Group Management Report

for the Financial Year 2013

Overview 2013

2013 was a crucial year in terms of restructuring and change for PUMA, in which we have laid the foundations for further growth and a positive corporate development through the subsequent implementation of our transformation and cost reduction program. Following the arrival of our new Chief Executive Officer, Björn Gulden, our Chief Operating Officer, Andy Köhler, and our new Global Creative Director, Torsten Hochstetter, PUMA's management team is now fully in place with the aim of securing long-term profitable growth. Despite the many challenges that we have faced, PUMA is, and indeed remains, a fantastic brand with a rich history, global familiarity, strong logos, outstanding athletes and wonderful employees.

From a sporting perspective, we were able to further strengthen our brand presence and credibility as a premium football brand within team sports thanks to Borussia Dortmund's achievement in reaching this year's Champions League Final, as well as sharpen our focus within the area of performance. PUMA star, Marco Reus, has played a key role in Dortmund's ongoing success, and we have not only managed to sign up another star midfielder in Spanish international, Santi Cazorla, but also one of world football's currently most in-demand and talented superstars, Mario Balotelli, who will not only prove to be a key signing in terms of the 2014 World Cup in Brazil, but will also play a key role in our global brand and football communication activities.

At the World Athletics Championships in Moscow, which took place in August and saw the participation of a total of eight teams sponsored by PUMA, Usain Bolt – the fastest man in the world – once again impressively underlined his status as one of the biggest sports stars of all time. His three World Championship gold medals have made him one of the most successful athletes in the history of the World Athletics Championships, helping the Jamaican team sponsored by PUMA to victory in the various men's sprint events. In September, we extended our sponsorship of Usain Bolt until after the 2016 Olympic Games in Rio de Janeiro, thus starting a new chapter in this successful partnership.

Against the backdrop of the successful launch of our new brand platform "The Nature of Performance", we have brought together our product initiatives in the area of performance and successfully introduced our PUMA ACTV and RCVR performance bodywear to the market, both of which were awarded the ISPO Gold Award. Our adaptive "Mobium Elite" running shoes received numerous awards, many of which were important ones, such as "Most Innovative" (Competitor Magazine/USA) and "Best Debut" (Runner's World China). We aimed our Lifestyle range at younger, more progressive audiences and have focused more than ever on product-specific marketing – as demonstrated, among other things, by the successful sales of our Suede and Archive Lite models.

Our future commitment to “Forever Faster”, a concept which is derived from our DNA that is enshrined in sports and unites both our performance and lifestyle brand pillars, enabled us to make a new and simplified brand promise to our customers in 2013. PUMA’s future aim is to become the fastest sports brand in the world. In order to do this, we shall draw on our history spanning more than 65 years as a supplier of innovative products for the fastest athletes in the world while at the same time expressing our ongoing desire to create something new – from product innovations in the area of performance to trendy fashion items.

We also reviewed our strategy in 2013 in terms of sustainability and aligned it to the new “Forever Faster” brand manifesto and the sustainability objectives of the Kering Group. At the same time, we were able to establish our “Bring me Back Bin” product recycling program in PUMA stores throughout the world, thus making an active contribution to waste prevention measures. In accordance with our “Closing the Loop” guideline, we are also planning to launch products to the market in 2014, of which a significant proportion will be made using recycled cotton.

The ongoing difficult economic situation in many parts of Europe had a negative impact during the financial year, both in terms of the overall business climate as well as on the average propensity of the population to consume. As a result, the demand for sports equipment was lower in various key markets. In addition, there was increased intensity of competition from a global perspective in the sports equipment industry as an increasing number of suppliers from the area of sport performance began to converge on the sports lifestyle market, and a number of major fashion chains also began to offer items in the area of sport performance. In this challenging market environment, worldwide brand sales from PUMA during the financial year 2013 fell, currency-adjusted, by 2.3% to approximately € 3.2 billion. Group sales fell, currency-adjusted, by 3.0%, and in the reporting currency of Euros by 8.7%, to approximately € 3.0 billion.

The gross profit margin for 2013 was subjected to heavy pressure and declined from 48.3% to 46.5% as a result of negative currency effects in countries such as Japan, South Africa and Argentina, as well as intense price competition; these figures were however in line with management’s expectations. Operating income (EBIT) before special items fell from € 290.7 million to € 191.4 million in 2013 compared to the previous year, despite the various cost reduction measures taken and because of the fall in sales and reduced gross profit margin. PUMA’s management continued to proceed with the transformation and cost reduction program in 2013 and took further strategic measures by introducing the new “Forever Faster” brand concept in order to ensure sustainable and profitable growth for PUMA.

As a result, Group earnings compared to the previous year fell from € 70.2 million to € 5.3 million. This figure includes special items totaling € 129.0 million, the majority of which consist of impairments of non-current assets, as well as non-recurring expenses incurred during the financial year in connection with the strategic realignment. Earnings per share equalled € 0.36 compared to € 4.69 in the previous year.

At the end of the year, PUMA shares listed at € 235.00, almost unchanged compared to the previous year, which resulted in a market capitalization of approximately € 3.5 billion.

PUMA Group Essential Information

Commercial Activities and Organizational Structure

We trade under the name PUMA SE. The registered offices of the PUMA Group are located in Herzogenaurach, Germany. Our internal reporting activities are based according to regions (EMEA, America and Asia/Pacific) and products (footwear, apparel and accessories). A detailed description of the various segments can be found in paragraph 25 of the Notes to the Consolidated Financial Statements.

Our revenues are derived from the sale of products from the PUMA, Cobra Golf and Tretorn brands via the wholesale and retail trade, as well as from sales directly to consumers in our own retail stores and online stores. PUMA primarily markets and distributes products via its global network of subsidiaries. There are distribution agreements in place with independent distributors in some countries.

There were 111 subsidiaries either directly or indirectly controlled by PUMA SE as of December 31, 2013. Our subsidiaries carry out various tasks at a local level, such as distribution, marketing, product development, procurement or administration. A full list of all subsidiaries and associated companies can be found in paragraph 2 of the Notes to the Consolidated Financial Statements.

Corporate Strategy

To be the Fastest Sports Brand in the world

PUMA is one of the world's leading Sports Brands, designing, developing, selling and marketing footwear, apparel and accessories. For over 65 years, PUMA has established a history of making fast product designs for the fastest athletes on the planet. PUMA offers performance and sport-inspired lifestyle products in categories such as Football, Running, Training and Fitness, Golf, and Motorsports. It engages in exciting collaborations with renowned design brands such as Alexander McQueen and Mihara Yasuhiro to bring innovative and fast designs to the sports world. The PUMA Group owns the brands PUMA, Cobra Golf, Tretorn, Dobotex and Brandon. The company distributes its products in more than 120 countries, employs more than 10,000 people worldwide, and is headquartered in Herzogenaurach/Germany.

In 2013, Bjoern Gulden (CEO) introduced PUMA's new mission statement: To be the Fastest Sports Brand in the world. The company's mission not only reflects PUMA's new brand positioning of being Forever Faster, it will also be the guiding principle for the company expressed through all its actions and decisions. Our objective is to be fast in reacting to new trends, fast in bringing new innovations to the market, fast in decision making and fast in solving problems for our partners. With this new strategic direction, PUMA is moving away from its former Back-on-the-Attack Strategy 2015, while at the same time continuing to implement the Transformation and Cost Reduction Program launched in 2012.

Fast is also how the company will pursue the strategic priorities of PUMA in the short- and mid-term: Brand, Product and Sales.

Fastest Brand

In 2013, PUMA created a newly unified Brand Platform that is rooted in the Sports DNA of the company, and which reconciles the Performance and Lifestyle segments of the PUMA brand. With this significant milestone, PUMA is moving away from its approach of pursuing two distinctive visions for each part of the business as this has led to confusion and a lack of clarity for employees, business partners, and consumers.
Going forward, PUMA will be the Fastest Sports Brand in the World. This simplified mission will result in a single brand positioning, purpose and a single message. PUMA will be: "Forever Faster". This statement, a new tag line which will be launched to consumers in 2014, reflects the 65 year history of making fast product designs for the fastest athletes on the planet.

But "Forever" references more than just the brand's history, and our commitment to our classic products. It represents recognition of the endless pursuit of whatever is next - in performance innovations, in cultural trends, and in style and fashion. Forever also emphasises our long-term responsibilities and underlines the importance of sustainability to PUMA. Of course the word "Faster" represents more than just delivering the rational benefit of speed to athletes. PUMA will have a single minded purpose of celebrating faster in every sense of the word - lighter products, better fit for greater agility, enhanced flexibility and stability in precise measures that allow for point to point speed and any other possible way the brand can deliver the fastest products for the fastest performers. The phrase simultaneously references the emotional benefit of owning speed - the thrill, the fun, and the swagger of Usain Bolt himself, the man who best personifies this new strategy and ambition.

Forever Faster will be a part of a long term effort to clearly re-establish our brand in the minds of our customers. In the third quarter of 2014, PUMA will unleash this new brand strategy in the market with a significant consumer-facing media campaign.

Commercial Products

PUMA's products are the ultimate embodiment of the new brand strategy and the desire to produce the fastest products for the fastest athletes. Innovation efforts are developing lighter, more agile products with better fit and improvements in adaptation to the body in motion - both extending training times and delivering faster results when it counts. In addition to the "Forever Faster" innovation focus, the product priorities are delivering commerciality, beauty in design, and overall product responsiveness. PUMA will focus on improving the commerciality of its product range to meet the consumer's price and value expectations. For PUMA, "Commerciality" means the consumer is at the center of our design process, ensuring that it delivers the performance, quality and aesthetics critical for success at the right price point.

PUMA's elevation of the role of design within the company is further reflected in the establishment of the department of Creative Directors under the leadership of Torsten Hochstetter, Global Creative Director, which reports directly to the Board of Management. To ensure that PUMA not only delivers fast products with fast designs, but is also fast in bringing them to market, PUMA is launching key projects to increase its market responsiveness. As one consequence, the new management team decided to divest our PUMA Village development center in Vietnam in order to accelerate PUMA's development process by bringing our developers directly to the factories. This step helps to streamline the processes between design and source with the intention to become leaner, more efficient and more agile within the creation process.

Sales Quality

In line with PUMA's current sales split between Wholesale and PUMA's owned and operated Direct-to-Consumer business, a key priority for PUMA is to focus on desireable wholesale distribution, by shifting the balance from lower to higher-tier wholesale channels. The quality of the wholesale distribution will be improved by focusing on and working together with key accounts on joint product programs. Supported by significant marketing activities, this approach will lead to improved sell-through, driving increases in shelf-space at key wholesale accounts.

In the Direct-to-Consumer business, PUMA's focus is to capitalize on its Retail doors. While PUMA will finish closing the loss-making stores earmarked in the Transformation Program, it will also increase the number of outlet stores in currently under-penetrated markets – mainly in the Asia/Pacific region. In growth countries, selective full price stores will continue to be opened in desirable locations. A key driver of growth in the direct-to-consumer business will be e-commerce. By going live with a completely refreshed site design in 2014, PUMA will integrate the marketing and commercial aspects of its digital strategy to drive growth and retention with compelling, "shoppable" content.

Regarding regional sales priorities, PUMA will focus on leveraging its continued strengths in key growth markets such as in Mexico, India and Russia to deliver ongoing growth for the company. Europe will continue to implement its European Transformation and Restructuring program which focuses on reducing complexity by introducing a new regional structure with seven Areas, establishing a Regional Supply Chain, and consolidating the number of warehouses in Europe to a total of 7. PUMA will also implement the appropriate measures in the key Asian markets of Japan, China and Korea to return the business to profitable growth. The strategic priorities for North America are to reposition the brand in line with the new brand mission and to increase the presence in quality wholesale as outlined previously.

Continuation of the Transformation and Cost Reduction Program

In 2012, PUMA introduced a company-wide Transformation and Cost Reduction Program. PUMA has implemented its measures in course of 2013 and continues to execute against them as outlined:

- **New regional business model in Europe:** The organizational structure of the regional layer and its seven Areas has been established and will be continued to be optimized.
- **Warehouse consolidation in Europe:** PUMA closed or handed over six warehouses as of the end of 2013, and will continue to consolidate to achieve the target of seven warehouses in Europe by 2017.
- **Unprofitable stores:** Of the announced 91 stores closures, 73 stores were closed by year end 2013, with the remainder to be closed in 2014/15.
- **Number of articles:** PUMA is progressing well with already more than 10% article reduction for 2013 to achieve its objective to reduce the article count by 30% by 2015.
- **Focus on sponsorship:** PUMA has implemented all its actions in this areas and cancelled every onerous sponsorship contract which is not in line with the future business strategy

Brand and Subsidiary Strategy

Cobra Golf, acquired in 2010, is fully integrated into the PUMA Group as Cobra PUMA Golf. This has enabled PUMA to provide a complete range of golfing products to the consumer and to become an important player in the golf sector. As a result, Cobra PUMA Golf has strengthened its position in the golf business demonstrating further momentum and growth. The primary focus remains the USA and Japan, as well as Korea, the UK and the Scandinavian region.

Tretorn, founded in 1891 in Helsingborg, Sweden, creates performance and leisure products including Rubber boots, Footwear, Outerwear, Riding boots and Tennis balls. The brand's mission is to become a global premium sportswear brand that inspires an active, urban to country lifestyle. The primary markets are the Nordics, DACH, UK, EAST, North America, Japan.

Dobotex, founded in 1979 and located in Den Bosch, Netherlands, develops, produces and distributes socks and bodywear for PUMA, as well as socks for Tommy Hilfiger. The licensing business will be further expanded going forward to encompass other top international brands.

Brandon designs, produces and distributes licensed and corporate merchandise across the world, helping the world's biggest brands to maximise returns on their global merchandising. Brandon works for Ferrari, Shell, BMW, Angry Birds, Volvo and the Italian Football Federation. Its key focus in the future is on sports merchandising to leverage PUMA's assets.

Sustainability remains an important value

Sustainability is and remains a key value of the PUMA brand and faster is how we are working towards a more just and sustainable future, accelerating positive change in the industry and the world. In 2013 we started the next phase of PUMA's sustainability journey: to embed sustainability across the business in support of the Forever Faster transformation. 2013 also marked a significant improvement in the alignment of and support towards the sustainability priorities shared by PUMA and The Kering Group, our majority shareholder.

Product development and design

Product philosophy and strategy

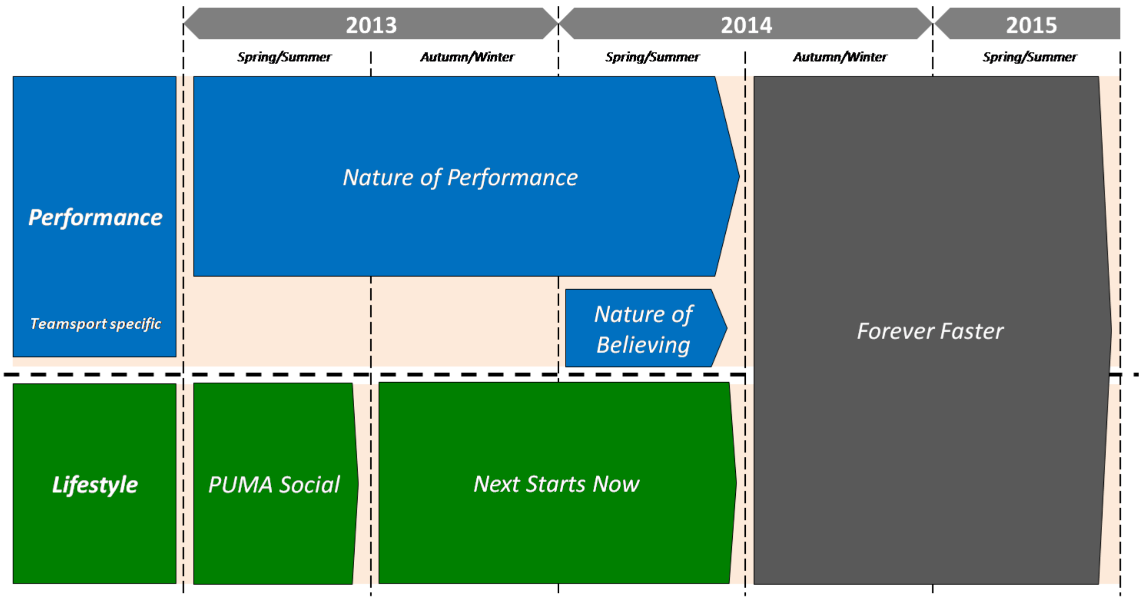
PUMA's product offering embraces the spirit of the cat by being agile, nimble, adaptable, and adventurous and adheres to the attributes once chosen by company founder Rudolf Dassler as guidance for the way we think, the way we work and the way we develop and market our products. As one of the world's leading Sports Brands, we offer performance and sport-inspired lifestyle products in categories such as Football, Running, Training and Fitness, Golf, and Motorsports – and engage in exciting collaborations with renowned design brands to create exciting Lifestyle collections with a clear link to our heritage as a sports brand.

In 2013, our distinct approach to Performance and Lifestyle was supported by our new Business Unit structure, which we started to implement at the beginning of the year. Product management, design, development and category-specific marketing have been combined under six separate Business Units. The Business Units Teamsport, Running, Training & Fitness, and Golf represent our performance business, while Lifestyle and Motorsports, Fundamentals as well as Accessories & Licensing constitute the lifestyle business. Each Business Unit combines full product and marketing responsibility under the leadership of one accountable Business Unit Manager. This allows us to become more customer and consumer focused, to be more specialized in our product expertise and, to improve our team internal alignment – and ultimately to become faster and re-connect with our target consumers through a more focused approach.

In Spring/Summer 2013, PUMA launched the Nature of Performance platform together with a series of innovative new products. The Nature of Performance platform spans all performance categories and revived PUMAs performance credibility, making us both relevant and competitive in each of our Performance segments. This launch marked not only a paradigm shift for the company but also the beginning of PUMA's refocusing on the performance business, which will be completed by the repositioning of PUMA as the Fastest Sports Brand in the world, to be launched to consumers in Autumn/Winter 2014.

While our successful PUMA Faas range continued to evolve and thrive with new colours and design updates, we launched an industry first with PUMA's Mobium Elite – a first generation Adaptive Running shoe that's built on a system of interdependent technologies that are proprietary to PUMA and has won multiple awards across the globe, including Most Innovative (Competitor Magazine/US), Best New Technology (Go Multi/South Africa) and Best Debut (Runner's World China).

With our PUMA ACTV and RCVR concepts we took our performance apparel to the next level as well. Our innovation power was recognized by industry experts and the trade alike as we received the ISPO Gold Award for our ACTV Compression tights that fuse the benefits of compression technology with athletic taping in order to create an easy-to-use performance offering.



In Football, we introduced the new PUMA King – a modern icon featuring high performance materials to enhance touch on the ball and maximise control on the pitch – as well as a new colourway of our evoSPEED 1.2, the performance football boot that helps players maximise their speed. PUMA's PowerCat 1 FG blends highly developed technology with innovative aesthetics and helps players maximise their kicking power and accuracy on the pitch.

In Lifestyle, we continued to rejuvenate our offering to connect with a more youthful audience. Our vision in Lifestyle is to deliver sports-inspired lifestyle products which are inspired by our sports heritage and by the world of Fashion through collaborations with some of the world's leading design houses such as Alexander McQueen and Mihara as well as other creative artists in the fashion and entertainment world.

In the Autumn/Winter season of 2013, PUMA revealed the Brand's Lifestyle Collection Directors: a collective group of influencers who connect culture, attitude, and style with ambition. Sought out from the streets of Paris, Los Angeles and New York City, PUMA's global group of Collection Directors like Sophia Chang have been assigned to enhance PUMA's seasonal key lifestyle products with their creativity, vision and passion under our 'Next Starts Now' platform in Lifestyle.

And we have ventured back to our rich Archive and sought out iconic PUMA styles from the past. For example, we celebrated the much anticipated return of one of PUMA's most iconic Running style. Known as the signature hero model for PUMA's Trinomic Running, our newly released Trinomic XT2 Plus is an exact one-to-one model of the 90s original – tech for tech, material for material, colour for colour - and authentic packaging, with the reappearance of PUMA's signature Trinomic green box.

Sustainability also remains an important value in PUMA’s product strategy as we are constantly innovating and investing in more sustainable products. As part of the ZDHC (zero discharge of hazardous chemicals) coalition we are committed to the goal of zero discharge of hazardous chemicals and have made meaningful progress toward that goal in 2013 – such as the development of the first comprehensive chemicals database, as an important step in identifying and eliminating hazardous chemicals in the manufacturing of our products.

In the seasons to come, we will embark on the pursuit of being faster in line with our simplified mission statement of being the Fastest Sports Brand in the World. Based on our Brand Platform “Forever Faster” we will develop and execute a dynamic, fast and relevant PUMA design language that is rooted in our DNA as a sports brand and at the same time defines an innovative future.

Procurement

Procurement refers to the central management of the purchasing of products for PUMA and the Group's own brands, Cobra and Tretorn. The necessary procurement tasks are carried out centrally by the Group company **World Cat Ltd.** in Hong Kong. World Cat Ltd. acts as a purchasing agent here and provides support for the respective brands in order to furnish the respective sales organizations with products and the necessary materials for the manufacture of these products at a standardized level of quality and at a competitive price.

World Cat Ltd. manages the various branches located around the world from Hong Kong. In addition to the registered offices in Hong Kong, the various locations in China, Vietnam, Bangladesh, India, Turkey, Brazil and El Salvador manage the collaboration with suppliers and also monitor the production processes on site.

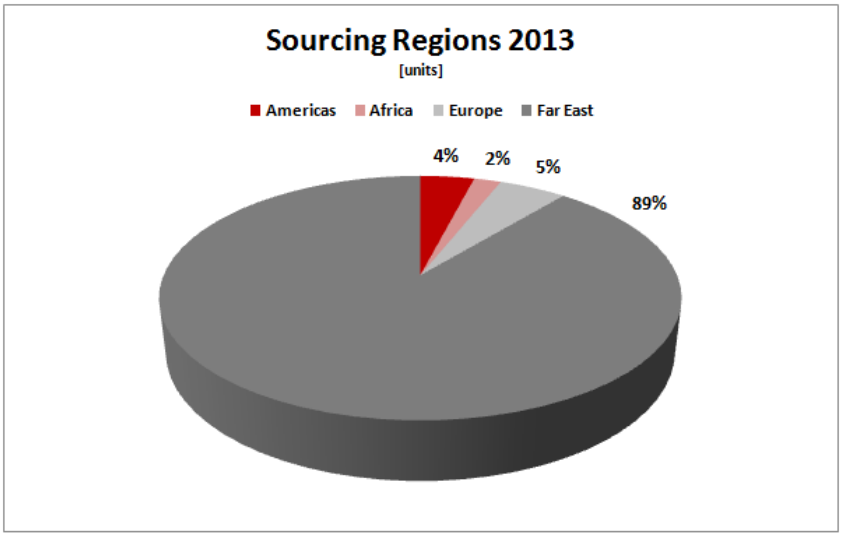
Processes are continuously improved in line with the six core principles of partnership, transparency, flexibility and speed, simplicity, accuracy and effectiveness, thus satisfying the aim of offering service at a high level for all PUMA brands and creating a sustainable production and supply chain. In order to further strengthen the link between customer demands, product design and production, product knowledge is moved closer to production, thus ensuring any developments in the market can be adapted to more quickly. This was particularly evident in the decision to close down the PUMA Village in Vietnam as a regional center for the development of sample footwear production items once again in 2014 after a period of four years, thus moving the product experts closer to the factories in order to reduce development times.

The Procurement Markets

World Cat optimizes the supply chain with independent suppliers within its global production network, from the purchase of materials to production, right through to the delivery of products.

The aim is to offer an optimum service to the various PUMA brands in order to meet, and continue to improve, global requirements for quality and safety along with environmental aspects in production. At the same time, continuous improvements are being made in its role as purchasing agent and partner with respect to costs, flexibility and delivery reliability.

