed offer. It intends to confirm its support following review and examination of the offer document in accordance with German takeover laws.

The transaction (block acquisition and takeover offer) will be 100% cash financed through existing and new debt facilities. Following the acquisition, PPR estimates the pro forma 2007e net debt / EBITDA ratio will be 3.5x (assuming 100% acceptance) and its financial discipline will allow the company to maintain its investment grade rating.

## Timetable

In accordance with German takeover laws, PPR has published a statutory announcement of a voluntary public takeover offer and intends to issue the offer document describing the details of the offer to PUMA's shareholders, following approval by the German regulator Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) which is expected in May. PUMA shareholders will then be able to tender their shares for a period of five weeks. PPR anticipates to complete the offer in early July.

The transaction is subject to EU antitrust clearance and other customary conditions and regulatory approvals expected by beginning of June. It is expected that upon EU clearance, three members of the PUMA Supervisory Board will be succeeded by three representatives of PPR.

PPR is being advised by Goldman Sachs, Rothschild & Cie and Freshfields Bruckhaus Deringer on this transaction.

#### **About PPR**

PPR is a global player in Retail and Luxury Goods, with approximately 78,000 employees in 75 countries. Through its Retail businesses Redcats Group, Fnac, Conforama and CFAO, and the Luxury brands of Gucci Group (Gucci, Bottega Veneta, Yves Saint Laurent, YSL Beauté, Balenciaga, Boucheron, Sergio Rossi, BEDAT & CO, Alexander McQueen and Stella McCartney), PPR generated sales of EUR 17.9 billion in 2006. PPR shares are listed on Euronext Paris (# 121485, PRTP.PA, PPFPA). For more information: [www.ppr.com](http://www.ppr.com)

#### **About PUMA**

PUMA® is the global Sportlifestyle company 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. PUMA employs 7,800 employees. Its revenue for the fiscal year 2006 amounted to EUR 2.4 billion. For further information please visit [www.puma.com](http://www.puma.com)

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#### **Disclaimer**

*Not for release, publication or distribution in or into or from Canada, Australia or Japan. This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities; future offers to sell or exchange securities will only be made in certain jurisdictions and only following approval by the relevant regulators. Notice to US investors: the intended takeover offer will be made for the securities of a German company and is subject to German requirements for the implementation of such takeover offer, which are different from those of the United States. PPR and its nominees or brokers (acting as agents) may from time to time acquire, or make arrangements to acquire, PUMA Shares other than pursuant to the takeover offer in the open market or in privately negotiated purchases outside the United States during the period in which the takeover offer remains open for acceptance.*

**Notice to US investors** *The intended takeover offer will be made for the securities of a German company and is subject to German requirements for the implementation of such takeover offer, which are different from those of the United States. PPR and its nominees or brokers (acting as agents) may from time to time acquire, or make arrangements to acquire, PUMA Shares other than pursuant to the takeover offer in the open market or in privately negotiated purchases outside the United States during the period in which the takeover offer remains open for acceptance.*

#### **Note regarding forward-looking statements**

*The information in this document may contain "forward-looking statements." Forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" or words of similar meaning and include, but are not limited to, statements about the expected future business of PUMA AG and of PPR SA resulting from the proposed transaction.*

*These statements are based on the current expectations of management of PUMA AG and of PPR SA, and are inherently subject to uncertainties and changes in circumstances. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are factors relating to satisfaction of the conditions to the proposed transaction, and changes in global, political, economic, business, competitive, market and regulatory forces. PPR SA and PUMA AG do not undertake any obligation to update the forward-looking statements to reflect actual results, or any change in events, conditions, assumptions or other factors.*

## 1. ANALYSTS AND INVESTORS CONFERENCE

Date: Tuesday, April 10, 2007

Time: 10:30am CET

Location: Pavillon Gabriel (5 Avenue Gabriel – 75008 - Paris)

To listen to analysts' and investors' conference, please see the following dial-in numbers:

■ **French version (live):**

+33 (0) 1 70 99 42 70

■ **French version (replay):**

France: +33 (0)1 71 23 02 48

UK: +44 (0)20 7806 1970

USA: +1 718 354 1112

Dial-in: 4168095#

■ **English version (live):**

Germany: +49 (0)69 9897 2630

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Dial-in: 2149279#

*No person located in Canada, Australia or Japan may participate in the call via the dial-in numbers or view the broadcast (except pursuant to certain exceptions); measures will be taken in order to prevent such participation.*

A live videocast (Real and Windows Media Player formats) as well as the presentation slides (PDF) will be available from 10:30am CET at [www.ppr.com](http://www.ppr.com). A replay will be available later in the day.

You will also have the opportunity to podcast the presentation at [www.ppr.com](http://www.ppr.com) later in the day.

## 2. JOINT PRESS CONFERENCE – PPR AND PUMA

Date: Thursday, April 12, 2007

Time: 10:30am CET

Location: PUMA Brand Center (Sigmundstrasse 220-222 - 90431 Nürnberg)

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