During the financial year 2013, World Cat worked together with 178 suppliers in 32 countries and delivered to 44 destinations. The strategic cooperation with long-term partners was one of the key competitive advantages in 2013, ensuring stable procurement in turbulent market conditions. The geographic focus of the production sites located in China as the primary sourcing country has shifted slightly to South-east Asia.

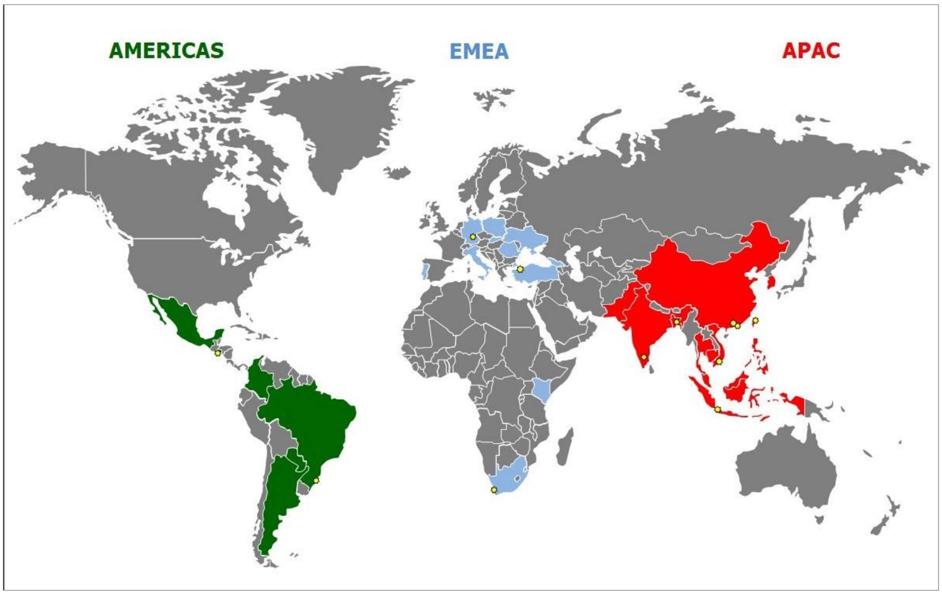


Asia remains the strongest procurement region overall with 89% of the total volume, followed by Europe with 5%, America with 4% and Africa with 2%, with the latter's percentage on the increase.

As a result, the five most important sourcing countries (79% of the total volume) are all located on the Asian continent. China remained in first place in 2013 with a total of 32%, despite a reduction in volume of 8% compared to the previous year. Vietnam then followed with a total of 20%, a figured that was reduced by 3% compared to the previous year. Cambodia was in third place with a total of 10%. Indonesia, which focuses on footwear production, also produces 10% of the total volume, and Bangladesh, which focuses on clothing, contributes 7%.

Rising labor costs, political unrest and extreme weather conditions all had a negative impact on procurement markets in 2013. This therefore increases the need to take into account the risks in these factors of influence in the production allocation. World Cat Ltd. will also continue to position itself geographically in such a way so that it can take advantage of fiscal benefits in key markets such as the USA and the EU. This is the crucial component of a future procurement strategy in order to ensure the secure and competitive procurement of products.

World Cat's Sourcing Regions and Locations

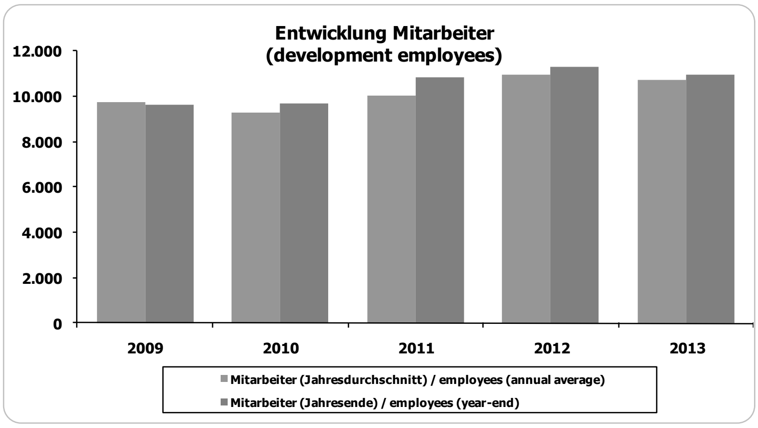


Employees

Number of employees

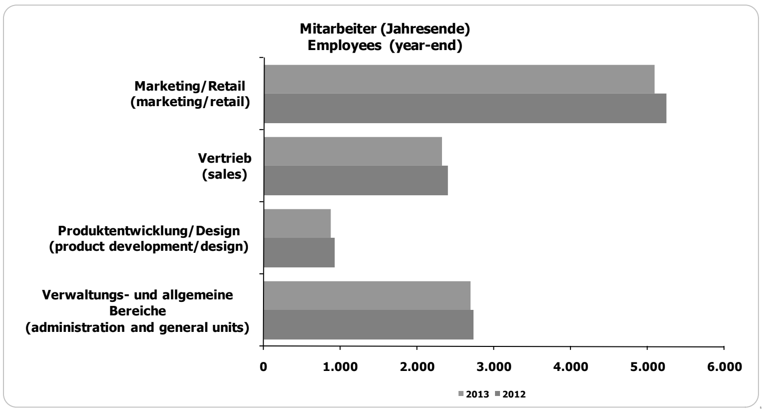
In 2013 the **annual average** number of employees worldwide was 10,750 compared to 10,935 in the previous year. The slight decrease is due to the measures taken as part of the transformation and cost reduction program.

Overall, personnel expenses before special items fell in 2013 by 5.3% from € 438.8 million to € 415.7 million. The average personnel expense per employee was € 38.7 thousand compared to € 40.1 thousand in the previous year.



As of **December 31, 2013**, the number of employees was 10,982, compared to 11,290 at the end of the previous year.

In the Marketing/Retail segment, the number of employees decreased by 2.8% to 5,090 employees. In Sales, the number of employees fell by 3.1% to 2,324. In the Product Development/Design segment, the number of employees decreased by 5.4% to 872 employees. In the administrative and general units, the number of employees decreased by 1.3% to 2,696 employees.



Talent Identification and Development

We are convinced that each individual employee can make an important contribution to the success of our Company. As a result, the various training and development measures address employees and executive staff of all levels with the aim of providing the necessary knowledge, acquiring the required skills and reinforcing existing skills. The needs of the Company should therefore be aligned to the individual career goals of individual employees.

The global uniform Performance Management process provides the basis for identifying and developing talent. Skills assessment, which constitutes the basis for individual development plans, is carried out as part of this annual performance evaluation and target agreement.

The annual appraisal interviews are also used to create a flexible talent pool, which ensures that key positions are filled with the right individuals.

Structured succession planning and talent management allow PUMA to fill a large portion of vacant management positions at domestic and international levels from within the PUMA Group. Talented employees therefore remain committed to the Company and existing know-how is retained within the PUMA Group.

Executive Staff Development

The international Executive Staff Program has become a fixed part of the global training landscape since 2011. The multi-module program prepares executive staff of all levels for challenging change processes within the organization by providing tools that increase daily efficiency levels, giving an opportunity for individuals to reflect on their own leadership style, creating a common understanding of what leadership means at PUMA and offering a platform to become better connected within the organization.

Performance-based Compensation System

The compensation system at PUMA is both competitive and target-based. In addition to fixed wage components, bonus schemes form part of a performance-based remuneration system, and profit sharing programs allow employees to participate in the Company’s success. To supplement this, PUMA offers comprehensive social benefits and other intangible perks. We also offer long-term incentive programs for senior management levels that recognize the sustainable development and performance of the business.

Management System

We use a variety of **indicators to manage** our performance in relation to our top corporate goals. We have defined **growth and profitability as being key targets** within finance-related areas. Our focus therefore is on improving revenue and operating income before special items. At the same time, we aim to minimize working capital and improve free cash flow before acquisitions. Our Group's **Planning and Management System** has been designed to provide a variety of instruments in order to assess current business developments and derive future strategy and investment decisions. This involves the continuous monitoring of key financial indicators within the PUMA Group along with a monthly comparison with budget targets. Any deviations from the targets are analyzed in detail and appropriate countermeasures are taken in the event such deviations have a negative impact.

Changes in sales revenues are also influenced by **currency exchange effects**. This is why we also state any changes in sales adjusted for currency exchange effects in order to provide information that is relevant to the decision-making process when assessing the revenue position. Currency-adjusted sales volumes are based on the values that would arise if the foreign currencies included in the consolidated financial statements were not translated at the average rates for the current reporting year, but were instead translated at the corresponding average rates for the previous year. As a result, currency-adjusted figures are not to be regarded as a substitute or as superior financial indicators, but should instead always be regarded as additional information.

We believe that stating **operating income before special items** allows for a better assessment of the operating performance of the PUMA Group over certain periods of comparison. This means that one-off non-recurring expenses, such as those in connection with restructuring measures or impairment of goodwill, are not taken into account. We believe that this indicator is only of limited value, given that restructuring measures on their own can result in significant cash outflows, for example. However, we believe that this indicator provides useful additional information to investors and Company Management in order to be better able to assess current and future developments in terms of our income.

We use the indicator **free cash flow** in order to determine the change in cash and cash equivalents after deducting all expenses incurred to maintain or expand the organic business of the PUMA Group. Free cash flow is calculated from the cash flow from operating activities and investment activities. We also use the indicator **free cash flow before acquisitions**, which goes beyond free cash flow and includes an adjustment for payments that are associated with acquisitions.

We use the indicator **working capital** in order to assess the financial position. The term "working capital", which is often referred to in German as "Betriebskapital", is the difference between current assets - including in particular inventories and trade receivables - and current liabilities. Amounts that are received in connection with financing activities and special items are not included here.

Economic Report

General Economic Conditions

According to the winter forecast of the Kiel Institute for the World Economy from December 19, 2013, the world economy gained significant momentum in the course of 2013. However, the world economy only began to expand very slowly at the beginning of last year, even when taking into account the very low momentum in the second half of 2012. As a result, the expected annual growth of average global gross domestic product is expected to equal 2.9% in 2013, a slower rate than in the previous year, which had already seen a very moderate increase of 3.1%. In advanced economies, the growth rate again slowed compared to the previous year, which was primarily due to significantly weaker expansion in the United States. The Eurozone's gross domestic product shrank again, albeit slightly less than in the year before. However, growth rates decreased even more sharply in emerging markets than in advanced economies. In addition to the lack of demand from advanced economies, domestic economic problems have also contributed to a slowdown in growth in emerging markets.

The global sports equipment industry continued to grow without interruption during the previous financial year and the number of global market participants has risen once again. Although only limited levels of demand were expected in 2013 from the few major sporting events, the market capitalization of the industry has increased by around 49% compared to the previous year. Procurement prices appear to have stabilized at a high level.

PUMA also took advantage of numerous opportunities during the previous year in order to increase the familiarity of the brand even further. In the Champions League, Borussia Dortmund won over football purists throughout Europe with their distinctive style of play, whilst wearing jerseys embroidered with the famous cat logo, thus demonstrating PUMA's position as a premium football brand. Our brand ambassador, Usain Bolt, once again stole the show in beating his opponents at the World Athletics Championships in Moscow, thus becoming one of the most successful athletes of all time with his three gold medals. PUMA also introduced a number of innovative new products to the market and won numerous awards for its "Mobium" running shoes, along with the renowned ISPO Gold Award for its ACTV and RCVR performance bodywear.

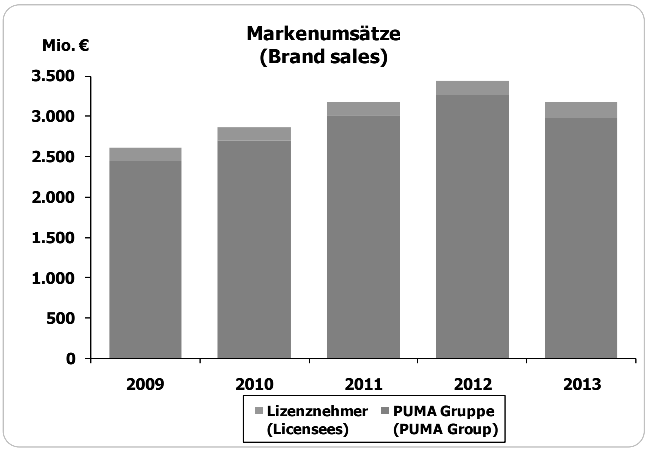
Sales

Illustration of Sales Development in 2013 Compared to 2012 Outlook

In the Outlook contained in the 2012 Annual Report, we stated at the beginning of the year that we did not expect to see any significant growth in sales in 2013. We had to adjust our forecasts in terms of growth in sales downward slightly in May 2013 as a result of the business developments seen in the first quarter and given the continued uncertain economic environment in certain key markets. We then expected to see a currency-adjusted fall in sales for the full year in the low to mid single-digit percentage range. The sales development in 2013 will be described here in more detail.

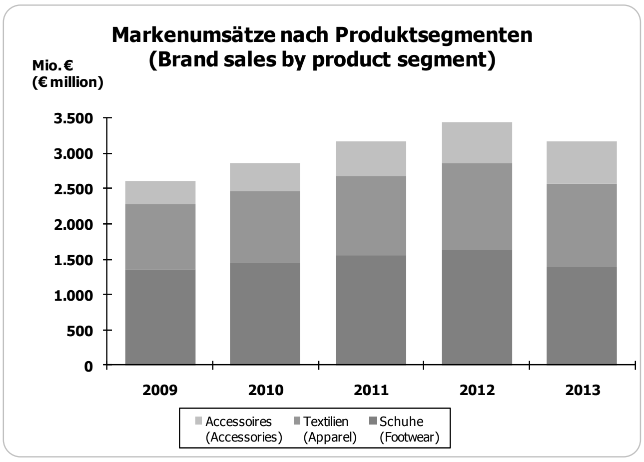
Brand sales

Global PUMA brand sales, consisting of both license sales and Group sales, decreased, currency-adjusted, by 2.3% and, in the reporting currency of Euros, by 7.8% to € 3,178.8 million during the financial year 2013.

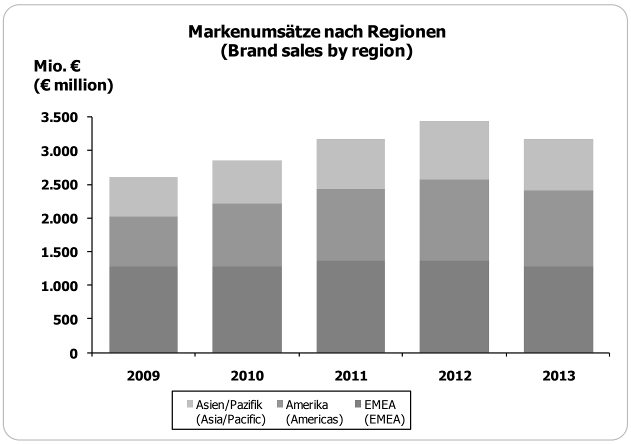


Footwear sales decreased currency-adjusted by 8.2% to € 1,403.4 million. In contrast, apparel sales increased currency-adjusted by 0.7% to € 1,170.2 million and accessories sales increased currency-adjusted by 7.6% to € 605.2 million.

Footwear accounted for 44.1% (47.1%) of brand sales, apparel for 36.8% (36.0%) and accessories for 19.0% (17.0%).

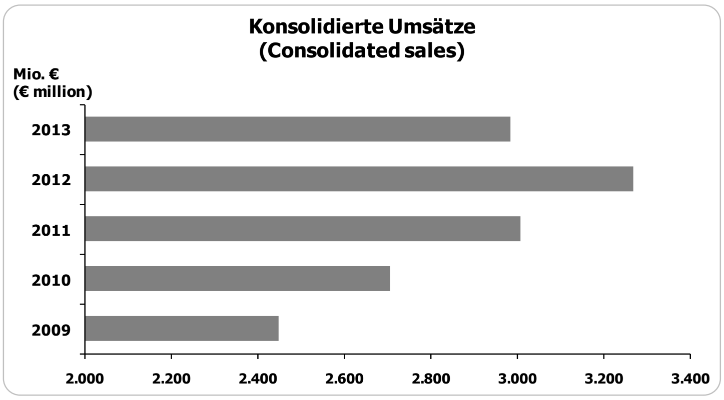


Brand sales are allocated to regions as follows: **EMEA** 40.2% (39.5%), **Americas** 35.6% (35.1%) and **Asia / Pacific** 24.2% (25.4%).



Consolidated sales

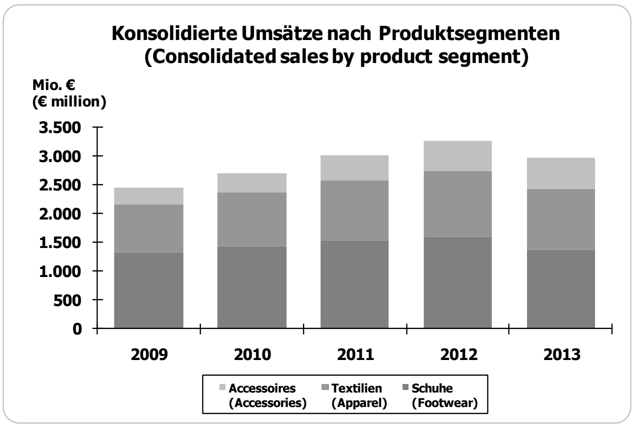
During the financial year 2013, consolidated sales decreased currency-adjusted by 3.0% and by 8.7% in reported terms, to € 2,985.3 million. The decline was in line with expectations and was as a result of difficult economic conditions, particularly in many parts of Europe, as well as the closure of retail stores and streamlining of the product portfolio as part of the transformation and cost reduction program.



Currency-adjusted sales in the **footwear** product segment fell by 8.6% and by 14.0% in reported terms to € 1,372.1 million. This share accounts for 46.0% of consolidated sales compared to 48.8% in the previous year.

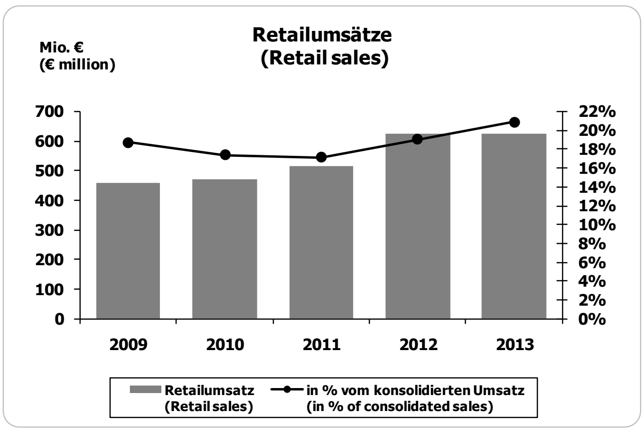
Currency-adjusted sales in the **apparel** product segment fell slightly by 1.2% and by 7.6% in reported terms to € 1,063.8 million. This share accounted for 35.6% of consolidated sales in 2013, compared to 35.2% in the previous year.

Currency-adjusted sales in the **accessories** product segment increased by 9.7% and by 4.9% in reported terms to € 549.4 million. This share accounts for 18.4% of consolidated sales compared to 16.0% in the previous year. This positive development is due primarily to rising sales of Cobra Accessories and Dobotex socks and bodywear.



Retail businesses

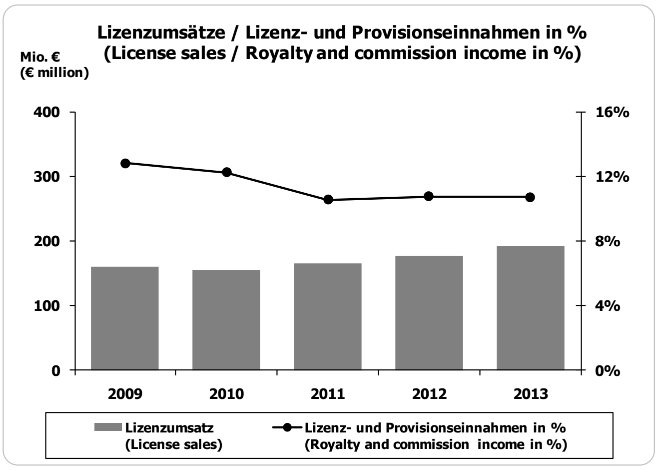
PUMA's own retail businesses include PUMA stores, factory outlets and online sales, which guarantee local availability and a controlled sell-off of PUMA products, as well as the presentation of the brand within appropriate settings. During the financial year 2013, sales from the Company's own retail businesses remained stable at € 623.3 million, or 20.9% of consolidated sales. As already mentioned, PUMA will continue to optimize its portfolio of retail stores and pay greater attention to these distribution channels, particularly in emerging markets.



Licensing business

For various product segments, such as fragrances, eyewear, and watches, PUMA issues licenses authorizing independent partners to design, develop and sell these products. Revenue from license agreements also includes some sales licenses for various markets.

Currency-adjusted sales rose in 2013 by 10.1% to € 193.5 million. In the reporting currency of the Euro, this corresponds to an increase of 8.7%.



Overall, license sales included € 20.8 million of royalty and commission income, compared to € 19.2 million in the previous year. This corresponds to 10.7% (previous year: 10.8%) of license sales.

Results of Operations

Income Statement	2013		2012		+/- %
	€ million	%	€ million	%	
Sales	**2,985.3**	100.0%	**3,270.7**	100.0%	**-8.7%**
Cost of sales	-1,597.8	-53.5%	-1,691.7	-51.7%	-5.6%
Gross profit	**1,387.5**	46.5%	**1,579.0**	48.3%	**-12.1%**
Royalty and commission income	20.8	0.7%	19.2	0.6%	8.3%
Other operating income and expenses	-1,216.9	-40.8%	-1,307.5	-40.0%	-6.9%
Operating income before special items	191.4	6.4%	290.7	8.9%	-34.1%
Special items	-129.0	-4.3%	-177.5	-5.4%	-27.3%
Operating income (EBIT)	62.5	2.1%	113.2	3.5%	-44.8%
Financial result / Income from associated companies	-8.7	-0.3%	-0.9	0.0%	869.4%
Earnings before taxes (EBT)	53.7	1.8%	112.3	3.4%	-52.1%
Taxes on income	-32.5	-1.1%	-32.5	-1.0%	0.1%
Tax rate	-60.5%		-28.9%		
Net earnings attributable to non-controlling interests	-15.9	-0.5%	-9.6	-0.3%	0.1%
Net earnings	**5.3**	0.2%	**70.2**	2.1%	**-92.4%**
Weighted average shares outstanding (million)	14.940		14.967		-0.2%
Weighted average shares outstanding, diluted (million)	14.941		14.968		-0.2%
Earnings per share in €	0.36		4.69		-92.4%
Earnings per share, diluted in €	0.36		4.69		-92.4%

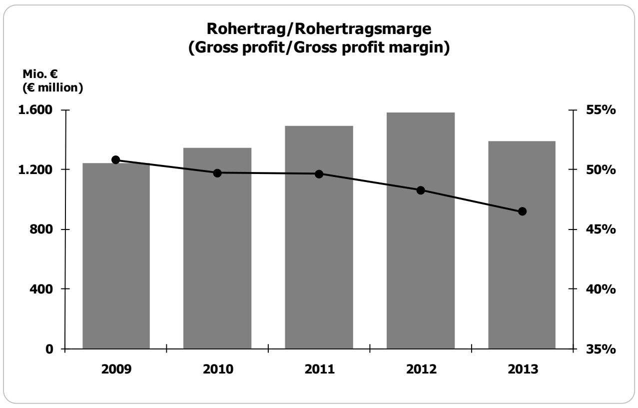
To provide a more transparent view of business development, the chart above and the explanations below – unlike the consolidated income statement – show the special items from structural measures in connection with the transformation and cost reduction program as well as selected non-recurring expenses in the financial year on a separate line, because the operating income before special items provides a more accurate picture of the Company's profitability.

Illustration of Earnings Development in 2013 Compared to the 2012 Outlook

In the Outlook contained in the 2012 Annual Report, we stated at the beginning of the year that we expected to see a sharp decline in the gross profit margin in 2013. In addition, we expected to see an improvement in operating income (EBIT) before special items in the low to mid single-digit percentage range, meaning therefore that consolidated net income would increase significantly as a result of the one-off expenses incurred in 2012. In November 2013, the PUMA management team announced that one-off expenses totaling approximately € 130 million were to be posted in the fourth quarter, meaning therefore that a positive net result was to be expected, albeit at a level which is well below the previous year's result. The earnings development in 2013 will be described here in more detail.

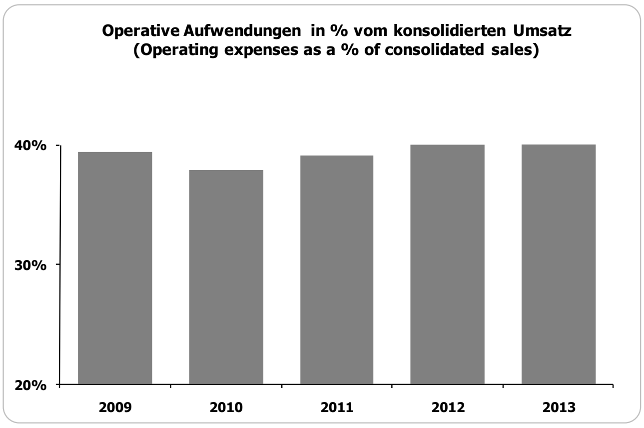
Gross Profit Margin

The expected and continued pressure on the gross profit margin resulted in a decline in the margin from 48.3% to 46.5%. The charges based on foreign currency rate fluctuations, increased promotional measures as well as the regional mix, due to lower sales in higher margin regions like Europe and Asia, and the product mix, especially in relation to footwear, all contributed to this decline. In absolute terms, the gross profit margin decreased by 12.1% from € 1,579.0 billion to € 1,387.5 billion. The gross profit margin for footwear according to product segment was 43.7%, compared to 46.5% in the previous year. The apparel gross profit margin decreased from 49.8% to 48.3% and in accessories it dropped from 50.5% to 49.8%.



Other Operating Income and Expenses

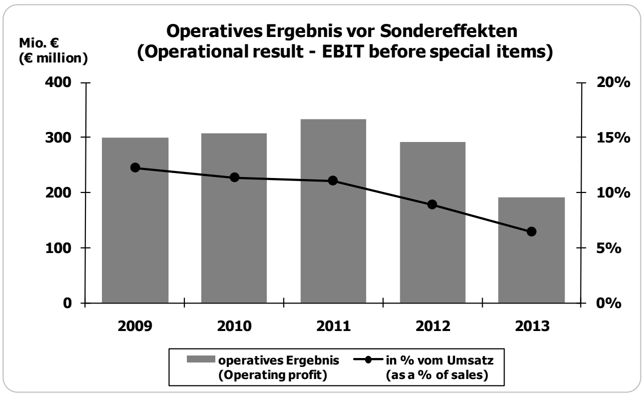
As a consequence of the various cost reduction measures taken during the previous year, other operating income and expenses for the financial year 2013 decreased by 6.9% from € 1,307.5 million to € 1,216.9 million. As a percentage of sales, the expense ratio amounts to 40.8% compared to 40.0% in the previous year.



In terms of sales expenditure, expenditure for marketing/retail purposes decreased by 10.7% from € 609.3 million to € 544.1 million. This decrease is in relation to the closure of retail stores as part of the transformation and cost reduction program. The expense ratio declined from 18.6% to 18.2% of sales. Other sales expenditures decreased, due to the fall in sales revenue, by 6.8% to € 401.7 million and the expense ratio went up slightly from 13.2% to 13.5% of sales. Expenditure related to product development and design fell from € 84.9 million to € 80.7 million. However, the expense ratio increased from 2.6% to 2.7% of sales.
Administrative and general expenses rose slightly by 1.5% to € 208.1 million. The expense ratio in percentage of sales increased from 6.3% to 7.0%. Other operating income was also made with € 17.7 million (previous year: € 22.9 million).
Depreciation/amortization totaling € 53.8 million (previous year: € 59.5 million) is included under the respective cost items. This represents a fall in depreciation/amortization of 9.6% compared to the previous year.

Operating income (EBIT) before special items

Operating income before special items fell from € 290.7 million in the previous year to € 191.4 million. As a percentage of sales, this represents an operating margin of 6.4% compared to 8.9%.



Special items

PUMA posted special items totaling € 129.0 million in the fourth quarter of 2013. The special items in question primarily relate to non-cash impairment losses on non-current assets, including in particular goodwill and trademark rights, as a result of reduced expected earnings in individual markets. Further details on impairment losses can be found in paragraphs 9, 10 and 11 of the Notes to the Consolidated Financial Statements.

The special items also include one-off expenses incurred during the financial year in connection with the strategic realignment implemented by the new management team. These measures include the closure of the Product Development Center in Vietnam along with the centralization of our International Product Teams in Herzogenaurach. They were assigned to special items as these expenses were not related to the operational activities of PUMA.

Operating income (EBIT)

Operating income including special items totaled € 62.5 million. In percentage of sales, this represents an operating margin of 2.1%.

Financial Result

The financial result was -€ 8.7 million compared to -€ 0.9 million in the previous year. The financial result includes interest income of € 6.2 million (previous year: € 4.4 million) and interest expenses of € 6.7 million (previous year: € 7.2 million). The financial result of € 1.3 million (previous year: € 0.6 million) also includes income from an associated company, Wilderness Holdings Ltd. In addition, the financial result includes expenses from long-term purchase price liabilities and accrued interest from company acquisitions totaling € 0.1 million (previous year: € 0.2 million) and € 1.0 million (previous year: € 1.0 million) from pension plan valuations and € 8.4 million expenses arising from currency-conversion differences (previous year: income totaling € 2.5 million) associated with financing activities.

Earnings before tax (EBT)

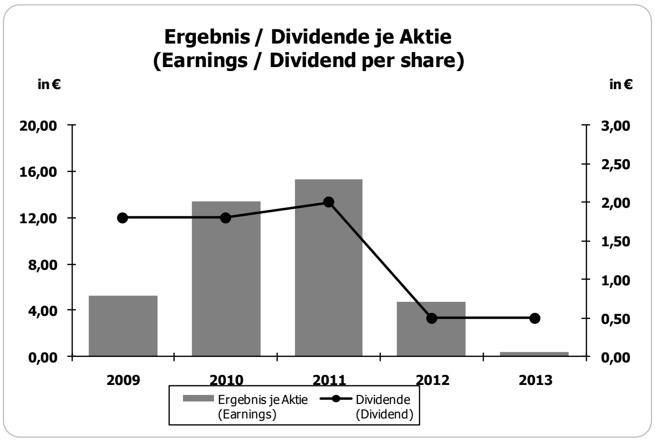
Earnings before tax dropped from € 112.3 million to € 53.7 million or, in percentage terms, from 3.4% to 1.8% of sales. This decrease is essentially the result of the special items already mentioned. Tax expenses remained the same as in 2012 at € 32.5 million. The tax rate attributable to non-tax impairment losses resulting from the special items was 60.5%, which is above the previous year’s figure of 28.9%.

Group Earnings

Group earnings in 2013 were at € 5.3 million compared to € 70.2 million in the previous year. The net rate of return fell to 0.2% compared to 2.1% in the previous year. Earnings per share as well as diluted earnings per share fell to € 0.36 in comparison to € 4.69 in the previous year.

Dividends

The Managing Directors will recommend to the Administrative Board and the shareholders at the Annual General Meeting on May 13, 2014, that a dividend of € 0.50 per share is distributed from PUMA SE's retained earnings for the 2013 financial year. As a percentage of Group earnings, the payout ratio amounts to 140.3% compared to 10.6% in the previous year. The dividends will be distributed the day after the Annual General Meeting, when the resolution on the distribution is adopted.

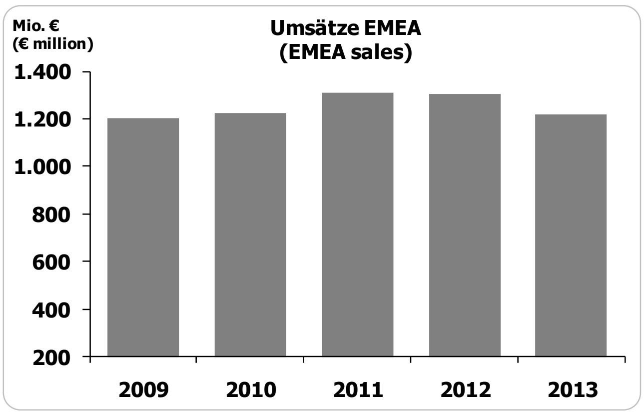


Regional Development

In the **EMEA** region, currency-adjusted sales fell by 4.4% to € 1,218.4 million due to the macro-economic difficulties in many parts of Europe. In the reporting currency, the Euro, sales fell by 6.4%. As a percentage of consolidated sales, the EMEA region accounted for 40.8%, compared to 39.8% in the previous year.

A breakdown by product segment shows that currency-adjusted footwear sales were down by 6.8% and currency-adjusted apparel sales were down by 6.5%. However, currency-adjusted accessories sales were up by 5.0%.

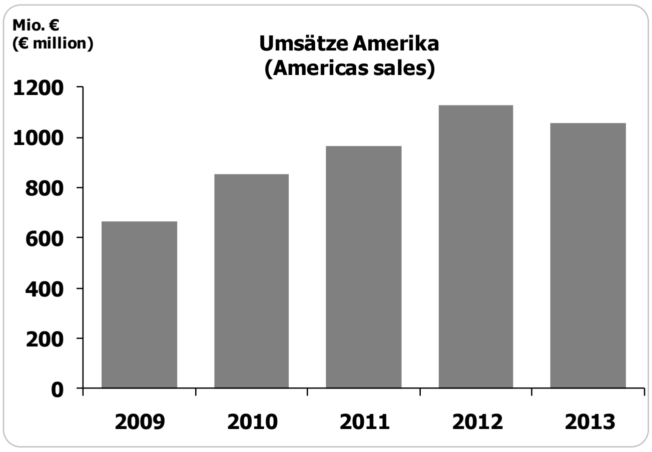
EMEA's gross profit margin registered at 46.0%, compared to 48.7% in the previous year.



In the **Americas** region, currency-adjusted sales fell slightly by 0.7% to € 1,056.0 million. However, in the reporting currency, the Euro, sales fell by 6.3%. This share accounted for 35.4% of consolidated sales compared to 34.5% in the previous year.

Currency-adjusted footwear sales fell by 10.8%. However, apparel sales were up by 8.2%. Accessories sales were up significantly by 25.0%. This can be attributed in particular to the companies PUMA Wheat Accessories and Janed (socks and bodywear).

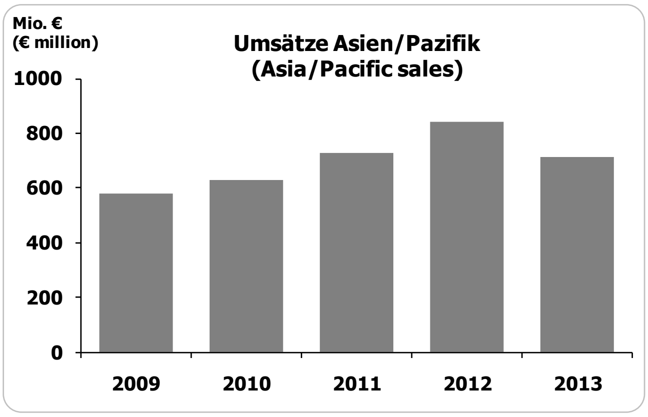
The gross profit margin was equal to 45.2% compared to 46.4% in the previous year.



Currency-adjusted sales in the **Asia/Pacific** region fell by 4.0% to € 710.9 million. In the reporting currency, the Euro, sales were 15.5% lower than the year before, which was due in particular to the weakness of the Japanese Yen against the Euro. This share accounted for 23.8% of consolidated sales compared to 25.7% in the previous year.

Currency-adjusted footwear sales fell by 7.3%, apparel sales fell by 1.3% and accessories sales fell by 3.5%.

The gross profit margin also fell from 50.2% to 49.1%, which was also influenced by the unfavorable foreign currency exchange movements.

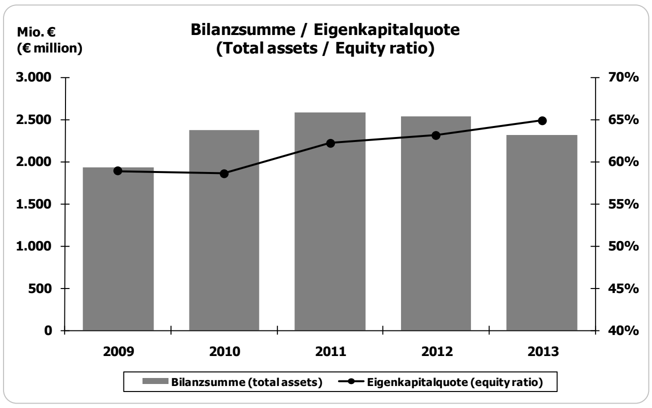


Net Assets and Financial Position

Balance Sheet	31.12.2013		31.12.2012		+/- %
	€ million	%	€ million	%	
Cash and cash equivalents	390.1	16.9%	407.3	16.1%	-4.2%
Inventories	521.3	22.6%	552.5	21.8%	-5.7%
Trade receivables	423.4	18.3%	507.0	20.0%	-16.5%
Other current assets (Working Capital)	167.8	7.3%	167.4	6.6%	0.2%
Other current assets	11.6	0.5%	8.4	0.3%	37.5%
Current assets	**1,514.2**	65.6%	**1,642.6**	64.9%	-7.8%
Deferred taxes	164.2	7.1%	152.0	6.0%	8.0%
Other non-current assets	630.1	27.3%	735.7	29.1%	-14.3%
Non-current assets	**794.3**	34.4%	**887.6**	35.1%	-10.5%
Total assets	**2,308.5**	100.0%	**2,530.3**	100.0%	-8.8%
Current financial liabilities	25.1	1.1%	44.1	1.7%	-43.1%
Trade liabilities	373.1	16.2%	376.1	14.9%	-0.8%
Other current liabilities (Working Capital)	211.1	9.1%	227.2	9.0%	-7.1%
Other current liabilities	81.6	3.5%	156.1	6.2%	-47.8%
Current liabilities	**690.8**	29.9%	**803.5**	31.8%	-14.0%
Deferred taxes	50.3	2.2%	54.1	2.1%	-7.0%
Pension provisions	28.1	1.2%	30.7	1.2%	-8.6%
Other non-current liabilities	42.1	1.8%	44.7	1.8%	-5.8%
Non-current liabilities	**120.4**	5.2%	**129.4**	5.1%	-6.9%
Shareholders' equity	**1,497.3**	64.9%	**1,597.4**	63.1%	-6.3%
Total liabilities and shareholders' equity	**2,308.5**	100.0%	**2,530.3**	100.0%	-8.8%
Working capital	**528.4**		**623.7**		-15.3%
- in % of consolidated sales	17.7%		19.1%		

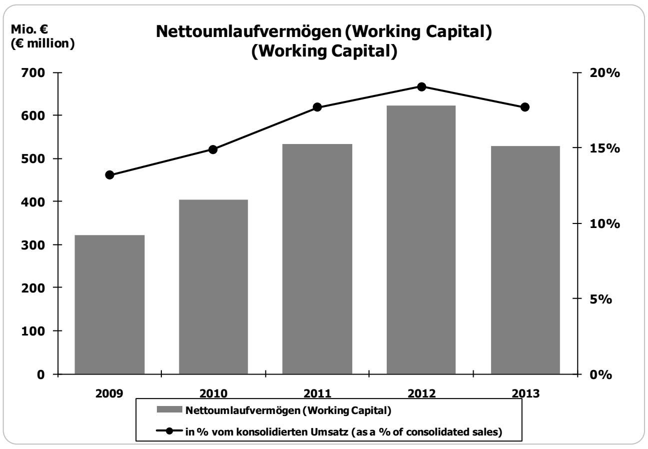
Equity ratio

As of December 31, 2013, total assets fell by 8.8% from € 2,530.3 billion to € 2,308.5 billion. Compared to the previous year, the equity ratio rose from 63.1% to 64.9%. In absolute terms, shareholders' equity decreased by 6.3% from € 1,597.4 billion to € 1,497.3 billion due to currency effects. PUMA still has an extremely solid capital base.



Working Capital

In the reporting year, working capital fell by 15.3% from € 623.7 million to € 528.4 million. As a percent of sales, working capital therefore fell from 19.1% to 17.7%. The decrease in working capital resulted primarily from the decline in trade receivables of 16.5% from € 507.0 million to € 423.4 million and the decrease in inventories by 5.7% from € 552.5 million to € 521.3 million. Other assets and liabilities attributable to working capital changed only slightly compared to the previous year.



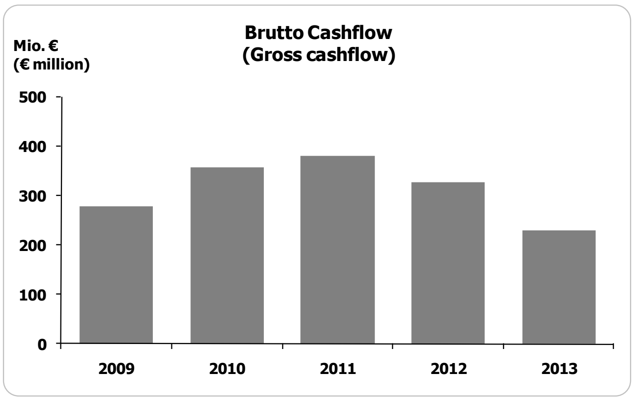
Other assets

Other current assets, which include the market value of financial derivatives, have increased compared to the previous year by 37.5% to € 11.6 million. Other non-current assets, consisting mainly of intangible assets and property, plant and equipment, fell by 14.3% to € 630.1 million as a result of the impairment losses included under special items. Other current liabilities dropped compared to the previous year by 47.8% to € 81.6 million, which was mainly caused by the use of the restructuring provision arising from the transformation and cost reduction program.

Cash Flow

Cashflow Statement	2013 € million	2012 € million	+/- %
Earnings before tax (EBT)	53.7	112.3	-52.1%
Financial result and expenses and income not in the income statement	176.9	215.3	-17.8%
Gross cashflow	**230.6**	**327.6**	**-29.6%**
Change in current assets, net	-45.0	-91.5	-50.8%
Taxes and interest payments	-76.3	-79.4	-3.9%
Net cash from operating activities	**109.3**	**156.7**	**-30.2%**
Payment for acquisitions	-20.6	-91.7	-77.5%
Payment for investing in fixed assets	-55.7	-81.2	-31.4%
Other investing activities	-3.8	8.0	-147.5%
Net cash used in investing activities	**-80.1**	**-164.9**	-51.4%
Free cashflow	**29.2**	**-8.2**	-457.5%
Free cashflow (before acquisitions)	**49.8**	**83.5**	-40.4%
- in % of consolidated sales	1.7%	2.6%	-
Net cash used in financing activities	**-24.8**	**-21.2**	17.3%
Effect on exchange rates on cash	-21.6	-11.7	85.3%
Change in cash and cash equivalents	-17.2	-41.0	-58.1%
Cash and cash equivalents at beginning of the financial year	407.3	448.2	-9.1%
Cash and cash equivalents at year-end	**390.1**	**407.3**	-4.2%

Gross cash flow during the 2013 financial year decreased by 29.6% to € 230.6 million. The decrease resulted from the decline in profit before tax as well as from the lower non-cash special items compared to the previous year.

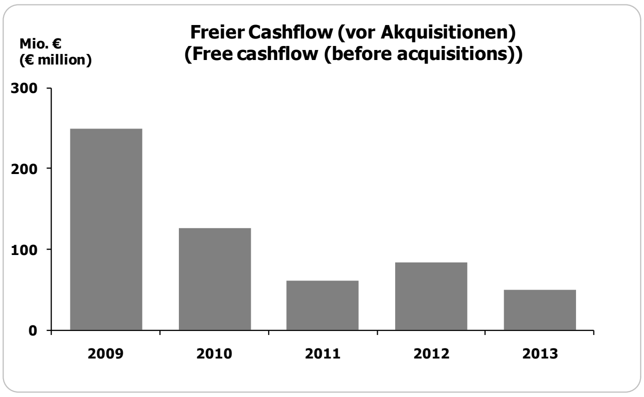


The change in net working capital* reflected a cash outflow of € 45.0 million in 2013 compared to € 91.5 million in the previous year. Taxes and interest payments totaled € 76.3 million in the 2013 financial year, compared to € 79.4 million in the previous year, thus resulting in a reduced cash inflow from current business activity totaling € 109.3 million compared to € 156.7 million in the previous year.

* Net working capital includes normal working capital line items plus current assets and liabilities which are not normally part of the working capital calculation.

The cash outflow from investment activity fell from € 164.9 million to € 80.1 million. This fall is linked in particular to the purchase of the remaining outstanding shares in Dobotex during the previous financial year. In addition, current investments in fixed assets fell from € 81.2 million to € 55.7 million in 2013. Some of the investments in 2013 relate to selective investments in retail stores.

The net result of cash in- and outflows from current operating and investment activities is the "free cash flow", which improved significantly from -€ 8.2 million in the previous year to € 29.2 million. Without taking payments for acquisitions into account, free cash flow fell from € 83.5 million to € 49.8 million. As a percentage of sales, free cash flow (before acquisitions) amounts to 1.7% compared to 2.6% in the previous year.



The cash outflow from financing activities mainly includes € 7.5 million in dividend payments to shareholders of PUMA SE (previous year: € 29.9 million) and the repayment of current financial liabilities.

Cash and cash equivalents decreased from € 407.3 million at the beginning of the year to € 390.1 million as of December 31, 2013. The PUMA Group also has credit facilities totaling € 347.0 million as of December 31, 2013, (previous year: € 347.9 million), and the non-utilized credit facilities totaled € 324.9 million as of the reporting date compared to € 303.8 million in the previous year.

Value Management

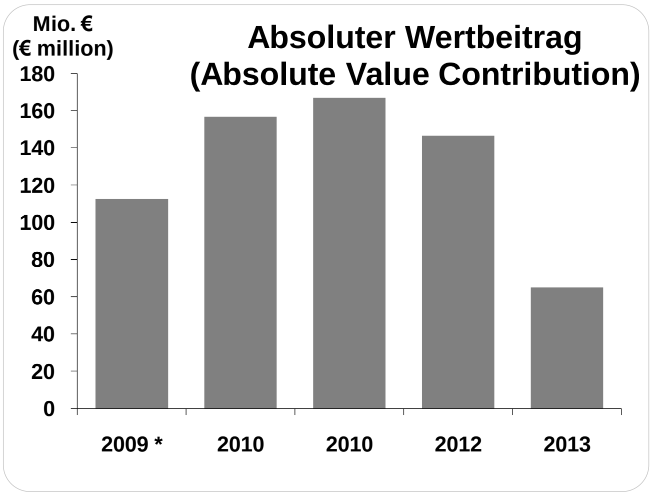
The cash flow return on investment ("CFROI") is used to measure the return on equity and is the quotient from gross cash flow and gross cost basis of the investment.

The gross cost basis of investment includes all financial resources and assets available prior to accumulated depreciation and amortization. The gross cash flow is from consolidated net earnings before special items, adjusted for depreciation/amortization and interest expense.

In the 2013 financial year, the cash flow return on investment (CFROI) fell to 9.9% from 13.6% in the previous year due to the reduced cash flow before special items.

The absolute value contribution is equal to the gross cost basis of the investment multiplied by the difference between the cash flow return on investment (CRFOI) and the cost of capital (WACC).

Taking into account the capital costs of 6.4% (previous year: 6.2%), the absolute value contribution fell from € 146.5 million to € 65.0 million.



Calculation of Weighted Average Capital Costs (WACC)	2013	2012	2011	2010	2009 *
Cost of stockholders equity	**7.0%**	**6.9%**	**7.0%**	**7.7%**	**8.4%**
Cost of liabilities after tax	**3.0%**	**2.8%**	**3.2%**	**3.4%**	**3.8%**
Calculation					
Market Capitalization	3,510.9	3,365.3	3,370.7	3,715.3	3,496.7
Share of equity	**84.9%**	**83.3%**	**85.7%**	**87.8%**	**86.8%**
Calculatetd liabilities	607.0	667.4	563.4	514.9	535.8
Share of liabilities	**14.7%**	**16.5%**	**14.3%**	**12.2%**	**13.3%**
WACC after tax	**6.4%**	**6.2%**	**6.5%**	**7.1%**	**7.8%**

* adjusted comparable figures according to IAS 8, see notes to the consolidated financial statements as of December 31, 2010

Calculation of CFROI and CVA	2013 € million	2012 € million	2011 € million	2010 € million	2009 * € million
Gross cashflow	**185.2**	**269.4**	**300.1**	**289.7**	**235.0**
Gross investment basis	**1,872.9**	**1,976.7**	**2,053.7**	**1,860.7**	**1,572.8**
Cashflow return on investment (CFROI)	**9.9%**	**13.6%**	**14.6%**	**15.6%**	**14.9%**
CFROI - WACC	**3.5%**	**7.4%**	**8.1%**	**8.4%**	**7.2%**
Cash Value Added (CVA)	**65.0**	**146.5**	**166.8**	**156.7**	**112.5**

* adjusted comparable figures according to IAS 8, see notes to the consolidated financial statements as of December 31, 2010

Compensation Report

Managing Directors

The compensation of the Managing Directors, which is determined by the Administrative Board, consists of non-performance-based and performance-based components. The non-performance-based components consist of a fixed salary and non-cash compensation, whereas the performance-based components consist of bonuses and components with a long-term incentive effect (stock appreciation rights). Along with job assignments and performance of each individual Managing Director, the criteria for calculating the total remuneration are the economic situation, long-term strategic planning and related targets, the long-term durability of targeted results, the Company's long-term prospects as well as international benchmark comparisons.

Fixed salary as non-performance-based basic compensation is paid monthly. In addition, the Managing Directors receive non-cash compensation, such as company cars and insurance premiums. In principle, these benefits are granted to all Managing Directors in an equal manner and are included in the non-performance-based compensation.

The bonus component of performance-related compensation is mainly based on the PUMA Group's operating income and free cash flow and is staggered according to the degree to which targets are met. An upper limit is also agreed.

The previous performance-based compensation component with a long-term incentive effect (stock appreciation rights) as part of a stock option plan was not granted beyond the 2012 financial year. Details on the parameters used for the respective programs are provided in Section 19 of the Notes to the Consolidated Financial Statements.

In the 2013 financial year, a new remuneration program with a long-term incentive effect was introduced, which is due to be accepted at the first Administrative Board meeting of 2014. Provisions amounting to € 0.4 million were recorded for this, based on commitments to the Managing Directors in employment contracts. The new performance-based program is aimed at further increasing the value of PUMA SE over a period of several years.

The fixed compensation for the Managing Directors amounted to € 1.9 million in the financial year (previous year: € 2.5 million) and variable bonuses came to € 0.9 million (previous year: € 0.4 million). € 0.1 million (previous year: € 0.1 million) was granted in non-cash compensation.

Following the allocation of expenses to the vesting period, the expenses resulting from options issued in previous years amounted to a total of € 0.3 million (previous year: € 1.1 million income).

The Managing Directors receive pension benefits, for which the Company took out a pension liability insurance policy. The proportion of the pension capital that is already financed through contributions to the pension liability insurance is deemed to be vested. € 0.3 million was allocated for Managing Directors in the financial year (previous year: € 0.2 million). The present value of the pension benefits granted to Managing Directors in the amount of € 0.3 million as at December 31, 2013 (previous year: € 0.4 million) was offset against the pledged asset value of the pension liability insurance policy, which was of an equal amount.

Pension obligations to former members of the Board of Management and Managing Directors amounted to € 12.5 million (previous year: € 10.2 million) and are accordingly recognized as liabilities under pension provisions, unless they are offset against asset values of an equal amount. Pensions were paid in the amount of € 0.2 million (previous year: € 0.2 million).

Administrative Board

In accordance with the Articles of Association, the Administrative Board has at least three members; it currently consists of nine members. The compensation of the Administrative Board is comprised of a fixed and a performance-based component. The total fixed compensation amounted to a total of € 0.3 million (previous year: € 0.3 million).

In accordance with the Articles of Association, each member of the Administrative Board receives fixed annual compensation in the amount of € 25,000. Fixed remuneration is increased by an additional fixed annual amount of € 25,000 for the Chairman of the Administrative Board, € 12,500 for the Vice Chairman of the Administrative Board, € 10,000 for the Chairman of a committee (with the exception of the Nominating Committee) and € 5,000 for each member of a committee (with the exception of the Nominating Committee).

In addition, each Administrative Board member receives performance-based compensation equal to € 20.00 for each € 0.01 by which the earnings per share figure as disclosed in the consolidated financial statements exceeds a minimum amount of € 16.00 per share. The performance-based compensation amounts to a maximum of € 10,000 per year. The Chairman of the Administrative Board receives twice this amount (maximum € 20,000); the Vice Chairman receives one and a half times this amount (maximum € 15,000) in compensation. Since earnings per share are below the minimum amount in the financial year, no performance-based compensation is paid.

Risk and Opportunity Management

Due to the global nature of its business, PUMA is constantly exposed to risks that must be monitored and limited. But where there are risks there are also opportunities, and it is important to identify, evaluate and continually monitor the risks as well as the associated opportunities by implementing effective risk and opportunity management policies.

Monitoring and minimizing risks as well as recognizing and taking opportunities means making the future secure, while increasing globalization requires rapid responses to a wide variety of situations. In a dynamic world where product life cycles are short, businesses are exposed to both internal and external risks.

The risk-management guidelines and organization at PUMA provide for methodical and systematic procedures throughout the Group. The direct responsibility for identifying and monitoring risks is assigned to functional employees or employees responsible for implementing processes; they in turn report the risks they identify and their nature. To do so, risk managers have a Group-wide uniform risk management system at their disposal, which only detects risks as opposed to any opportunities. Risk managers provide information about major changes in the risk portfolio in the form of periodic and ad-hoc reports.

This process ensures that risks are quickly and flexibly identified and forwarded to the "Risk & Compliance Committee" (hereinafter referred to as "RCC"). The "RCC" consists of a fixed group of executive staff from various corporate divisions. The position of "RCC" Chairman is filled by a Managing Director. The RCC Chairman reports the results from the RCC meetings to the other Managing Directors as well as to the Administrative Board. The RCC also regularly carries out a documented risk assessment as a critical review of the existing risk portfolio and to identify any possible changes.

PUMA's Group-wide internal audits and its comprehensive reporting and controlling system are essential components of its risk management approach. PUMA's reporting and controlling system is based on monthly financial reporting as well as the review and plausibility reports on reported information issued by Controlling.

Managers analyze opportunities and risks in annual planning discussions around the world, setting targets and defining courses of action based on the results. The comprehensive reporting system continuously monitors and generates reports on compliance with the set targets. This enables PUMA to identify any deviations or negative developments promptly and to initiate any necessary countermeasures at an early stage.

Risk and Opportunity Categories

Macroeconomic Developments

As an international company, PUMA is directly exposed to global macroeconomic developments. Developments in the broader economy can have a direct impact on consumer behavior. For example, political crises, changes to the legal framework and social influences may have a direct positive or negative effect on consumer behavior.

PUMA counters these risks through geographic diversification and a balanced product portfolio that leaves its own creative mark and should thus set the Company apart from the competition in a positive manner.

Brand Image

As a branded consumer products company, PUMA is well aware of the importance of a strong brand image. PUMA has created an enviable brand image through its innovative and sustainable brand communication. Brand image is extremely important: it can have a positive impact on consumer behavior, but also a negative one to the detriment of the brand.

PUMA came up with a new mission statement in 2013 ("Forever Faster") in order to ensure PUMA's sporting roots are emphasized even further in future and to sharpen its perception as a sports brand. This new mission statement should help to revitalize the PUMA brand and ensure it is kept in the minds of consumers as the "fastest sports brand in the world".

Counterfeit Products

Counterfeit products can damage consumer confidence in the brand substantially and lead to a negative brand image for PUMA.

The PUMA brand's extremely high profile means that product counterfeiters are focusing on it. The fight against brand piracy is one of the top priorities at PUMA. PUMA's intellectual property team does more than just protect a strong global intellectual property portfolio of trademarks, designs and patents. Its global network of brand protection officers, external law firms and private investigation agencies also battles an increasing number of counterfeit products that damage PUMA's image and sales.

In order to counter product piracy effectively, PUMA also works closely with customs and other law-enforcement authorities around the world and provides input regarding the implementation of effective laws to protect intellectual property.

Reporting In the Media

Even a negative media report about PUMA, for example a product recall, infringement of data protection laws or disciplinary proceedings, can do significant damage to the brand and ultimately also result in the loss of sales and profit, regardless of whether these events actually happened or were just assumed by the media. PUMA manages this risk by way of careful PR work, which is managed from the Group's headquarters in Herzogenaurach, Germany.

Personnel Department

Creative potential, commitment and performance of its employees are important pillars and significant opportunities at the same time for the success of any corporate development. PUMA encourages independent thinking and acting, which is key in a trust-based corporate culture with a flat hierarchy.

PUMA's human-resources strategy seeks to ensure the long-term sustainability of this successful philosophy. To achieve this goal, a control process is in place to detect and assess human-resources risks. Accordingly, special attention has been paid to talent management, identifying key positions and talented individuals, as well as optimum talent placement and succession planning. PUMA has instituted additional national and global regulations and guidelines to ensure compliance with legal provisions.

PUMA will continue to make targeted investments in the human resources need for particular functions or regions in order to meet the future requirement of its corporate strategy.

Procurement Department

Most products are produced in the emerging markets of Asia. Production in these countries is associated with various risks. For instance, certain risks may result from factors such as fluctuations in exchange rates, changes in taxes and customs duties, trade restrictions, natural disasters and political instability. Risks may also result from an overdependence on individual manufacturers.

The portfolio is regularly reviewed and adjusted to avoid creating a dependence on individual suppliers and procurement markets. In order to ensure that the necessary future production capacity will be available, framework agreements are generally concluded for extended periods.

Applying the principles of sustainable development, the PUMA Safe Team was founded 14 years ago to support the optimum integration of environmental protection and social responsibility into PUMA's core business areas and to reconcile these two pillars of sustainable development with economic development.

Product and Market Environment

Recognizing and taking advantage of relevant consumer trends early on is key to avoiding the risk posed by market-specific product influences, in particular the risk of substitutability in the increasingly competitive lifestyle market. Continuous development and implementation of new and innovative concepts are needed to adjust to continually shortening lifecycles. Only those companies that identify these trends at an early stage will be able to gain an edge over their competitors.

PUMA's heavy investment in product design and development ensures that the characteristic PUMA design and the targeted diversification of the entire product range are consistent with the overall brand strategy, thereby creating a unique level of brand recognition.

Additionally, on the sales side, PUMA is pursuing a selective distribution strategy in order to maintain a distinctive brand identity and reduce dependence on particular distribution channels. The focus on the Company's own retail outlets is also intended to ensure that PUMA products are presented exclusively in PUMA's preferred brand environment.

Retail

Distribution through its own retail stores is linked to various risks for PUMA, e.g. investments in expansion and equipping stores, higher fixed costs compared to distribution through wholesalers as well as lease agreements with long-term lease obligations, all of which can have a negative impact on profitability if business declines. On the other hand, extending the value chain can deliver higher gross margins and provide better control over distribution. In addition, PUMA-owned retail stores can deliver PUMA brand experience directly and more effectively to the end customer.

To avoid risks and take advantage of opportunities, PUMA performs in-depth location and profitability analyses before making investment decisions. The Company's strong controlling/key performance indicator system enables it to detect negative trends early on and take the countermeasures required to manage individual stores accordingly.

Organizational challenges

PUMA's decentralized organization supports the Company's global orientation. As PUMA evolves, its organizational structure is becoming ever more complex. To keep pace with this development, the Company has developed an integrated IT, logistics and human resources infrastructure. In addition, business processes will need to be continually optimized and adjusted as the Company grows.
PUMA continued with its transformation and cost reduction program in 2013. From an organizational perspective, it focuses on creating a regional business model as well as warehouse consolidation, for example.

Currency risks

As an international company, PUMA is subject to currency risks resulting from the disparity between the respective amounts of currency used on the purchasing and sales sides and from currency fluctuations.

PUMA's biggest procurement market is Asia, where most payments are settled in USD, while sales are mostly invoiced in other currencies. PUMA manages currency risk in accordance with internal guidelines. Forward currency contracts are used to hedge existing and future financial liabilities denominated in foreign currencies.

To hedge signed or pending contracts against currency risk, PUMA only concludes forward currency contracts on customary market terms with reputable international financial institutions and Kering Finance SNC. As of the end of 2013, the net requirements for the 2014 planning period were adequately hedged against currency effects.

Foreign exchange risks may also arise from intra-group loans granted for financing purposes. Currency swaps and forward currency transactions are used to hedge currency risks when converting intra-group loans denominated in foreign currencies into the functional currencies of the Group companies.

In order to disclose market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on earnings and equity. The periodic effects are determined by relating the hypothetical changes caused by the risk variables to the balance of the financial instruments held as of the balance sheet date. The underlying assumption is that the balance as of the balance sheet date is representative for the entire year.

Currency risks as defined by IFRS 7 arise on account of financial instruments being denominated in a currency that is not the functional currency and is monetary in nature. Differences resulting from the conversion of the individual financial statements to the Group currency are not taken into account. All nonfunctional currencies in which PUMA employs financial instruments are generally considered to be relevant risk variables.

Currency sensitivity analyses are based on the following assumptions:
Material primary monetary financial instruments (cash and cash equivalents, receivables, interest-bearing debt, liabilities from finance leases, non-interest-bearing liabilities) are either denominated directly in the functional currency or transferred into the functional currency through the use of forward exchange transactions.

Forward exchange transactions used to hedge against payment fluctuations caused by exchange rates are part of an effective cash-flow hedging relationship pursuant to IAS 39. Changes in the exchange rate of the currencies underlying these transactions have an effect on the hedge reserve in equity and the fair value of these hedging transactions.

If, as of December 31, 2013, the USD had appreciated (devalued) against all other currencies by 10%, the hedge reserve in equity and the fair value of the hedging transactions would have been € 57.2 million higher (lower) (December 31, 2012: € 56.4 million higher (lower)).

Interest rate risks

At PUMA, changes in interest rates do not have a significant impact on interest rate sensitivity and therefore do not require the use of interest rate hedging instruments.

Default risks

Because of its business activities, PUMA is exposed to default risk that is managed by continuously monitoring outstanding receivables and recognizing impairment losses, where appropriate.

The default risk is limited by credit insurance and the maximum default risk is reflected by the carrying amounts of the financial assets recognized on the balance sheet.

Liquidity risks

A liquidity reserve in the form of cash or cash equivalents as well as confirmed credit lines is maintained in order to ensure the Company's solvency at all times, its financial flexibility and the presence of a strategic liquidity buffer. Confirmed credit lines are made available until further notice or with a maturity period of less than one year.

PUMA continually runs an analysis of short-term capital requirements in the form of a rolling cash flow planning at the level of the individual companies in coordination with the central Treasury. Thanks to the solid liquidity of the PUMA Group and a central financing approach, any capital requirements are covered by internal financing, where and whenever possible. The central Treasury prepares medium-term liquidity planning as part of its budget process.

Capital risks

In spite of the global financial crisis, there are no significant capital risks since PUMA maintains a high equity ratio.

Risk of acts of misconduct

Acts of misconduct such as theft, fraud, breach of trust, embezzlement and corruption, as well as deliberate misrepresentations in financial reporting, may lead to significant material and reputational damage. PUMA makes use of various tools to manage these risks. They include the corporate governance system, the internal control system, Group controlling and the internal audit department. In addition, a Group-wide integrity hotline was set up in 2010 for reporting unethical, unlawful and criminal activity.

Summary

PUMA's risk management system allows the Company to fulfill the legal requirements pertaining to corporate control and transparency. The Management believes that in an overall evaluation of the Company's risk situation, risk is limited and manageable and poses no threat to the continued viability of the PUMA Group.

Main features of the internal control and risk management system as it relates to the Group's accounting process

PUMA SE's Managing Directors are responsible for the preparation and accuracy of the Consolidated Financial Statements and the Group Management Report. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards that apply in the EU and the requirements of the German Commercial Code (HGB) and the German SE Implementation Act (SEAG). Certain disclosures and amounts are based on current estimates by the Managing Directors.

The Company's Managing Directors are responsible for maintaining and regularly monitoring a suitable internal control and risk management system covering the consolidated financial statements and the disclosures in the Group management report. The control and risk management system is designed to ensure the compliance and reliability of the internal and external accounting records, the presentation and accuracy of the consolidated financial statements and the Group management report and the disclosures contained therein. The internal control and risk management system is based on a series of process-integrated monitoring steps and encompasses the measures necessary to accomplish these, internal instructions, organizational and authorization guidelines, a Code of Conduct and a Code of Ethics, a clear separation of functions within the Company and the dual-control principle. The adequacy and operating effectiveness of these measures are regularly reviewed in internal audits.

For monthly financial reporting and consolidation, PUMA has a Group-wide reporting and controlling system that allows it to detect deviations from projected figures and accounting irregularities regularly and promptly and, where necessary, to take countermeasures.

The risk management system can regularly, as well as on an ad-hoc basis, identify events that could affect the Company's economic performance and its accounting process so that it can analyze and evaluate the resulting risks and take the necessary actions to counter them.

In preparing the consolidated financial statements and the Group management report, it is also sometimes necessary to make assumptions and estimates that are based on the information available on the balance-sheet date and which will affect the reported amounts and recognition of assets and liabilities, income and expenses and contingent liabilities that are reported, as well as how these are classified.

The Administrative Board's Audit Committee meets regularly with the independent, statutory auditors, the Managing Directors and the internal audit department to discuss the results of the statutory audits of the financial statements and of the internal audits with respect to the internal control and risk management system as it relates to the accounting process. The statutory auditor reports to the Administrative Board in the meeting to discuss the annual financial statements.

Information Concerning Takeovers

Section 315 (4)(1) HGB

On the balance-sheet date, subscribed capital totaled € 38.6 million and was divided into 15,082,464 no-par-value shares. As of the balance-sheet date, the Company held 142,551 treasury shares.

Section 315 (4)(3) HGB

Messrs. François-Henri Joseph Pinault (48 Rue de Bourgogne, F-75007 Paris) and François Jean-Henri Pinault (7Bis Rue des Saint Pères, F-75006 Paris) notified us with a letter dated August 3, 2011 that the share of voting rights in PUMA SE allotted to each of them pursuant to Section 22 (1)(1)(1) WpHG [Securities Trading Act] exceeded the 75% threshold and on that day totaled 75.12% (11,330,446 voting rights), whereby at 1.15% of the share of voting rights (173,377 voting rights). This concerned treasury shares of PUMA SE. The shares of voting rights referred to are held by Messrs. Pinault through the following companies they control, whose shares of voting rights in PUMA SE amount to more than 3% (ranked by size of stake held by Messrs. Pinault): Financière Pinault S.C.A. (12 Rue François 1er, F-75008 Paris), Artémis S.A. (12 Rue François 1er, F-75008 Paris), Kering S.A. (previously known as PPR S.A.) (10 Avenue Hoche, F-75008 Paris) and SAPARDIS SE (10 Avenue Hoche, F-75008 Paris). We received corresponding disclosures from the aforementioned four intermediate holding companies on the same day.

Section 315 (4)(6) HGB

Regarding the appointment and dismissal of Managing Directors, reference is made to the applicable statutory requirements of Section 40 of the German SE Implementation Act (SEAG). In addition, Article 13(1) of PUMA SE's Articles of Incorporation stipulates that the Administrative Board shall appoint one or several Managing Director(s). It may appoint one of these Managing Directors as Chief Executive Officer and one or two as Deputy Chief Executive Officers. Pursuant to Art. 9(1)c(ii) of the SE Regulation (SE-VO), the requirements for changing the Articles of Incorporation are governed by Sections 133 and 179 of the German Stock Corporation Act (AktG).

Section 315 (4)(7) HGB

Pursuant to Section 4(3) and (4) of the Articles of Association of PUMA SE, the Authorized Capital expired on April 10, 2012. Pursuant to Section 4(3) and (4) of the Articles of Association of PUMA SE, on April 24, 2012 the Annual General Meeting revoked the authorization for the Authorized Capital and pursuant to Section 4(2) and (3) of the Articles of Association of PUMA SE, authorized a new Authorized Capital, including a corresponding amendment to the Articles of Association.

Pursuant to the resolution of the Annual General Meeting dated April 24, 2012, the Administrative Board is authorized to increase the share capital by April 23, 2017 as follows:

- By issuing up to € 7.5 million worth of up to 2,929,687 new bearer shares on one or more occasions with a pro-rata amount of the share capital of € 2.56 per share in exchange for cash contributions. The new shares can also be acquired by one or several banks as determined by the Administrative Board, subject to the obligation to offer these to the shareholders for subscription (indirect subscription right). The shareholders are basically entitled to a subscription right, whereby the shareholders' subscription rights may be excluded to prevent fractional amounts (Authorized Capital I).

- By issuing up to € 7.5 million worth of up to 2,929,687 new bearer shares on one or more occasions with a pro-rata amount of the share capital of € 2.56 per share in exchange for cash contributions or contributions in kind. The new shares can also be acquired by one or several banks as determined by the Administrative Board, subject to the obligation to offer these to the shareholders for subscription (indirect subscription right). Shareholders have in principle subscription rights whereby the shareholders' subscription rights may be wholly or partially excluded to avoid fractional shares (Subscribed Capital II).

Pursuant to the resolution passed by the Annual General Meeting of April 22, 2008, the share capital can be increased by up to € 1.5 million through the issuance of up to 600,000 new shares. The contingent capital increase shall be used exclusively for granting subscription rights (stock options) to former members of the Supervisory Board and the Managing Directors of the Company as well as other executives of the company and subordinate associated companies.

As of December 31, 2013, conditional capital was still available in a total amount of € 1.5 million (previous year: € 1.5 million).

Pursuant to the resolution passed by the Annual General Meeting of April 20, 2010, the company may purchase its own shares equivalent to up to 10% of the authorized capital until April 19, 2015.

For more details, please refer to the relevant disclosures in the Notes to the Consolidated Financial Statements (Section 18).

Supplemental Report and Outlook

Supplemental Report

There were no events after the balance sheet date that had any material impact on the assets, liabilities, financial position or profit or loss of the Group.

Outlook

Global economic situation

According to the winter forecast by the Kiel Institute for the World Economy (IfW) published on December 19, 2013, the outlook for the global economy had brightened somewhat at the turn of 2013/14. This is due to the fact that factors that have weighed heavily on the global economy over the past two years have become less significant. As a result, there is progress in terms of the consolidation process in the United States and there is renewed confidence in the continued existence of the eurozone currency area. In addition, structural adjustment measures are beginning to bear fruit in the eurozone and the confidence of households and businesses is expected to start growing gradually once again. It is hoped that the expansionary monetary policy will therefore gradually begin to exert its influence even more. Furthermore, the economy in key emerging markets has recently gained momentum. According to current forecasts, the expected increase in total global production of 3.7% in 2014 is significantly higher than the figure achieved in 2013, when global production expanded by 2.9%.

Outlook

In 2014, PUMA will reposition itself to become a true Sports Brand and give credible proof that it is indeed Forever Faster. PUMA is excited to launch its new brand statement "Forever Faster" through a global media campaign in the Autumn/Winter season 2014 – the company's biggest media campaign in the last decade. This re-ignition of the brand heat was kicked off by extending the partnership with the fastest athlete on the planet, Usain Bolt, and was further fuelled by signing one of the world's top football clubs, Arsenal FC, and Italian superstar Mario Balotelli. Moreover, in the coming year of football, 25% of all participating teams at the World Cup in Brazil will be wearing PUMA jerseys. With the signing of iconic sports marketing assets and the launch of high performance product innovations like the world's most powerful football boot evoPOWER, and with more to come, PUMA proves and will continue to demonstrate its competence as a true Sports Brand in 2014 and will also leverage its clear positioning in sports to sell sports-inspired lifestyle products.

The priority of PUMA's brand repositioning is to increase brand heat and to replace lower tier distribution with higher tier distribution in order to improve sales quality and sell-through. In close collaboration with key accounts, PUMA will build dedicated product and marketing programs which will help to regain shelf space and improve sell-through. While weaker first-half sales are expected, the rebuilt trust of PUMA's retail partners will start to materialize in the form of increased orders for the second half of the year. With the support of the Forever Faster media campaign and the partnership with Arsenal, the second half of the year is expected to compensate for the shortfall in sales experienced in the first half of the year.

PUMA therefore expects its net sales to be flat in 2014, but with improved revenue quality. Assuming minor input price inflation and stable currencies, the gross profit margin is expected to improve slightly due to sourcing improvements and favorable changes in the product mix.

Driven by strong marketing investments in media and sports assets, although combined with strict ongoing control of other costs, PUMA's OPEX will increase. Management therefore anticipates an EBIT margin before special items of approximately 5% of net sales in 2014.

However, due to the special items booked in 2013, management expects a significant improvement in the net profit margin, which is expected to come in at approximately 3.0% of net sales. (2013: 0.2%).

2014 will be a turnaround year for PUMA where the brand will be re-established in the market place and bring PUMA back to a path of profitable and sustainable growth in the mid-term.

Investments

Investments totaling around € 70 million are planned for 2014. The major portion will go to investments in infrastructure to create the operative preconditions for the planned sustainable growth as well as towards expanding our core markets and selective investments in retail stores.
In addition, there are current purchase price liabilities from corporate acquisitions that could presumably result in a cash outflow of € 0.5 million in 2014.

Foundation for long-term growth

The Managing Directors and the Administrative Board have established the long-term strategic priorities. Action plans are being implemented in a targeted, value-oriented manner. PUMA's management assumes that the implementation of restructuring measures and the implementation of the transformation program, along with the new "Forever Faster" corporate strategy, will lay the foundations for positive long term development.

Corporate Governance Report / Statement on Corporate Governance

Effective implementation of corporate governance is an important aspect of PUMA's corporate policy. Transparent and responsible corporate governance is a prerequisite for achieving corporate targets and for increasing the Company's value in a sustainable manner. The Administrative Board and the Managing Directors work closely with each other in the interests of the entire Company to ensure that the Company is managed and monitored in an efficient way that will ensure sustainable added value through good corporate governance.

Statement of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG)

2013 Statement of Compliance:

Pursuant to Art. 9(1)cii) of the SE Regulation (SE-VO) and Section 22(6) of the German SE Implementation Act (SEAG), in conjunction with Section 161 AktG, PUMA SE's Administrative Board declares that PUMA SE has been and is in compliance with recommendations issued by the "Government Commission on the German Corporate Governance Code" in the code version dated May 15, 2012, valid since June 15, 2012, (the "Code") and in the code version dated May 13, valid since June 10, 2013, (the "Code") since the last Statement of Compliance from October 2012 in consideration of the particulars of PUMA SE's single-tier system described under item 1 with the exceptions mentioned under item 2, and where it is not in compliance, explains why not.

1. Particulars of the Single-Tier Corporate Governance Systems

According to Art. 43 – 45 SE-VO, in conjunction with Sections 20 et seq. SEAG, under the single-tier system, management of the SE is the responsibility of a single company organ, the Administrative Board (see Para. 7 of the Code's Preamble). The Administrative Board manages the Company, determines the Company's basic business strategies and monitors the implementation of said strategies by the Managing Directors. The Managing Directors manage the Company's business, represent the Company in and out of court and are bound by instructions from the Administrative Board.

Basically, PUMA SE takes those parts of the Code that used to apply to the Supervisory Board and applies them to the Administrative Board and takes those parts of the Code that used to apply to the Board of Management and applies them to its Managing Directors. The following exceptions apply with respect to the legal framework for the single-tier system:

- In derogation of No. 2.2.1 p.1 of the Code, the Administrative Board must submit the annual financial statements and the consolidated financial statements to the Annual General Meeting, Section 48 (2) p. 2 SEAG.

- In derogation of Nos. 2.3.1 p. 1 and 3.7(3) of the Code, the Administrative Board is responsible for convening the Annual General Meeting; Sections 48 and 22(2) SEAG.

- The duties of the Board of Management listed in Sections 4.1.1 (Corporate Governance), 4.1.2 in conjunction with 3.2 half-sentence 1 (Development of the Company's Strategic Orientation) of the Code are the responsibility of the Administrative Board, Section 22(1) SEAG.

- The powers of the Board of Management governed by Sections 2.3.3 p. 2 (Proxy Bound by Instructions), 3.7(1) (Statement on a Takeover Bid) and 3.7(2) (Conduct during a Takeover Bid), as well as 3.10 (Corporate Governance Report), 4.1.3 (Compliance) and 4.1.4 (Risk Management and Controlling) of the Code shall be the responsibility of PUMA SE's Administrative Board; Section 22(6) SEAG.

- In derogation of Nos. 5.1.2 p. 5 and 5.1.2(6) of the Code, Managing Directors, unlike members of the Board of Management, are not subject to a fixed, maximum term of office; Section 40(1) p. 1 SEAG.

- In derogation of Nos. 5.4.2 p. 2 and 5.4.4 of the Code, members of the Administrative Board may be appointed as Managing Directors, provided that the majority of the Administrative Board continues to consist of non-executive Managing Directors; Section 40(1) p. 2 SEAG.

2. Exceptions to the Code's recommendations

- In derogation of No. 3.8(3) of the Code, members of the Administrative Board are provided with D&O insurance with no deductible. The Administrative Board feels that it can dispense with a deductible for members of the Administrative Board, because the D&O insurance is group insurance for people in Germany and abroad, and a deductible is fairly unusual abroad.

- In derogation of No. 4.2.3(2) p. 6 of the Code in the version dated May 13, 2013, the compensation of the Managing Directors does not show the maximum amount limits in total or their variable compensation components. The employment contracts of the Managing Directors were concluded in accordance with the current version of the Code and are deemed to be proper and correct by PUMA SE.
- In derogation of No. 4.2.3(5) of the Code in the version dated May 15, 2012, and (6) of the Code in the version dated May 13, 2013, no limits on severance payments for premature termination as a Managing Director due to a change of control have been agreed, because an agreement drawn up in advance would not be able to take into account the specific situation that gave rise to a premature termination or the other circumstances of the individual case of termination.

- In accordance with the authorization by the Annual General Meeting on April 22, 2008, pursuant to Section 286(5) HGB, the Company did not publish the amounts of compensation for individual Managing Directors until the authorization expired (Sections 4.2.4 and 4.2.5 of the Code). The authorization applies to the Managing Directors.

  In accordance with the authorization by the Annual General Meeting on May 07, 2013, pursuant to Section 286(5) HGB, the Company shall not publish the amounts of compensation for individual Managing Directors until the authorization expires (Sections 4.2.4 and 4.2.5 of the Code). The Managing Directors shall adhere to the authorization when they prepare the annual financial statements.
  Based on the authorization of the Annual General Meeting, and in derogation of No. 4.2.5 (3) of the Code in the version dated May 13, 2013, the information stated in this Section regarding the compensation of the Managing Directors is not included in the Compensation Report.

- In derogation of No. 5.4.6(2) p. 2 of the Code, members of the Administrative Board receive performance-based compensation that is not linked to the sustainable success of the Company. The compensation was authorized by the Annual General Meeting on April 14, 2011, in accordance with the current version of the Code; it is stipulated in the Articles of Association and is deemed to be proper and correct by PUMA SE.

- In derogation of No. 5.4.6. (3) of the Code, the compensation of the Administrative Board members is not shown individually. In the opinion of PUMA SE, this is not additional information relevant to the capital market as the respective remuneration regulations are in the public domain in the Articles of Association.

The Statement of Compliance is available to our shareholders at any time on the Company's website at http://about.puma.com/category/investors/corp-gov/declaration/.

Relevant disclosures of corporate governance practices that are applied beyond the regulatory requirements

The Company is managed by the **Administrative Board** ("**single-tier system**"), which determines the Company's basic business strategies and monitors their implementation by the **Managing Directors**.

In order to ensure that the Company's value will increase in a sustainable way, guidelines have been developed and these have been summarized in PUMAVision (see http://about.PUMA.com under "Sustainable Development"). The PUMA "Code of Ethics" and "Code of Conduct" (see http://about.PUMA.com under "Sustainable Development") prescribed ethical standards and environmental standards with which both employees and suppliers are required to comply.

Taking diversity and our international culture into account

The Administrative Board and the Managing Directors of PUMA SE must consider the recommendations of the German Corporate Governance Code, according to which the Company's international operations and diversity, among other things, must be taken into account when determining the composition of the Administrative Board and the Managing Directors, as well as when filling management positions within the Company – and in particular, they must ensure that a reasonable percentage of women will be placed in such positions.

The members of the Administrative Board have strong international backgrounds. Some of them have international ties of many years' standing all over the world and have amassed extensive international experience through various assignments abroad.

The Administrative Board has established the goal of ensuring that future members of the Board will also have international backgrounds by requiring that proposed candidates to the Administrative Board must also have a strong international background and the relevant networks, international experience and orientation. Likewise, a reasonable percentage of women on the Administrative Board should be guaranteed, if possible, by nominating a corresponding percentage of female candidates.

The Administrative Board prevents potential conflicts of interests of its members by regularly monitoring and critically scrutinizing its members' other activities.

The Administrative Board shall also act to ensure diversity in the composition of the Managing Directors and shall endeavor to ensure that women comprise a reasonable percentage of the Managing Directors. In the future, the inclusion of women amongst the Managing Directors shall be guaranteed in the event of a new appointment, in particular by giving special consideration to women from among several equally qualified applicants. If a position has to be filled by outside candidates, we will take special care to consider properly qualified female candidates.

The same applies when filling management positions. When filling positions, the Managing Directors shall act to ensure diversity and shall endeavor to ensure that women comprise a reasonable percentage of the candidates considered. Today, there are several women in various management positions. In order to include even more women in management positions in the future, PUMA SE is using part-time and half-day models, as well as flexible working hours and the provision of more childcare places to promote a better balance between work and family life.

Members of PUMA SE's Administrative Board, its Managing Directors and other executives have the opportunity to attend appropriate training and continuing education programs.

Description of the working practices of the Administrative Board and the Managing Directors and the composition and working practices of their committees

The Rules of Procedure for the Administrative Board and the Managing Directors are available under "Company" at http://about.PUMA.com.

Administrative Board

In accordance with the Articles of Association, the Administrative Board consists of at least three members. The members of the Administrative Board are appointed by the Annual General Meeting, a third of them pursuant to the German Codetermination Act based on binding nominations by employee representatives.

The following individuals were members of the Administrative Board in 2013:

- Jean-François Palus (Chairman)
- François-Henri Pinault (Vice Chairman)
- Todd Hymel
- Thore Ohlsson
- Michel Friocourt
- Jean-Marc Duplaix (Member as of 5/7/2013)
- Bernd Illig (Employee Representative)
- Martin Köppel (Employee Representative)
- Guy Buzzard (Employee Representative)

The members of the Administrative Board are appointed for a period up to the close of the Annual General Meeting that adopts the resolution approving the actions of the Board for the fourth financial year after the term of office began (the financial year in which the term of office begins is not counted) and no later than six years after the respective Administrative Board member was appointed. Administrative Board members may not be reappointed.

Meetings of the Administrative Board must be held at least every three months. Meetings must also be held if required for the Company's wellbeing or if a member of the Administrative Board demands that a meeting be convened.

The Administrative Board met four times ordinarily and twice extraordinarily in 2013.

The Administrative Board has established various committees to perform its duties and receives regular reports on their work.

Executive Committee

In 2013, the Executive Committee was composed of Michel Friocourt, Martin Köppel and Thore Ohlsson (Chairman). The Executive Committee is responsible for organizing meetings of the Administrative Board and for making decisions when instructed by the Administrative Board to do so on its behalf.

Personnel Committee

In 2013, the Personnel Committee was composed of François-Henri Pinault (Chairman), Bernd Illig and Jean-François Palus. The Personnel Committee meets in conjunction with the Administrative Board meetings. The Personnel Committee is responsible for entering into and making changes to Managing Directors' employment contracts and for establishing policies for Human Resources and personnel development. The entire Administrative Board decides on issues involving the Managing Directors' compensations based on recommendations from the Personnel Committee.

Audit Committee

In 2013, the Audit Committee was composed of the following Administrative Board members: Thore Ohlsson (Chairman), Jean-François Palus (Member until 5/7/2013), Jean-Marc Duplaix (Member as of 5/7/2013) and Guy Buzzard.

In particular, the Audit Committee is responsible for accounting issues and monitoring the accounting process, the effectiveness of the internal control system, the risk management system, internal audits, compliance and the statutory audit of the financial statements, with particular regard to the required independence of the statutory auditors, issuing the audit mandate to the statutory auditors, defining the audit areas of focus, any additional services to be performed by the auditors and the fee agreement.

The Chairman of the Audit Committee must be an independent shareholder representative and must have expertise in the fields of accounting and auditing in accordance with Section 100(5) AktG.

The recommendation of the Administrative Board on the selection of the statutory auditors must be based on a corresponding recommendation by the Audit Committee. Once the Annual General Meeting has appointed the statutory auditors, and the Administrative Board has issued the audit assignment, the Audit Committee shall work with the statutory auditors to specify the scope of the audit and the audit areas of focus.

The statutory auditors shall attend the meeting convened by the Audit Committee to review the annual financial statements and the consolidated financial statements and shall report on the key findings of their audit. They shall also inform the Committee about other services they have provided in addition to auditing services and shall confirm their independence.

Each month, the Audit Committee shall receive financial data on the PUMA Group, which will allow the tracking of developments in net assets, financial position, results of operations and the order books on a continual basis. The Audit Committee shall also deal with issues relating to the balance sheet and income statement and shall discuss these with Management. In addition, when the internal audit projects are completed, the Audit Committee shall receive the audit reports, which must also include any actions taken.

Sustainability Committee

In 2013, the Sustainability Committee was composed of François-Henri Pinault, Martin Köppel and Jean-François Palus (Chairman). The Sustainability Committee is responsible for promoting awareness of the need to act fairly, honestly, positively and creatively in every decision made and every action taken.

Nominating Committee

Members of the Nominating Committee may only be representatives of the shareholders on the Administrative Board. The Administrative Board has hereby chosen François-Henri Pinault, Jean-François Palus (Chairman) and Todd Hymel. The Nominating Committee proposes suitable shareholder candidates to the Administrative Board for its voting recommendations to the Annual General Meeting.

Declaration by the Legal Representatives

Regarding the Affirmation pursuant to Section 315 (1)(6) of the German Commercial Code (HGB) (Responsibility Statement/Bilanzeid), please refer to the Notes.

Herzogenaurach, February 7, 2014

Managing Directors

Gulden **Caroti** **Köhler** **Lämmermann**

CONSOLIDATED FINANCIAL STATEMENTS

PUMA SE

as of December 31, 2013

- International Financial Reporting Standards - IFRS

Consolidated Statement of Financial Position	Notes	31.12.2013 € million	31.12.2012 € million
ASSETS			
Cash and cash equivalents	3	390,1	407,3
Inventories	4	521,3	552,5
Trade receivables	5	423,4	507,0
Income tax receivables	22	70,8	58,1
Other current financial assets	6	38,4	32,9
Other current assets	7	70,1	84,8
Current assets		**1.514,2**	**1.642,6**
Deferred taxes	8	164,2	152,0
Property, plant and equipment	9	212,8	226,8
Intangible assets	10	374,1	463,4
Investments in associates	11	13,9	24,0
Other non-current financial assets	12	15,2	16,9
Other non-current assets	12	14,1	4,5
Non-current assets		**794,3**	**887,6**
Total assets		**2.308,5**	**2.530,3**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current financial liabilities	13	25,1	44,1
Trade payables	13	373,1	376,1
Income taxes	22	45,6	54,7
Other current provisions	16	105,4	118,1
Liabilities from acquisitions	17	0,5	2,6
Other current financial liabilities	13	56,2	114,1
Other current liabilities	13	85,0	93,8
Current liabilities		**690,8**	**803,5**
Deferred taxes	8	50,3	54,1
Pension provisions	15	28,1	30,7
Other non-current provisions	16	33,3	38,3
Non-current financial liabilities	13	3,9	0,0
Liabilities from acquisitions	17	2,1	3,3
Other non-current financial liabilities	13	0,2	0,2
Other non-current liabilities	13	2,5	2,9
Non-current liabilities		**120,4**	**129,4**
Subscribed capital	18	38,6	38,6
Group reserves	18	119,0	223,8
Retained earnings	18	1.355,4	1.357,6
Treasury stock	18	-31,4	-31,6
Equity attributable to the shareholders of the parent	18	**1.481,6**	**1.588,5**
Non-controlling interest	18	15,7	8,9
Shareholders' equity	18	**1.497,3**	**1.597,4**
Total liabilities and shareholders' equity		**2.308,5**	**2.530,3**

Consolidated Income Statement

	Notes	2013 € million	2012 € million
Sales	25	**2.985,3**	**3.270,7**
Cost of sales	25	-1.597,8	-1.691,7
Gross profit	25	**1.387,5**	**1.579,0**
Royalty and commission income		20,8	19,2
Other operating income and expenses	20	-1.345,8	-1.485,0
Operating income (EBIT)		**62,5**	**113,2**
Result from associated companies	21	1,3	0,6
Financial income	21	6,2	6,9
Financial expenses	21	-16,2	-8,4
Financial result		**-8,7**	**-0,9**
Earnings before taxes (EBT)		**53,7**	**112,3**
Taxes on income	22	-32,5	-32,5
Consolidated net earnings for the year		**21,2**	**79,8**
attributable to: Non-controlling interest	18	-15,9	-9,6
Equity holders of the parent (net earnings)		**5,3**	**70,2**
Earnings per share (€)	23	0,36	4,69
Earnings per share (€) - diluted	23	0,36	4,69
Weighted average shares outstanding	23	14,940	14,967
Weighted average shares outstanding, diluted	23	14,941	14,968

Consolidated Statement of Comprehensive Income *

	After tax 2013 € million	Tax impact 2013 € million	Before tax 2013 € million	After tax 2012 € million	Tax impact 2012 € million	Before tax 2012 € million
Net earnings before attribution	**21,2**		**21,2**	**79,8**		**79,8**
Currency changes	-113,3	-2,6	-110,6	-31,5	0,4	-31,9
Cashflow hedge						
Release to the income statement	6,4	-0,1	6,5	-19,8	7,0	-26,8
Market value for cashflow hedges	-3,2	0,1	-3,3	-6,4	0,1	-6,5
Share in the other comprehensive income of at equity accounted investments	0,1	0,0	0,1	-0,7	0,0	-0,7
Items expected to be reclassified to the income statement in the future	**-109,9**	**-2,7**	**-107,3**	**-58,3**	**7,6**	**-65,9**
Remeasurements of the net defined benefit liability	0,8	-0,3	1,1	-1,6	0,4	-1,9
Items not expected to be reclassified to the income statement in the future	**0,8**	**-0,3**	**1,1**	**-1,6**	**0,4**	**-1,9**
Other result	**-109,1**	**-2,9**	**-106,1**	**-59,9**	**8,0**	**-67,8**
Comprehensive income	**-87,9**	**-2,9**	**-84,9**	**19,9**	**8,0**	**12,0**
attributable to: Non-controlling interest	15,2		15,2	9,4		9,4
Equity holder of the parent	-103,1	-2,9	-100,2	10,6	8,0	2,6

* Presentation adjusted in accordance with revised IAS 1

Consolidated Statement of Cashflows

	Notes	2013 € million	2012 € million
Operating activities			
Earnings before tax (EBT)		53,7	112,3
Adjustments for:			
Depreciation	9, 10	53,8	76,1
Non-realized currency gains/losses, net		-1,7	1,1
Result from associated companies	13	-1,3	-0,6
Financial income	21	-6,2	-4,4
Financial expenses	21	7,8	8,4
Changes from the sale of fixed assets		0,5	-1,3
Changes to pension accruals	15	-1,9	-2,3
Other cash effected expenses/incomes		125,8	138,4
Gross Cashflow	26	**230,6**	**327,6**
Changes in receivables and other current assets	5, 6, 7	32,9	-5,7
Changes in inventories	4	-9,0	-24,0
Changes in trade payables and other current liabilities	13	-68,9	-61,8
Cash inflow from operating activities		185,6	236,1
Interest paid	21	-6,6	-6,4
Income taxes paid		-69,7	-73,0
Net cash from operating activities	26	**109,3**	**156,7**
Investing activities			
Payment for acquisitions	17	-20,6	-91,7
Purchase of property and equipment	9, 10	-55,7	-81,2
Proceeds from sale of property and equipment		2,0	4,3
Payment for other non-current assets	12	-12,0	-0,8
Interest received	21	6,2	4,6
Cash outflow from investing activities		**-80,1**	**-164,9**
Financing activities			
Changes in non-current liabilities	13	0,0	-0,2
Raising/ (-) Repayment of current financial liabilities	13	-12,8	10,1
Raising of non-current financial liabilities	13	3,9	0,0
Dividend payments to equity holders of the parent	18	-7,5	-29,9
Dividend payments to non-controlling interests	18	-8,5	-1,1
Cash outflow from financing activities	26	**-24,8**	**-21,2**
Exchange rate-related changes in cash flow		-21,6	-11,7
Change in cash and cash equivalents		**-17,2**	**-41,0**
Cash and cash equivalents at beginning of the financial year		407,3	448,2
Cash and cash equivalents at the end of the financial year	3, 26	**390,1**	**407,3**

Statement of Changes in Equity	Subscribed capital	Reserves					Retained earnings	Treasury stock	Equity before non-controlling interests	Non-controlling interests	TOTAL equity
in € million		Capital reserve	Revenue reserves	Difference from currency conversion	Cash flow hedges	At equity accounted investments					
Dec. 31, 2011	**38,6**	**187,6**	**66,7**	**6,4**	**19,8**	**0,8**	**1.317,3**	**-32,6**	**1.604,5**	**0,7**	**1.605,2**
Net Earnings							**70,2**		**70,2**	9,6	79,8
Net income directly recognized in equity			-1,6	-31,2	-26,2	-0,7			**-59,6**	-0,2	-59,9
Total comprehensive income			-1,6	-31,2	-26,2	-0,7	**70,2**		**10,6**	9,4	19,9
Dividends paid to equity holders of the parent company / non-controlling interests							**-29,9**		**-29,9**	-1,1	-31,0
Valuation from option programs		3,2				0,0			**3,3**		3,3
Conversion of options		-1,0						1,0	**0,0**		0,0
Dec. 31, 2012	**38,6**	**189,8**	**65,1**	**-24,9**	**-6,4**	**0,2**	**1.357,6**	**-31,6**	**1.588,5**	**8,9**	**1.597,4**
Net Earnings							**5,3**		**5,3**	15,9	21,2
Net income directly recognized in equity			0,8	-112,6	3,2	0,1			**-108,4**	-0,7	-109,1
Total comprehensive income			0,8	-112,6	3,2	0,1	**5,3**		**-103,1**	15,2	-87,9
Dividends paid to equity holders of the parent company / non-controlling interests							**-7,5**		**-7,5**	-8,5	-16,0
Valuation from option programs		3,7							**3,7**		3,7
Conversion of options		-0,1						0,1	**0,0**		0,0
Dec. 31, 2013	**38,6**	**193,3**	**66,0**	**-137,5**	**-3,2**	**0,3**	**1.355,4**	**-31,4**	**1.481,6**	**15,7**	**1.497,3**

Appendix to the Notes to the Consolidated Financial Statements

Changes in Fixed Assets

Changes in 2012	Purchase costs					Accumulated depreciation					Carrying amounts	
	Balance Jan. 1, 2012 € million	Currency changes and other changes	Additions/ retransfers	Disposals	Balance Dec. 31, 2012 € million	Balance Jan. 1, 2012 € million	Currency changes and other changes	Additions/ retransfers [1)]	Disposals	Balance Dec. 31, 2012 € million	Balance Dec. 31, 2012 € million	Balance Dec. 31, 2011 € million
PROPERTY, PLANT AND EQUIPMENT												
Land, land rights and buildings including buildings on third party land	172,3	-1,1	2,5	-1,6	172,1	-38,8	0,1	-8,3	1,1	-45,9	126,2	133,5
Technical equipment and machines	9,7	-0,7	2,4	-0,3	11,1	-4,4	0,3	-1,5	0,2	-5,4	5,7	5,3
Other equipment, factory and office equipment	304,1	-3,4	53,2	-43,7	310,2	-210,5	2,8	-52,8	42,4	-218,1	92,1	93,6
Payments on account and assets under construction	2,6	-2,4	3,7	-1,1	2,8						2,8	2,5
	488,7	**-7,6**	**61,8**	**-46,7**	**496,2**	**-253,7**	**3,2**	**-62,6**	**43,7**	**-269,4**	**226,8**	**234,9**
INTANGIBLE ASSETS												
Goodwill	319,3	-6,4	0,1	-3,4	309,6	-20,3	0,1			-20,2	289,4	299,0
Intangible fixed assets with a indefinite useful life	109,9	-2,1	17,6		125,4	0,0				0,0	125,4	109,9
Other intangible fixed assets	104,5	1,0	19,4	-2,7	122,2	-61,2	-1,4	-13,4	2,4	-73,6	48,6	43,3
	533,7	**-7,5**	**37,1**	**-6,1**	**557,2**	**-81,5**	**-1,3**	**-13,4**	**2,4**	**-93,8**	**463,4**	**452,2**

1) including impairment for fixed assets (€ 14,9 million) and intangible assets (€ 1,4 million), see chapters 9 and 10

Changes in 2013	Balance Jan. 1, 2013 € million	Currency changes and other changes	Additions/ retransfers	Disposals	Balance Dec. 31, 2013 € million	Balance Jan. 1, 2013 € million	Currency changes and other changes	Additions/ retransfers [1)]	Disposals	Balance Dec. 31, 2013 € million	Balance Dec. 31, 2013 € million	Balance Dec. 31, 2012 € million
PROPERTY, PLANT AND EQUIPMENT												
Land, land rights and buildings including buildings on third party land	172,1	-2,7	0,9	-2,2	168,1	-45,9	0,8	-10,2	1,8	-53,5	114,6	126,2
Technical equipment and machines	11,1	-1,9	1,0	-1,3	8,9	-5,4	0,9	-1,4	1,3	-4,6	4,3	5,7
Other equipment, factory and office equipment	310,2	-21,2	32,0	-41,5	279,5	-218,1	15,4	-33,8	39,7	-196,8	82,7	92,1
Payments on account and assets under construction	2,8	-2,5	11,0	-0,1	11,2						11,2	2,8
	496,2	**-28,3**	**44,9**	**-45,1**	**467,7**	**-269,4**	**17,1**	**-45,4**	**42,8**	**-254,9**	**212,8**	**226,8**
INTANGIBLE ASSETS												
Goodwill	309,6	-16,8	0,4	-0,6	292,6	-20,2	0,5	-29,9		-49,6	243,0	289,4
Intangible fixed assets with a indefinite useful life	125,4	-4,7			120,7	0,0		-17,6		-17,6	103,1	125,4
Other intangible fixed assets	122,2	0,1	10,8	-22,3	110,8	-73,6	-1,7	-29,6	22,1	-82,8	28,0	48,6
	557,2	**-21,4**	**11,2**	**-22,9**	**524,1**	**-93,8**	**-1,2**	**-77,1**	**22,1**	**-150,0**	**374,1**	**463,4**

1) including impairment for fixed assets (€ 3.9 million) and intangible assets (€ 64.9 million), see chapters 9 and 10

Notes to the Consolidated Financial Statements

1. General

Under the "PUMA" brand name, PUMA SE and its subsidiaries are engaged in the development and sale of a broad range of sports and sports lifestyle products, including footwear, apparel and accessories. The company is a European stock corporation (Societas Europaea/SE) and its registered office is on PUMA WAY 1, 91074 Herzogenaurach, Germany. The competent registry court is in Furth (Bavaria).

The consolidated financial statements of PUMA SE and its subsidiaries (hereinafter shortly referred to as the "Group" or "PUMA") were prepared in accordance with the "International Financial Reporting Standards (IFRS)" accounting standards issued by the International Accounting Standards Board (IASB), as they are to be applied in the EU, and the supplementary accounting principles to be applied in accordance with Section 315a (1) of the German Commercial Code (Handelsgesetzbuch, HGB). The IASB standards and interpretations, as they are to be applied in the EU, which are mandatory for financial years as of January 1, 2013 have been applied.

The following new and amended standards and interpretations have been used for the first time in the current financial year:

Standard	Title
First time adoption in the current financial year	
Amendment IAS 1	Presentation of items of other comprehensive income
Amendment IAS 19	Changes regarding defined benefit plans
Amendment IFRS 1	Government loans
Amendment IFRS 7	Financial instruments: disclosures - offsetting
IFRS 13	Fair value measurement
IFRIC 20	Stripping costs in the production phase of a mine
AIP 2009 - 2011	Improvements to IFRS (May 2012)

Since January 01, 2013, PUMA has started using the accounting standard IAS 19, which was revised in 2011. This has resulted in the following changes: the net interest expenses or earnings are included in the income statement. This comes from the pension provisions at the start of the period multiplied by the discount rate underlying the valuation of the obligation. Actuarial gains and losses are recorded as Other Comprehensive Income outside the income statement immediately and permanently as they arise. This so-called OCI method had already been used in the previous consolidated financial statements, meaning that no changes were needed. The new regulation also requires immediate recognition in the income statement of changes to benefit obligations as soon as they occur. The other changes did not have any significant impact.

The other standards and interpretations newly applicable from the start of the current reporting year do not have any significant impact on the consolidated financial statements.

The following standards and interpretations have been released, but will only take effect in later reporting periods and are not applied earlier by the group:

Standard	Title	First-time adoption *	Planned adoption
Endorsed			
Amendment IAS 27	Separate financial statements	01.01.2014	01.01.2014
Amendment IAS 28	Investments in associates	01.01.2014	01.01.2014
Amendment IAS 32	Financial instruments: presentation - offsetting	01.01.2014	01.01.2014
IAS 36	Recoverable amount disclosures for non-financial assets	01.01.2014	01.01.2014
IAS 39	Novation of derivatives and continuation of hedge accounting	01.01.2014	01.01.2014
IFRS 10	Consolidated financial statements	01.01.2014	01.01.2014
IFRS 10, 12, IAS 27	Investment entities	01.01.2014	01.01.2014
IFRS 11	Joint agreements	01.01.2014	01.01.2014
IFRS 12	Disclosure of interests in other entities	01.01.2014	01.01.2014
Endorsement pending			
Amendment IAS 19	Defined benefit plans: employee contributions	01.01.2015	01.01.2015
IFRS 9	Financial instruments	01.01.2017	01.01.2017
Amendment IFRS 9 and IFRS 7	Mandatory effective date and transition disclosures	01.01.2017	01.01.2017
Amendment IFRS 9, IFRS 7 and IAS 39	Hedge accounting model	01.01.2017	01.01.2017
AIP 2010 - 2012	Improvements to IFRS	01.01.2015	01.01.2015
AIP 2011 - 2013	Improvements to IFRS	01.01.2015	01.01.2015
IFRIC 21	Levies	01.01.2014	01.01.2014

* Adjusted by EU endorsement, if applicable

No assessment can yet be undertaken with respect to the first-time application of IFRS 9 as detailed analyses are still being presently conducted. The company does not anticipate the remaining standards mentioned above to have a significant impact on accounting.

The preparation of the consolidated financial statements was based on historical acquisition and manufacturing costs, with the exception of the profit or loss assessment of financial assets and liabilities at fair value.

The items contained in the financial statements of the individual Group companies are measured based on the currency that corresponds to the currency of the primary economic environment in which the company operates. The consolidated financial statements are prepared in Euros (EUR or €). Amounts being shown in millions of Euros with one decimal place may lead to rounding differences since the calculation of individual items is based on figures presented in thousands.

The cost of sales method is used for the income statement.

2. Significant Consolidation, Accounting and Valuation Principles

Consolidation Principles

The consolidated financial statements were prepared as of December 31, 2013, the reporting date of the annual financial statements of the PUMA SE parent company, on the basis of uniform accounting and valuation principles according to IFRS, as applied in the EU.

The capital consolidation of the subsidiaries acquired after January 1, 2005 is based on the acquisition method. Upon initial consolidation, the assets, debts and contingent liabilities that can be identified as part of a business combination are stated at their fair value as of the acquisition date, regardless of the non-controlling interests (previously referred to as minority interest). At the time of the acquisition, there is a separately exercisable right to vote on whether the interests of the non-controlling shareholders are valued at fair value or at proportional net asset value.

The surplus of the acquisition costs arising from the purchase that exceeds the Group’s share in the net assets stated at fair value is reported as goodwill. If the acquisition costs are lower than the amount of the net assets stated at fair value, the difference is reported directly in the income statement.

Pursuant to the contractual arrangement with the "joint venture partners", PUMA is already the beneficial owner of some controlling interests. The companies are fully included in the consolidated financial statements and, therefore, non-controlling interests are not disclosed. The present value of the capital shares attributable to the non-controlling shareholders and the present value of the residual purchase prices expected due to corporate performance are included in the capital consolidation as acquisition costs for the holdings. If there are any subsequent deviations, for acquisitions before January 1, 2010, these lead to a subsequent adjustment of the acquisition costs not affecting income. For business combinations as of January 1, 2010, the costs that can be directly allocated to the acquisition as well as subsequent deviations in the present value of expected residual purchase prices are recognized in the income statement pursuant to the application of the amended IFRS 3.

With respect to the remaining controlling interests, losses attributable to non-controlling interests are allocated to the latter even if this results in a negative balance in non-controlling interests.

Receivables within the Group are offset against internal liabilities. As a general rule, any set-off differences arising from exchange rate fluctuations are recognized in the income statement to the extent that they accrued during the reporting period. If receivables and liabilities are long-term and capital-replacing in nature, the currency difference is recognized directly in equity.

In the course of the expense and income consolidation, inter-company sales and intra-group income are offset against the expenses attributable to them. Interim profits not yet realized within the Group as well as intra-group investment income are eliminated by crediting them in the income statement.

Group of Consolidated Companies

In addition to PUMA SE, all subsidiaries in which PUMA SE holds, directly or indirectly, the majority of the voting rights or whose financial and business policies are controlled by the Group are fully consolidated in the consolidated financial statements. Associated companies are accounted for in the Group using the equity method. The changes in the number of Group companies were as follows:

2012	**117**
Formation of companies	2
Disposal of companies	6
2013	**113**

The following changes occurred within the group of consolidated companies in financial year 2013:

The additions in the group of consolidated companies concern the founding of the companies PUMA International Sports Marketing B.V. and Brandon Trading (Shanghai) Ltd.

The disposals in the group of consolidated companies concern the companies PUMA Avanti GmbH, which was merged with PUMA Sprint GmbH, as well as PUMA Portugal Artigos Desportivos Lda., which was merged with PUMA Iberia S.L.U. Furthermore, the companies Premier Flug GmbH&Co. KG, Brandon AS, PUMA Ljubljana, trgovina, d.o.o. and Brandon Services AB were disposed of.

These changes in the group of consolidated companies did not have a significant effect on the net assets, financial position and results of operations.

PUMA Vertrieb GmbH, PUMA Mostro GmbH and PUMA Sprint GmbH have made use of the exemption under Section 264 (3) of the HGB.

The Group companies are allocated to regions as follows:

No.	Companies/Legal Entities			Shareholder	Share in capital	
	as of Dec 31st 2013					
	- parent company -					
1.	PUMA SE	Germany	Herzogenaurach			
	EMEA					
2.	Austria PUMA Dassler Ges. m.b.H.	Austria	Salzburg	direct	100%	
3.	Dobotex Austria GmbH	Austria	Salzburg	indirect	100%	
4.	Wilderness Holdings Ltd.	Botswana	Maun	direct	20,1%	
5.	PUMA Bulgaria EOOD	Bulgaria	Sofia	indirect	100%	
6.	PUMA Sport Hrvatska d.o.o.	Croatia	Zagreb	indirect	100%	
7.	PUMA Czech Republic s.r.o.	Czech Republic	Prag	indirect	100%	
8.	PUMA Denmark A/S	Denmark	Skanderborg	indirect	100%	
9.	PUMA Estonia OU	Estonia	Talin	indirect	100%	
10.	PUMA Finland Oy	Finland	Espoo	indirect	100%	
11.	Tretorn Finland Oy	Finland	Espoo	indirect	100%	
12.	Brandon Oy	Finland	Helsinki	indirect	100%	
13.	PUMA FRANCE SAS	France	Illkirch	indirect	100%	
14.	PUMA Speedcat SAS	France	Illkirch	indirect	100%	
15.	Dobotex France SAS	France	Paris	indirect	100%	
16.	PUMA Vertrieb GmbH	Germany	Herzogenaurach	direct	100%	
17.	PUMA Sprint GmbH	Germany	Herzogenaurach	direct	100%	
18.	PUMA Mostro GmbH	Germany	Herzogenaurach	indirect	100%	
19.	Brandon Germany GmbH	Germany	Herzogenaurach	indirect	100%	
20.	Dobotex Deutschland GmbH	Germany	Düsseldorf	indirect	100%	
21.	PUMA UNITED KINGDOM LTD	Great Britain	Leatherhead	indirect	100%	
22.	PUMA Premier Ltd	Great Britain	Leatherhead	indirect	100%	
23.	Dobotex UK Ltd	Great Britain	Manchester	indirect	100%	
24.	Brandon Merchandising UK Ltd	Great Britain	London	indirect	100%	
25.	Sport Equipm. Hellas S. A. of Footwear, Apparel and Sportswear	Greece	Athens	direct	100%	1)
26.	PUMA Cyprus Ltd.	Cyprus	Nicosia	direct	100%	1)
27.	PUMA Hungary Kft.	Hungary	Budapest	indirect	100%	
28.	Tretorn R&D Ltd.	Ireland	Dublin	indirect	100%	
29.	PUMA Italia S.r.l.	Italy	Milan	indirect	100%	
30.	Dobotex Italia S.r.l.	Italy	Milano	indirect	100%	
31.	PUMA Sport Israel Ltd.	Israel	Hertzeliya	indirect	100%	
32.	PUMA Baltic UAB	Lithuania	Vilnius	indirect	100%	
33.	PUMA Malta Ltd	Malta	St.Julians	indirect	100%	
34.	PUMA Blue Sea Ltd	Malta	St.Julians	indirect	100%	
35.	PUMA Racing Ltd	Malta	St.Julians	indirect	100%	
36.	PUMA Benelux BV	Netherlands	Leusden	direct	100%	
37.	PUMA International Sports Marketing BV	Netherlands	Leusden	direct	100%	
38.	Dobotex International BV	Netherlands	Tilburg	direct	100%	
39.	Dobotex BV	Netherlands	s-Hertogenbosch	indirect	100%	
40.	Dobo Logic BV	Netherlands	Tilburg	indirect	100%	
41.	Dobotex Licensing Holding BV	Netherlands	s-Hertogenbosch	indirect	100%	
42.	PUMA Norway AS	Norway	Oslo	indirect	100%	
43.	Tretorn Norway AS	Norway	Oslo	indirect	100%	
44.	PUMA Polska Spolka z o.o.	Poland	Warsaw	indirect	100%	
45.	PUMA Sport Romania s.r.l.	Romania	Bucharest	indirect	100%	
46.	PUMA–RUS Ltd.	Russia	Moscow	indirect	100%	
47.	PUMA Serbia DOO	Serbia	Belgrade	indirect	100%	
48.	PUMA Slovakia s.r.o.	Slovakia	Bratsilava	indirect	100%	
49.	PUMA SPORTS DISTRIBUTORS (PTY) LIMITED	South Africa	Cape Town	indirect	100%	
50.	PUMA Sports S.A.	South Africa	Cape Town	indirect	100%	
51.	PUMA Iberia S.L.U	Spain	Barcelona	direct	100%	
52.	Dobotex Spain S.L.	Spain	Barcelona	indirect	100%	
53.	Brandon Company AB	Sweden	Gothenburg	direct	100%	
54.	Brandon AB	Sweden	Gothenburg	indirect	100%	
55.	2Expressions Merchandise Svenska AB	Sweden	Gothenburg	indirect	100%	
56.	Hunt Sport AB	Sweden	Helsingborg	indirect	100%	
57.	Tretorn AB	Sweden	Helsingborg	direct	100%	
58.	PUMA Nordic AB	Sweden	Helsingborg	indirect	100%	
59.	Tretorn Sweden AB	Sweden	Helsingborg	indirect	100%	
60.	Mount PUMA AG (Schweiz)	Switzerland	Oensingen	direct	100%	
61.	PUMA Retail AG	Switzerland	Oensingen	indirect	100%	
62.	PUMA Schweiz AG	Switzerland	Oensingen	indirect	100%	
63.	Dobotex Switzerland AG	Switzerland	Oensingen	indirect	100%	
64.	PUMA Spor Giyim Sananyi ve Ticaret A.S.	Turkey	Istanbul	indirect	100%	
65.	PUMA Ukraine Ltd.	Ukraine	Kiew	indirect	100%	
66.	PUMA Middle East FZ LLC	United Arab Emirates	Dubai	indirect	100%	
67.	PUMA UAE LLC	United Arab Emirates	Dubai	indirect	100%	1)

	Americas					
68.	Unisol S.A.	Argentina	Buenos Aires	direct	100%	
69.	PUMA Sports Ltda.	Brazil	Sao Paulo	indirect	100%	
70.	PUMA Canada, Inc.	Canada	Montreal	indirect	100%	
71.	PUMA CHILE S.A.	Chile	Santiago	direct	100%	
72.	PUMA SERVICIOS SPA	Chile	Santiago	indirect	100%	
73.	PUMA Mexico Sport S.A. de C.V.	Mexico	Mexico City	direct	100%	
74.	Servicios Profesionales RDS S.A. de C.V.	Mexico	Mexico City	indirect	100%	
75.	Importaciones RDS S.A. de C.V.	Mexico	Mexico City	direct	100%	
76.	Dobotex de Mexico SA de C.V.	Mexico	Mexico City	indirect	100%	
77.	Distruibuidora Deportiva PUMA S.A.C.	Peru	Lima	indirect	100%	
78.	Distribuidora Deportiva PUMA Tacna S.A.C	Peru	Tacna	indirect	100%	
79.	PUMA Retail Peru S.A.C	Peru	Lima	indirect	100%	
80.	PUMA Sports LA S.A.	Uruguay	Montevideo	direct	100%	
81.	PUMA Suede Holding, Inc.	USA	Westford	indirect	100%	
82.	PUMA North America, Inc.	USA	Westford	indirect	100%	
83.	Brandon USA, Inc.	USA	Chicago	indirect	100%	
84.	Cobra Golf Inc.	USA	Carlsbad	indirect	100%	
85.	PUMA Wheat Accessories, Ltd	USA	San Diego	indirect	51%	
86.	Janed LLC	USA	New York	indirect	51%	
	Asia/Pacific					
87.	PUMA Australia Pty. Ltd.	Australia	Moorabbin	indirect	100%	
88.	White Diamond Australia Pty. Ltd.	Australia	Moorabbin	indirect	100%	
89.	White Diamond Properties	Australia	Moorabbin	indirect	100%	
90.	Kalola Pty Ltd.	Australia	Moorabbin	indirect	100%	
91.	Liberty China Holding Ltd.	British Virgin Islands		indirect	100%	
92.	Brandon Trading (Shanghai) Ltd.	China	Shanghai	indirect	100%	
93.	PUMA China Ltd	China	Shanghai	indirect	100%	
94.	Dobotex China Ltd.	China	Shanghai	indirect	100%	
95.	Guangzhou World Cat Information Consulting Services Co., Ltd	China	Guangzhou	indirect	100%	
96.	World Cat Ltd.	Hongkong		direct	100%	
97.	Development Services Ltd.	Hongkong		direct	100%	
98.	PUMA Asia Pacific Ltd.	Hongkong		direct	100%	
99.	PUMA Hong Kong Ltd	Hongkong		indirect	100%	
100.	Dobotex Ltd.	Hongkong		indirect	100%	
101.	Brandon Hong Kong Ltd	Hongkong		indirect	100%	
102.	PUMA Sports India Pvt Ltd.	India	Bangalore	indirect	100%	
103.	PUMA India Retail Pvt Ltd.	India	Bangalore	indirect	100%	1)
104.	World Cat Sourcing India Ltd.	India	Bangalore	indirect	100%	
105.	PUMA JAPAN K.K.	Japan	Tokio	indirect	100%	
106.	PUMA Korea Ltd.	Korea	Seoul	direct	100%	
107.	Dobotex Korea Ltd.	Korea	Seoul	indirect	100%	
108.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Kuala Lumpur	direct	100%	
109.	PUMA New Zealand LTD	New Zealand	Auckland	indirect	100%	
110.	PUMA Sports Singapore Pte. Ltd.	Singapore		direct	100%	
111.	PUMA Taiwan Sports Ltd.	Taiwan	Taipei	indirect	100%	1)
112.	World Cat Vietnam Co. Ltd.	Vietnam	Long An Province	indirect	100%	
113.	World Cat Vietnam Sourcing & Development Services Co. Ltd	Vietnam	Ho Chi Minh City	indirect	100%	
1)	subsidiaries which are assigned to be economically 100% PUMA Group					

Currency Conversion

As a general rule, monetary items in foreign currencies are converted in the individual financial statements of the Group companies at the exchange rate valid on the balance sheet date. Any resulting currency gains and losses are immediately recognized in the income statement. Non-monetary items are converted at historical acquisition and manufacturing costs.

The assets and liabilities of foreign subsidiaries, the functional currency of which is not the Euro, have been converted to Euros at the average exchange rates valid on the balance sheet date. Expenses and income have been converted at the annual average exchange rates. Any differences resulting from the currency conversion of net assets relative to exchange rates that had changed in comparison with the previous year, were adjusted against equity.

The significant conversion rates per Euro are as follows:

	2013		**2012**	
Currency	Reporting date exchange rate	Average exchange rate	Reporting date exchange rate	Average exchange rate
USD	1.3791	1.3281	1.3194	1.2854
HKD	10.6933	10.3013	10.2260	9.9711
JPY	144.7200	129.6000	113.6100	102.6091
GBP	0.8337	0.8491	0.8161	0.8110
CHF	1.2276	1.2310	1.2072	1.2053

Derivative Financial Instruments/Hedge Accounting
Derivative financial instruments are recognized at fair value at the time a contract is entered into and thereafter. At the time when a hedging instrument is acquired, PUMA classifies the derivatives as a hedge for a planned transaction (cash flow hedge).

At the time when the transaction is concluded, the hedging relationship between the hedging instrument and the underlying transaction as well as the purpose of risk management and the underlying strategy are documented. In addition, assessments as to whether the derivatives used in the hedge accounting compensate effectively for a change in the fair value or the cash flow of the underlying transaction are documented at the beginning of, and continuously after, the hedge accounting.

Changes in the market value of derivatives that are intended and suitable for cash flow hedges and that prove to be effective are adjusted against equity, taking into account deferred taxes. If there is no complete effectiveness, the ineffective part is recognized in the income statement. The amounts recognized in equity are recognized in the income statement during the same period in which the hedged planned transaction affects the income statement. If, however, a hedged future transaction results in the recognition of a non-financial asset or a liability, gains or losses previously recorded in equity are included in the initial valuation of the acquisition costs of the respective asset or liability. The fair values of the derivative instruments used to hedge planned transactions are shown under other current financial asserts or other current financial liabilities.

Leasing
Leases are to be classified either as finance leases or operating leases. Leases where the Company, in its capacity as the lessee, is responsible for all significant opportunities and risks that arise from the use of the lease object are treated as finance leases. All other leases are classified as operating leases. The lease payments from operating leases are recorded as an expense over the term of the contract.

Cash and Cash Equivalents
Cash and cash equivalents include cash and bank balances. To the extent that bank deposits are not immediately required to finance current assets, they are invested as risk-free fixed-term deposits, presently for a term of three months. The total amount of cash and cash equivalents is consistent with the cash and cash equivalents stated in the cash flow statement.

Inventories
Inventories are valued at acquisition or manufacturing costs or at the lower net realizable values derived from the selling price on the balance sheet date. The prorata costs of product development are added to the acquisition or manufacturing costs of inventories. As a general rule, the acquisition cost of the merchandise is determined using the average cost method. Value adjustments are adequately recorded, depending on age, seasonality and realizable market prices, in a manner that is standard throughout the Group.

Receivables and Other Assets
Receivables and other assets are initially stated at fair value, taking into account transaction costs, and subsequently valued at amortized costs after deduction of value adjustments. All identifiable risks with respect to value adjustments are sufficiently accounted for in the form of individual risk assessments based on historical values.

Adjustments are conducted in principle if, after the entry record of the financial asset, there are objective indications for an adjustment, which has an effect on the expected future cash flow from that financial instrument. Significant financial difficulties of a debtor, an increased probability that a creditor becomes insolvent or enters into a clean-up procedure, as well as a breach of contract, e.g. a cancelation or delay in interest or amortization payments, all count as indicators for an existing adjustment. The amount of the adjustment loss corresponds to the difference between the carrying amount and the cash value of the expected cash flows.

The non-current assets contain loans and other assets. Non-interest-bearing non-current assets are discounted at cash value if the resulting effect is significant.

Property, Plant and Equipment
Property, plant and equipment are stated at acquisition costs, net of accumulated depreciation. The depreciation period depends on the expected useful life of the respective item. The straight-line method of depreciation is applied. The useful life depends on the type of the assets involved. Buildings are subject to a useful life of between ten and fifty years, and a useful life of between three to ten years is assumed for movable assets.
Repair and maintenance costs are recorded as an expense as of the date on which they were incurred. Substantial improvements and upgrades are capitalized to the extent that the criteria for capitalization of an asset item apply.
As a general rule, lease objects, the contractual basis of which is to be classified as a finance lease are shown under property, plant and equipment; initially they are accounted for at fair value or the lower present value of the minimum lease payments and net of accumulated depreciation in subsequent accounting periods.

Goodwill
Goodwill resulting from a business acquisition is calculated based on the difference between the purchase price and the fair value of the acquired asset and liability items. Goodwill from acquisitions is largely attributable to the intangible infrastructure acquired and the associated opportunity to make a positive contribution to corporate value.
Goodwill amounts are allocated to the Group's cash-generating units that are expected to benefit from the synergy effects resulting from the business combination.
An impairment test of goodwill per cash-generating unit (usually the countries) is performed once a year as well as whenever there are indicators of impairment and can result in an impairment loss. There is no reversal of an impairment loss for goodwill.

Other Intangible Assets
Acquired intangible assets largely consist of concessions, intellectual property rights and similar rights. These are valued at acquisition costs, net of accumulated amortization. The useful life of intangible assets is between three and ten years. The straight-line method of amortization is applied. The item also includes acquired trademark rights, which were assumed to have an indefinite useful life in light of the history of the brand as well as due to the fact that the brand is being continued by PUMA.

Impairment of Assets
Intangible assets with an indefinite useful life are not written down according to schedule, but are subjected to an annual impairment test. Property, plant and equipment and other intangible assets with finite useful lives are tested for impairment if there is any indication of impairment in the value of the asset concerned. In order to determine whether there is a requirement to record the impairment of an asset, the recoverable amount of the respective asset (the higher amount of the fair value less costs to sell and value in use) is compared with the carrying amount of the asset. If the recoverable amount is lower than the carrying amount, the difference is recorded as an impairment loss. The test for impairment is performed, if possible, at the level of the respective individual asset, otherwise at the level of the cash-generating unit. Goodwill, on the other hand, is tested for impairment only at the cash-generating unit level. If it is determined within the scope of the impairment test that an asset needs to be written down, then the goodwill, if any, of the cash-generating unit is written down initially and, in a second step, the remaining amount is distributed proportionately over the remaining assets. If the reason for the recorded impairment no longer applies, a reversal of impairment loss is recorded up to the maximum amount of the amortized cost of acquisition. There is no reversal of an impairment loss for goodwill.

Impairment tests are performed using the discounted cash flow method. For determining the fair value less costs to sell and value in use, the expected cash flows are based on corporate planning data. Expected cash flows are discounted using an interest rate in line with market conditions.

Holdings in Associated Companies
Associated companies represent shareholdings, over which PUMA has a significant influence, but which do not qualify as subsidiaries or joint ventures. Significant influence is generally assumed when PUMA holds, directly or indirectly, at least 20 percent, but less than 50 percent, of the voting rights.

Holdings in associated companies are accounted for using the equity method. Here, the shares are initially recognized at their acquisition cost and are subsequently adjusted for the prorata changes in the Company's net assets that are attributable to PUMA. Any recognized goodwill is shown in the carrying amount of the associated company.

Within the scope of the impairment test, the carrying amount of a company valued at equity is compared with its recoverable amount provided that there is an indication that the asset has decreased in value. If the recoverable amount is lower than the carrying amount, the difference is recorded as an impairment loss. If the reasons for the previously recorded impairment no longer apply, a write-up is recognized in the income statement.

Financial Debt, Other Financial Liabilities and Other Liabilities
As a general rule, these entries are recognized at their acquisition cost, taking into account transaction costs and subsequently recognized at amortized cost. Non-interest or low-interest-bearing liabilities with a term of at least one year are recognized at present value, taking into account an interest rate in line with market conditions, and are compounded until their maturity at their repayment amount. Liabilities from finance lease agreements are recorded as of the beginning of the lease transaction at the amount of the present value of the minimum lease amount, or at the lower fair value, and are adjusted by the repayment amount of the lease installments.

As a general rule, current financial liabilities also include those long-term loans that that have a maximum residual term of up to one year.

Provisions for Pensions and Similar Obligations
In addition to defined benefit plans, some companies apply defined contribution plans, which do not result in any additional pension commitment other than the current contributions. The pension provision under defined benefit plans is generally calculated using the projected unit credit method. This method takes into account not only known pension benefits and pension rights accrued as of the reporting date, but also expected future salary and pension increases. The defined benefit obligation (DBO) is calculated by discounting expected future cash outflows at the rate of return on senior, fixed-rate corporate bonds. The currencies and maturity periods of the underlying corporate bonds are consistent with the currencies and maturity periods of the obligations to be satisfied. In some of the plans, the obligation is accompanied by a plan asset. The pension provision shown is reduced by the plan asset.

Revaluations, consisting of actuarial profits and losses, changes resulting from use of the asset ceiling and return on plan assets (without interest on the net debt) are immediately recorded under Other Comprehensive Income and are thus directly included in the balance sheet. The revaluations recorded in Other Comprehensive Income are part of the retained earnings and are no longer reclassified into calculation of profit and loss. Past service costs are recorded as an expense if changes are made to the plan.

Other Provisions
Provisions are recognized if the Group, as a result of a past event, has a current obligation and this obligation is likely to result in an outflow of resources with economic benefits, the amount of which can be reliably estimated. The provisions are recognized at their settlement value as determined on the basis of the best possible assessment and are not offset by income. Provisions are discounted if the resulting effect is significant.

Provisions for the expected expenses from warranty obligations pursuant to the respective national sales contract laws are recognized at the time of sale of the relevant products, according to the best estimate in relation to the expenditure needed in order to fulfill the Group's obligation.

Provisions are also recognized to account for onerous contracts. An onerous contract is assumed to exist where the unavoidable costs for fulfilling the contract exceed the economic benefit arising from this contract.

Provisions for restructuring measures are also recorded if a detailed, formal restructuring plan has been produced, which has created a justified expectation that the restructuring measures will be carried out by those concerned due to its implementation starting or its major components being announced.

Treasury Stock
Treasury stock is deducted from equity at its market price as of the date of acquisition, plus incidental acquisition costs. Pursuant to the authorization of the Annual General Meeting, treasury stock can be repurchased for any authorized purpose, including the flexible management of the Company's capital requirements.

Equity Compensation Plans/Management Incentive Program
In accordance with IFRS 2, stock-based compensation systems are recognized at fair value and recorded under personnel costs. PUMA has stock-based compensation systems in the form of stock options (SOP) involving compensation in shares and in the form of virtual shares with cash compensation.

The expenses associated with the SOP are determined from the fair value of the options as of the grant date, without taking into account the impact of non-market-oriented exercise hurdles (e.g. forfeited options if the eligible employee leaves the company prematurely). The expense is recorded by distributing it as personnel costs over the vesting period until the options are vested and is recognized as a capital reserve. Non-market-oriented exercise hurdles are adjusted in accordance with current expectations and the assessment of expected exercisable options is reviewed on each balance sheet date. The resulting gains and losses are recognized in the income statement and recorded through a corresponding adjustment in equity over the remaining period up to the vesting date.

For share-based remunerations with cash compensation, a liability is recorded for the services received and measured with its fair value upon addition. Until the debt is cleared, its fair value is recalculated on every balance sheet date and on the settlement date and all changes to the fair value are recognized in the income statement.

Recognition of Sales Revenues
Revenues from the sale of products (sales revenues) are recognized at the time of the transfer of the significant opportunities and risks associated with the ownership of the goods and products sold to the buyer if it is likely that the Group will derive the economic benefit from the sale. The amount of the recognized sales revenues is based on the fair value of the consideration received or to be received, taking into account returns, discounts and rebates.

Royalty and Commission Income
Income from royalties is recognized in the income statement in accordance with the invoices to be submitted by the license holders. In certain cases, values must be estimated in order to permit accounting on an accrual basis. Commission income is invoiced to the extent that the underlying purchase transaction is deemed realized.

Advertising and Promotional Expenses
Advertising expenses are recognized in the income statement as of the date of their accrual. As a general rule, promotional expenses stretching over several years are recognized as an expense over the contractual term on an accrual basis. Any expenditure surplus resulting from this allocation of expenses after the balance sheet date are recognized in the form of an impairment of assets or a provision for anticipated losses in the respective annual financial statements.

Product Development
PUMA continuously develops new products in order to meet market requirements and market changes. Intangible assets are not capitalized since the criteria set forth in IAS 38 are not satisfied.

Financial Result
The financial results include the results from associated companies as well as interest income from financial investments and interest expense from loans. Financial results also include interest expenses from discounted non-current liabilities and from pension provisions that are associated with acquisitions of business enterprises or arise from the valuation of pension commitments.

Exchange rate effects that can be directly allocated to an underlying transaction are shown in the respective income statement item.

Income Taxes
Current income taxes are determined in accordance with the tax regulations of the respective countries where the Company conducts its operations.

Deferred Taxes
Deferred taxes resulting from temporary valuation differences between the IFRS and tax balance sheets of individual Group companies and from consolidation procedures are charged to each taxable entity and shown either as deferred tax assets or deferred tax liabilities. Deferred tax assets may also include claims for tax reductions that result from the expected utilization of existing losses carried forward to subsequent years and which is sufficiently certain to materialize. Deferred tax assets or liabilities may also result from accounting treatments that do not affect net income. Deferred taxes are calculated on the basis of the tax rates that apply to the reversal in the individual countries and that are in force or adopted as of the balance sheet date.

Deferred tax assets are shown only to the extent that the respective tax advantage is likely to materialize. Value adjustments are recognized on the basis of the past earnings situation and the business expectations for the foreseeable future, if this criterion is not fulfilled.

Assumptions and Estimates
The preparation of the consolidated financial statements requires some assumptions and estimates that have an impact on the amount and disclosure of the recognized assets and liabilities, income and expenses, as well as contingent liabilities. The assumptions and estimates are based on premises, which in turn are based on currently available information. In individual cases, the actual values may deviate from the assumptions and estimates made. Consequently, future periods involve a risk of adjustment to the carrying amount of the assets and liabilities concerned. If the actual performance is different from the expected performance, the premises and, if necessary, the carrying amounts of the assets and liabilities concerned will be adjusted and recognized in the income statement.

All assumptions and estimates are continuously reassessed. They are based on historical experience and other factors, including expectations regarding future global and industry-related trends that appear reasonable under the current circumstances. Assumptions and estimates concern, in particular, goodwill, pension obligations, derivative financial instruments and deferred taxes. The most significant forward-looking assumptions and sources of estimation and uncertainty as of the reporting date concerning the above-mentioned items are discussed below.

Goodwill

A review of the impairment of goodwill is based on the calculation of the value in use. In order to calculate the value in use, the Group must estimate the future cash flows from those cash-generating units to which the goodwill is allocated. To this end, the data used were from the three-year plan, which is based on forecasts of the overall economic development and the resulting industry-specific consumer behavior. Another key assumption concerns the determination of an appropriate interest rate for discounting the cash flow to present value (discounted cash flow method). See paragraph 10 for further information, in particular regarding the assumptions used for the calculation.

Pension Obligations

Pension obligations are determined using an actuarial calculation. This calculation is contingent on a large number of factors that are based on assumptions and estimates regarding the discount rate, the expected return on plan assets, future wage and salary increases, mortality and future pension increases. Due to the long-term nature of the commitments made, the assumptions are subject to significant uncertainties. Any change in these assumptions has an impact on the carrying amount of the pension obligations. The Group determines at the end of each year the discount rate applied to determine the present value of future payments. This discount rate is based on the interest rates of corporate bonds with the highest credit rating that are denominated in the currency in which the benefits are paid and the maturity of which corresponds to that of the pension obligations. See paragraph 15 for further information, in particular regarding the parameters used for the calculation.

Deferred Taxes

The recognition of deferred taxes, in particular with respect to tax losses carried forward, requires that estimates and assumptions be made concerning future tax planning strategies as well as expected dates of initial recognition and the amount of future taxable income. The taxable income from the relevant corporate planning is derived for this judgment. This takes into account the past financial position and the business development expected in the future. Active deferred tax assets on losses carried forward are recorded in the event of companies incurring a loss only if it is highly likely that future positive income will be achieved that can be offset against these tax losses carried forward. Please see paragraph 8 for further information and detailed assumptions.

Derivative Financial Instruments

The assumptions used for estimating derivative financial instruments are based on the prevailing market conditions as of the balance sheet date and thus reflect the fair value. See paragraph 24 for further information.

3. Cash and Cash Equivalents

As of December 31, 2013, the Group has €390.1 million (previous year: €407.3 million) in cash and cash equivalents. The average effective interest rate of financial investments was 1.6% (previous year: 1.0%). There are no restrictions on disposal.

4. Inventories

Inventories are allocated to the following main groups:

	2013 € million	2012 € million
Raw materials, consumables and supplies	13.3	11.4
Finished goods and merchandise/inventory		
Footwear	164.4	181.8
Apparel	145.5	163.5
Accessories/Other	85.5	82.8
Goods in transit	112.6	113.1
Total	**521.3**	**552.6**

The table shows the carrying amounts of the inventories net of value adjustments. Of the value adjustments of €71.1 million (previous year: €78.2 million), approx. 69% (previous year approx. 74%) were recognized as expense under costs of sales in the 2013 financial year.

The amount of inventories recorded as an expense during the period mainly includes the cost of sales shown in the consolidated income statement.

5. Trade Receivables

This item consists of:

	2013 € million	2012 € million
Trade receivables, gross	477.3	564.1
less value adjustments	-53.9	-57.1
Trade receivables, net	**423.4**	**507.0**

Allowances for trade receivables developed as follows:

	2013 € million	2012 € million
Status of value adjustments as of January 1	**57.1**	**48.3**
Exchange rate differences	-1.1	0.0
Allocations	13.3	23.3
Utilization	-9.6	-6.8
Reversals	-5.8	-7.7
Status of value adjustments as of December 31	**53.9**	**57.1**

The age structure of the trade receivables is as follows:

Gross values								
2013	total	of which not written down						of which written down
		Not due	0 – 30 days	31 – 60 days	61 – 90 days	91 – 180 days	over 180 days	
€ million	477.3	299.2	38.1	14.0	5.9	6.1	2.2	111.8

Gross values								
2012	total	of which not written down						of which written down
		Not due	0 – 30 days	31 – 60 days	61 – 90 days	91 – 180 days	over 180 days	
€ million	564.1	392.7	44.2	18.1	7.1	7.1	6.6	88.3

With respect to trade receivables that were not written down, PUMA assumes that the debtors will satisfy their payment obligations.

6. Other Current Financial Assets

This item consists of:

	2013 € million	**2012 € million**
Fair value of derivative financial instruments	11.6	8.4
Other financial assets	26.8	24.5
Total	**38.4**	**32.9**

The amount shown is due within one year. The fair value corresponds to the carrying amount.

7. Other Current Assets

This item consists of:

	2013 € million	**2012 € million**
Prepaid expense relating to the subsequent period	30.0	33.3
Other receivables	40.1	51.5
Total	**70.1**	**84.8**

The amount shown is due within one year. The fair value corresponds to the carrying amount.

Other receivables mainly include VAT receivables amounting to €19.5 million (previous year: €21.9 million).

8. Deferred Taxes

Deferred taxes relate to the items shown below:

	2013 € million	2012 € million
Tax losses carried forward	71.5	53.6
Non-current assets	22.5	16.2
Current assets	28.3	33.0
Provisions and other liabilities	52.2	59.3
Deferred tax assets (before netting)	**174.5**	**162.0**
Non-current assets	53.8	57.6
Current assets	5.9	6.1
Provisions and other liabilities	0.9	0.5
Deferred tax liabilities (before netting)	**60.6**	**64.1**
Deferred tax assets, net	**113.9**	**97.9**

Of the deferred tax assets, €77.3 million (previous year €87.7 million) and, from the deferred tax liabilities, €5.8 million (previous year €6.0 million) are short term.

As of December 31, 2013, tax losses carried forward amounted to a total of €455.8 million (previous year: €334.1 million). This results in a deferred tax asset of €127.4 million (previous year: €87.2 million). Deferred tax liabilities were recognized for these items in the amount at which the associated tax advantages are likely to be realized in the form of future profits for income tax purposes. Accordingly, deferred tax receivables for tax losses of €55.9 million were carried forward (previous year: €33.6 million) have not been recognized; these are non-forfeitable. In addition, no deferred taxes were recognized for deductible temporary differences amounting to €11.1 million (previous year: €13.0 million).

Deferred tax liabilities for withholding taxes from possible dividends on retained earnings of subsidiaries that serve to cover the financing needs of the respective company were not accumulated, since it is most likely that such temporary differences will not be cleared in the near future.

Deferred tax assets and liabilities are netted if they relate to a taxable entity and can in fact be netted. Accordingly, they are shown in the balance sheet as follows:

	2013 € million	2012 € million
Deferred tax assets	164.2	152.0
Deferred tax liabilities	50.3	54.1
Deferred tax assets, net	**113.9**	**97.9**

The changes in deferred tax assets were as follows:

	2013 € million	2012 € million
Deferred tax assets, previous year	152.0	109.1
Recognition in the income statement	20.4	37.4
Adjustment against Other Comprehensive Income	-8.2	5.5
Deferred tax assets	**164.2**	**152.0**

The changes in deferred tax liabilities were as follows:

	2013 € million	2012 € million
Deferred tax liabilities, previous year	54.1	63.6
Recognition in the income statement	1.5	-7.0
Adjustment against Other Comprehensive Income	-5.3	-2.5
Deferred tax liabilities	**50.3**	**54.1**

9. Property, Plant and Equipment

Property, plant and equipment at their carrying amounts consist of:

	2013 € million	2012 € million
Land and buildings, including buildings on third-party land	114.6	126.2
Technical equipment and machinery	4.3	5.7
Other equipment, factory and office equipment	82.7	92.1
Assets under constructions	11.2	2.8
Total	**212.8**	**226.8**

The carrying amount of property, plant and equipment is derived from the acquisition costs. Accumulated depreciation of property, plant and equipment amounted to €254.9 million (previous year: €269.4 million).

Property, plant and equipment include leased assets (finance leasing) in the amount of €0.3 million (previous year: €0.7 million).

The changes in property, plant and equipment in the 2013 financial year are shown in "Changes in Fixed Assets". Impairment expenses that exceed current depreciation during the reporting year are included in the amount of €3.9 million, mainly as a result of the closure of the product development center in Vietnam.

10. Intangible Assets

This item mainly includes goodwill, intangible assets with indefinite useful lives and assets associated with the Company's own retail activities.

Goodwill and intangible assets with indefinite useful lives are not amortized according to schedule. An impairment test was performed in the past financial year using the discounted cash flow method. This was based on data from the respective three-year plan. The recoverable amount was determined on the basis of the value in use. This resulted in an impairment loss for two cash-generating units.

The cash-generating unit 'Iberia' includes goodwill and intangible assets with an indefinite useful life before impairment of €18.6 million in total (previous year: €18.6 million). These are allocated to the EMEA segment. Based on an adjustment in expected income, an impairment loss of €18.6 million was the result when calculating the recoverable amount. The recoverable amount was determined by calculating value in use, using a discount rate of 10.5% p.a. (previous year: 10.6% p.a.) and a growth rate of 2% (previous year: 3%). The impairment is included in the line Other Operating Income and Expenses in the consolidated income statement.

The cash-generating unit 'China' includes goodwill before impairment of €31.4 million (previous year: €33.0 million). These are allocated to the Asia/Pacific segment. Based on an adjustment in expected income, an impairment loss of €29.0 million resulted when calculating the recoverable amount. The recoverable amount was determined by calculating value in use, using a discount rate of 9.6% p.a. (previous year: 10.6% p.a.) and a growth rate of 2% (previous year: 3%). The impairment is included in the line Other Operating Income and Expenses in the consolidated income statement.

The changes in intangible assets in the 2013 financial year are shown in "Changes in Fixed Assets". Other intangible assets include advance payments in the amount of €4.4 million (previous year: €19.8 million). Impairment expenses that exceed current depreciation during the reporting year are included in the amount of €64.9 million.

Goodwill is allocated to the Group's identifiable cash-generating units (CGUs) according to the country where the activity is carried out. Summarized by regions, goodwill is allocated as follows:

	2013 € million	**2012 € million**
EMEA	153.0	155.2
Americas	39.5	42.0
Asia/Pacific	50.5	92.2
Total	**243.0**	**289.4**

Assumptions used in conducting the impairment test in 2013:

	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
EEA	24.5%-30.0%	9.2%-13.6%	7.4%-10.5%
EEMEA	20.0%-28.0%	16.5%-17.1%	12.8%-13.7%
EMEA	**20.0%-30.0%**	**9.2%-17.1%**	**7.4%-13.7%**
North America	28.3%-37.0%	8.3%-9.4%	7.5%-7.6%
Latin America	18.5%-35.0%	11.0%-39.6%	9.6%-25.8%
Americas	**18.5%-37.0%**	**8.3%-39.6%**	**7.5%-25.8%**
Asia/Pacific	**17.0%-30.0%**	**10.0%-12.9%**	**8.5%-9.6%**

A growth rate of 3% is generally assumed, and a growth rate of under 3% has only been used in exceptional cases where this is justified.

The cash-generating unit 'Dobotex' includes goodwill of €139.4 million (previous year: €139.4 million), which is significant in comparison to the overall carrying amount of the goodwill. This is allocated to the Central Unit segment. The recoverable amount was determined by calculating value in use, using a discount rate of 7.5% p.a. (previous year: 7.6% p.a.) and a growth rate of 2% (previous year: 2%).

The cash-generating unit 'CPG – Cobra PUMA Golf' includes intangible assets in association with the Cobra brand, with an indefinite useful life of €103.1 million (previous year: €109.5 million). The intangible assets are significant in comparison to the overall carrying amount of the intangible assets with an indefinite useful life. This is allocated to the Central Unit segment. The recoverable amount was determined by calculating value in use, using a discount rate of 7.6% p.a. (previous year: 7.9% p.a.) and a growth rate of 3% (previous year: 3%).

Sensitivity analyses related to the impairment tests carried out indicate that a 1% increase in the discount rates (WACC – "weighted average capital costs") and a simultaneous 1% decrease in the growth rate resulted in an impairment indication in relation to goodwill in the amount of €2.4 million. The sensitivity analysis with a 1% increase in the discount rate yields an impairment indication in the amount of €2.4 million. The sensitivity analysis with a 1% reduction in the growth rate yields an impairment indication in the amount of €1.7 million.

The same sensitivity analysis with respect to Intangible Assets with an indefinite useful life does not show any impairment indication (previous year: impairment indication in the amount of €14.8 million).

The following table contains the assumptions for the performance of the impairment test in the previous year:

	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
EEA	24.5%-26.3%	9.4%-13.0%	7.6%-10.6%
EEMEA	20.0%-28.0%	16.5%-17.2%	13.0%-13.5%
EMEA	**20.0%-28.0%**	**9.4%-17.2%**	**7.6%-13.5%**
North America	28.3%-39.5%	9.8%-11.4%	7.8%-7.9%
Latin America	18.5%-35.0%	11.3%-33.7%	9.6%-22.6%
Americas	**18.5%-39.5%**	**9.8%-33.7%**	**7.8%-22.6%**
Asia/Pacific	**17.0%-30.0%**	**9.6%-13.3%**	**6.8%-10.6%**

A growth rate of 3% was generally assumed, and a growth rate of under 3% has only been used in exceptional cases where this is justified.

11. Holdings in associated companies

The 20.1% interest in Wilderness Holdings Ltd. is shown under holdings in associated companies. The carrying amount of the shares as of December 31, 2013 is €13.9 million (previous year: €24.0 million). The market value of the shares amounts to €13.9 million (previous year: €9.6 million). The value of the shares in Wilderness Holdings Ltd was adjusted in connection with the strategic reorientation of PUMA ("Forever Faster"). The impairment is included in the line Other Operating Income and Expenses in the consolidated income statement.

The following overview shows the aggregated benchmark data of the associated companies recognized at equity. The values represent the values based on the entire company and do not relate to the shares attributable to the PUMA-Group.

	2013 € million	**2012 € million**
Total assets	78.8	81.8
Total liabilities	42.9	46.5
Shareholders' equity	35.9	35.3
Net sales	120.1	120.3
Net earnings	6.6	3.0

PUMA's share of the net earnings of Wilderness Holdings Ltd. amounts to €1.3 million (previous year: €0.6 million).

The balance sheet date of Wilderness Holdings Ltd. is February 28, 2014. The information on total assets, total liabilities and equity stated above relates to the Company's financial information as of December 31.

12. Other Non-Current Assets

Other non-current financial and non-financial assets consist of:

	2013 € million	2012 € million
Other loans	0.1	0.8
Other financial assets	15.1	16.1
Total of Other Non-current Financial Assets	**15.2**	**16.9**
Other non-current non-financial assets	14.1	4.5
Other Non-Current Assets, Total	**29.3**	**21.4**

Other financial assets mainly include rental deposits in the amount of €12.7 million (previous year: €15.8 million). The other non-current non-financial assets mainly include deferrals in connection with promotional and advertising agreements.

In the 2013 financial year, there were no indicators of impairment of other non-current assets.

13. Liabilities

The residual terms of liabilities are as follows:

	2013				2012			
		Residual term of				Residual term of		
	Total **€ million**	up to 1 year € million	1 to 5 years € million	over 5 years € million	**Total** **€ million**	up to 1 year € million	1 to 5 years € million	over 5 years € million
Financial Liabilities	**29.0**	25.1	3.9		**44.1**	44.1	0.0	
Trade Payables	**373.1**	373.1			**376.1**	376.1		
Liabilities from Acquisitions of Business Enterprises	**2.6**	0.5	2.1		**5.9**	2.6	3.3	
Other liabilities								
Liabilities from other taxes	**25.4**	25.4			**33.3**	33.3		
Liabilities relating to social security	**5.3**	5.3			**5.8**	5.8		
Payables to Employees	**44.8**	44.8			**44.5**	44.5		
Liabilities from market valuation of forward exchange transactions	**14.5**	14.5			**16.1**	16.1		
Liabilities from leases	**0.1**	0.1			**0.2**	0.2		
Other liabilities	**53.8**	51.0	2.8		**111.1**	108.0	3.1	
Total	**548.5**	539.8	8.7	0.0	**637.1**	630.7	6.4	0.0

PUMA has confirmed credit facilities amounting to a total of €347.0 million (previous year: €347.9 million). Of the financial liabilities of €29.0 million (previous year: €44.1 million), of which €6.9 million (previous year: €0.0 million) were claimed from credit facilities only granted until further notice, the unused credit facilities as of December 31, 2013 amounted to €324.9 million, compared to €303.8 million the previous year.

The effective interest rate of the financial liabilities ranged between 0.5% and 13.0% (previous year: 1.5%–13.3%).

The table below shows the cash flows of the original financial liabilities and of the derivative financial instruments with a positive and negative fair value:

Cash flows from Non-derivative and Derivative Financial Liabilities Liabilities	Carrying Amount	Cash Flow for 2014		Cash Flow for 2015		Cash Flow for 2016 et seq.	
	2013	Interest	Repayment	Interest	Repayment	Interest	Repayment
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Non-derivative Financial Liabilities							
Financial liabilities	29.0	0.2	25.1	0.1	3.9		
Trade Payables	373.1		373.1				
Liabilities from finance leases	0.1		0.1				
Purchase price liabilities	2.6		0.5		2.1		
Other liabilities	41.8		41.8				
Derivative Financial Liabilities and Assets							
Forward exchange transactions with cash flow hedges – inflow			581.8				
Forward exchange transactions with cash flow hedges – outflow			608.3				

Liabilities to banks can be repaid at any time.

The following values were determined in the previous year:

Cash flows from Non-derivative and Derivative Financial Liabilities Liabilities	Carrying Amount	Cash Flow for 2013		Cash Flow for 2014		Cash flow for 2015 et seq.	
	2012	Interest	Repayment	Interest	Repayment	Interest	Repayment
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Non-derivative Financial Liabilities							
Financial liabilities	44.1	1.2	44.1				
Trade Payables	376.1		376.1				
Liabilities from finance leases	0.2		0.2				
Purchase price liabilities	5.9		2.6		0.7		2.8
Other liabilities	98.0		98.0				
Derivative Financial Liabilities and Assets							
Forward exchange transactions with cash flow hedges – inflow			626.1				
Forward exchange transactions with cash flow hedges – outflow			666.3				

14. Additional Information on Financial Instruments

	Measurement Categories in Accordance with IAS 39	Carrying Amount 2013 € million	Fair Value 2013 € million	Carrying Amount 2012 € million	Fair Value 2012 € million
Assets					
Cash and Cash Equivalents	[1]LAR	390.1	390.1	407.3	407.3
Trade receivables	LAR	423.4	423.4	507.0	507.0
Other current financial assets	LAR	26.8	26.8	24.5	24.5
Derivatives with hedging relationship (Fair Value)	n.a.	11.5	11.5	8.0	8.0
Derivatives without hedging relationship (Fair Value)	n.a.	0.1	0.1	0.4	0.4
Loans	LAR	0.1	0.1	0.8	0.8
Other non-current financial assets	LAR	13.7	13.7	16.1	16.1
Liabilities					
Financial liabilities	[2] OL	29.0	29.0	44.1	44.1
Trade payables	OL	373.1	373.1	376.1	376.1
Purchase price liabilities	OL	2.6	2.6	5.9	5.9
Liabilities from leases	n.a.	0.1	0.1	0.2	0.2
Other financial Liabilities	OL	41.8	41.8	98.0	98.0
Derivatives with hedging relationship (Fair Value)	n.a.	13.7	13.7	13.3	13.3
Derivatives without hedging relationship (Fair Value)	n.a.	0.8	0.8	2.8	2.8
Total LAR		**854.1**	**854.1**	**955.7**	**955.7**
Total OL		**446.5**	**446.5**	**524.1**	**524.1**

[1] LAR: Loans and Receivables; [2] OL: Other Liabilities

Financial instruments that are measured at market value in the balance sheet were determined using the following hierarchy:

Level 1: Use of prices quoted on active markets for identical assets or liabilities.
Level 2: Use of input factors that do not involve the quoted prices stated under Level 1, but can be observed for the asset or liability either directly (i.e., as price) or indirectly (i.e., derivation of prices).
Level 3: Use of factors for the valuation of the asset or liability that are based on non-observable market data.

The market values of derivative assets or liabilities were determined on the basis of Level 2.

Cash and cash equivalents, trade receivables and other assets have a short residual maturity. Accordingly, as of the reporting date, the carrying amount approximates fair value. Receivables are stated at nominal value, taking into account deductions for default risk.

Accordingly, as of the reporting date, the carrying amount of loans receivable approximates fair value.

The fair values of other financial assets correspond to their carrying amount, taking into account prevailing market interest rates. Other financial assets include €15.3 million (previous year: €18.6 million) that were pledged as rental deposits at usual market rates.

Liabilities to banks can be terminated at any time and thus have a short maturity. Accordingly, as of the reporting date, the carrying amount approximates fair value.

Trade payables have a short residual maturity. The recognized values approximate fair value.

Pursuant to the contracts entered into, purchase price liabilities associated with acquisitions of business enterprises lead to prorata payments. The resulting nominal amounts were discounted at a reasonable market interest rate, depending on the expected date of payment. As of the end of the financial year, the market interest rate only affects one company and is 2.3% (previous year: 2.3%).

The fair values of other financial liabilities are determined based on the present values, taking into account the prevailing interest rate parameters.

The fair values of derivatives with hedging relationships as of the balance sheet date are determined taking into account the prevailing market parameters. The discounted result of the comparison of the forward price on the reporting date with the forward price on the valuation date is included in the measurement.

Net income by measurement categories:

	2013 € million	2012 € million
Loans and receivables (LAR)	-8.0	-10.7
Other liabilities (OL)	-8.1	-4.0
Derivatives without hedging relationship	1.4	-1.7
Total	**-14.7**	**-15.4**

The net income was determined by taking into account interest rates, currency exchange effects, impairment losses as well as gains and losses from sales.

General administrative expenses include write-downs of receivables.

15. Pension Provisions

Pension provisions result from employees' claims for benefits, which are based on the statutory or contractual regulations applicable in the respective country, in the event of invalidity, death or when a certain retirement age has been reached. Pension commitments in the PUMA Group include both benefit- and contribution-based pension systems and include both obligations from current pensions and rights to pensions payable in the future. Benefit-based pension systems are financed by bother provisions and funds.

The risks associated with the pension systems mainly concern the usual risks of benefit-based pension plans in relation to possible changes in the discount rate and, to a minor degree, inflation trends and recipient longevity. In order to limit the risks of changed capital market conditions and demographic developments, plans with the maximum obligations were agreed a few years ago in Germany and the UK for new hires.

	Germany € million	UK € million	Other Companies € million	PUMA Group € million
Present Value of Pension Claims 12/31/2013				
Salary-based obligations				
Annuity	0.0	30.0	8.8	38.8
One-off payment	0.0	0.0	4.0	4.0
Non-salary-based obligations				
Annuity	19.9	0.0	0	19.9
One-off payment	6.0	0.0	0	6.0

The main pension regulations are described below:

The general pension regulations of PUMA SE generally provide for pension payments to a maximum amount of
€127.82 per month and per eligible employee. They have been in place for new hires since 1996. In addition, PUMA SE provides individual commitments (fixed sums in different amounts) as well as contribution-based individual commitments (in part from salary conversion). The contribution-based commitments are insured plans. There are no statutory minimum funding requirements. The scope of the obligations attributable to domestic pension claims (PUMA SE) in the end amounts to €25.9 million and thus accounts for 37.7% of the total obligation. The fair value of the plan assets relative to domestic obligations amounts to €10.5 million. The corresponding pension provision amounts to €15.4 million.

The defined benefit plan in the UK has been in place for new hires since 2006. This defined benefit plan includes salary and length of service-based commitments to provide old-age, invalidity and surviving dependents' retirement benefits. Partial capitalization of the old-age pension is permitted. There are statutory minimum funding requirements. The obligations regarding pension claims under the defined benefit plan in the UK amount to €29.9 million at the end of 2013 and thus accounts for 43.6% of the total obligation. The obligation is covered by assets amounting to €26.1 million. The provisions amount to € 3.8 million.

The changes in the present value of pension claims are as follows:

	2013 € million	2012 € million
Present Value of Pension Claims January 1	**69.4**	**64.4**
Cost of the pension claims earned in the reporting year	2.6	2.6
Past service costs	-0.7	-1.1
(Profits) and losses from settlements	0.0	0.0
Interest expense on pension claims	2.4	2.6
Employee contributions	0.5	0.5
Benefits paid	-3.8	-3.5
Effects from transfers	-0.2	0.0
Actuarial (gains) and losses	-0.4	3.0
Currency exchange effects	-1.1	0.9
Present Value of Pension Claims December 31	**68.8**	**69.4**

The changes in the plan assets are as follows:

	2013 € million	2012 € million
Plan Asset January 1	**38.7**	**34.6**
Interest income on plan assets	1.5	1.6
Actuarial gains and (losses)	0.7	1.1
Employer contributions	2.3	1.8
Employee contributions	0.5	0.5
Benefits paid	-2.5	-1.5
Effects from transfers	0.0	0.0
Currency exchange effects	-0.5	0.6
Plan Asset December 31	**40.7**	**38.7**

The pension provision for the Group is derived as follows:

	2013 € million	2012 € million
Present value of pension claims from benefit plans	68.8	69.4
Fair value of plan assets	-40.7	-38.7
Financing Status	**28.1**	**30.7**
Amounts not recorded due to the maximum limit applicable to assets	0.0	0.0
Pension Provision December 31	**28.1**	**30.7**

In 2013, benefits paid amounted to €3.8 million (previous year: €3.5 million). Payments in 2014 are expected to amount to €2.3 million. Of these, €1.3 million is expected to be provided directly by the employer. In 2013, contributions to external plan assets amounted to €2.3 million in 2013 (previous year: €1.8 million). Contributions in 2014 are expected to amount to €1.8 million.

The changes in pension provisions are as follows:

	2013 € million	2012 € million
Pension Provision January 1	**30.7**	**29.8**
Pension expense	3.0	2.5
Actuarial (gains) and losses recorded in Other Comprehensive Income	-1.1	1.9
Employer contributions	-2.3	-1.8
Direct pension payments made by the employer	-1.5	-2.0
Transfer values	-0.2	0.0
Currency exchange differences	-0.6	0.3
Pension Provision December 31	**28.1**	**30.7**
of which assets	0.0	0.0
of which liabilities	28.1	30.7

The expenses in the 2013 financial year are structured as follows:

	2013 € million	2012 € million
Cost of the pension claims earned in the reporting year	2.6	2.6
Past service costs	-0.7	-1.1
Expense from plan settlements	0.0	0.0
Interest expense on pension claims	2.4	2.6
Interest income on plan assets	-1.5	-1.6
Administration costs	0.1	0.0
Expenses for Defined Benefit Plans	**2.9**	**2.5**
Paid Contributions for Defined Contribution Plans	**8.6**	**9.4**
Total Expenses for Old-age Pension	**11.5**	**11.9**
of which personnel costs	10.6	10.9
of which financial costs	0.9	1.0

Actuarial gains and losses recorded in Other Comprehensive Income:

	2013 € million	2012 € million
Revaluation of Pension Commitments	**-0.4**	**3.0**
Actuarial (gains) and losses resulting from changes in demographic assumptions	0.0	1.0
Actuarial (gains) and losses resulting from changes in financial assumptions	0.6	1.0
Actuarial (gains) and losses due to adjustments based on experience	-1.0	1.0
Revaluation of Plan Assets	**-0.7**	**-1.1**
Amounts not recorded due to the maximum limit applicable to assets	0.0	0.0
Total Revaluation Amounts Recorded Directly in Other Comprehensive Income	**-1.1**	**1.9**

Plan asset investment classes:

	2013 € million	2012 € million
Cash and cash equivalents	0.8	0.0
Equity instruments	0.1	6.8
Bonds	9.8	10.6
Investment funds	15.6	8.0
Real estate	3.1	3.1
Insurance	10.6	9.7
Other	0.7	0.5
Total Plan Assets	**40.7**	38.7

Of which investment classes with a quoted market price:

	2013 € million	2012 € million
Cash and cash equivalents	0.8	0.0
Equity instruments	0.1	6.8
Bonds	9.8	10.6
Investment funds	15.4	7.8
Real estate	2.6	2.5
Insurance	0.0	0.0
Other	0.0	0.0
Plan Assets with a Quoted Market Price	**28.7**	27.7

Plan assets do not include the Group’s own financial instruments or real estate used by Group companies.

The plan assets are used exclusively to fulfill defined pension commitments. Legal requirements exist in some countries for the type and amount of financial resources that can be chosen; in other countries (for example Germany) they can be chosen freely. In the UK, a board of trustees made up of Company representatives and employees is in charge of asset management. Its investment strategy is aimed at long-term profits and low volatility.

The following assumptions were used to determine pension obligations and pension expenses:

	2013	2012
Discount rate	3.78%	3.72%
Future pension increases	2.10%	2.05%
Future salary increases	3.90%	3.59%

The indicated values are weighted average values. A standard interest rate of 3.25% was applied for the Euro zone (previous year: 3.5%).

The following overview shows how the present value of pension claims from benefit plans would have been affected by changes to significant actuarial assumptions.

	2013 € million
Effect on present value of pension claims if	
the discount rate were 50 basis points higher	-5.6
the discount rate were 50 basis points lower	5.5

Salary and pension trends have only a negligible effect on the present value of pension claims due to the structure of the benefit plans.

The weighted average duration of pension commitments is 18 years.

16. Other Provisions

	2012 € million	Currency adjustments, Retransfers € million	Addition € million	Utilization € million	Reversal € million	2013 € million
Provisions for:						
Warranties	**6.8**	3.5	2.0	-1.2	-1.7	**9.4**
Purchasing risks	**6.1**	-0.2	3.9	-4.4	0.0	**5.4**
Restructuring	**95.2**	-1.8	4.8	-59.5	-8.9	**29.8**
Other	**48.3**	-6.5	71.3	-12.9	-6.1	**94.1**
Total	**156.4**	-5.0	82.1	-78.0	-16.7	**138.8**

The warranty provision is determined on the basis of the historical value of sales generated during the past six months. It is expected that the majority of these expenses will fall due within the first six months of the next financial year. The provision for warranties includes non-current provisions €4.6 million (previous year: €0.0 million).

Purchasing risks relate primarily to materials and molds that are required for the manufacturing of shoes. The provision will probably result in a payment in the following year.

The provision for restructuring includes expenses associated with the package of measures as part of the company-wide transformation and cost reduction program. The provision for restructuring includes €7.7 million in non-current provisions (previous year: €8.1 million).

Other provisions consist primarily of risks associated with legal disputes (€32.9 million), provisions for anticipated losses from pending business and other risks. Other provisions include €21.0 million in non-current provisions (previous year: €30.2 million).

17. Liabilities from the Acquisition of Business Enterprises

Pursuant to the contracts entered into, purchase price liabilities associated with acquisitions of business enterprises lead to prorata payments. The resulting nominal amounts were discounted at a reasonable market interest rate, depending on the expected date of payment.

The purchase price liability consists of:

	2013 € million	2012 € million
Due within one year	0.5	2.6
Due in more than one year	2.1	3.3
Total	**2.6**	**5.9**

18. Shareholders' Equity

Subscribed Capital

The subscribed capital corresponds to the subscribed capital of PUMA SE. As of the balance sheet date, the subscribed capital amounted to €38.6 million and is divided into 15,082,464 bearer shares. Each no-par-value share corresponds to €2.56 of the share capital. Capital reserves rose by €3.7 million as a result of the valuation of stock option programs for management (previous year: €3.2 million).

Changes in the circulating shares:

		2013	2012
Circulating Shares as of January 1	**Share**	**14,939,279**	**14,934,633**
Conversion from Management Incentive Program	Share	634	4,646
Share buy-back	Share	0	0
Circulating Shares as of December 31	**Share**	14,939,913	14,939,279

Capital Reserve

The capital reserve includes the premium from issuing shares, as well as amounts from the grant, conversion and expiration of share options.

Retained Earnings and Net Profit

Retained earnings and net profit include the net income of the financial year as well as the income of the companies included in the consolidated financial statements achieved in the past to the extent that it was not distributed.

Reserve from the Difference Resulting From Currency Conversion

The equity item for currency conversion serves to record the differences from the conversion of the financial statements of subsidiaries with non-Euro accounting compared to the date of first consolidation of the subsidiaries.

Cash Flow Hedges

The "cash flow hedges" item includes the market valuation of derivative financial instruments. The item includes -€3.2 million (previous year: -€6.4 million), which are offset against deferred taxes amounting to €0.1 million (previous year: €0.1 million).

Treasury Stock
Pursuant to a resolution passed by the Annual General Meeting of April 20, 2010, the Company was authorized to acquire Company shares of up to ten per cent of the share capital by April 19, 2015. If purchased through the stock exchange, the purchase price per share may not exceed or fall below 10% of the average closing price for the Company's shares with the same attributes in the XETRA trading system (or a comparable successor system) during the last three trading days prior to the obligation to purchase. At the same time, pursuant to the resolution granting authorization, the previous resolution of the Annual General Meeting from 2009 was revoked.

The Company did not make use of the authorization to purchase treasury stock during the reporting period. Furthermore, during the reporting period, 634 shares with a value of €0.1 million were converted within the management incentive program. As of the balance sheet date, the Company holds a total of 142,551 PUMA shares in its own portfolio, which corresponds to 0.95% of the subscribed capital.

Authorized Capital
Pursuant to Section 4(3) and (4) of the Articles of Association of PUMA SE, the Authorized Capital expired on April 10, 2012. Pursuant to Section 4, (3) and (4) of the Articles of Association of PUMA SE, on April 24, 2012 the Annual General Meeting revoked the authorization for the Authorized Capital and, pursuant to Section 4(2) and (3) of the Articles of Association of PUMA SE, authorized new Authorized Capital, including a corresponding amendment to the Articles of Association. Pursuant to the resolution of the Annual General Meeting dated April 24, 2012, the Administrative Board is authorized to increase the share capital by April 23, 2017 as follows:

A) By issuing up to €7.5 million worth of up to 2,929,687 new bearer shares on one or more occasions with a prorata amount of the share capital of €2.56 per share in exchange for cash contributions. The new shares can also be acquired by one or several banks as determined by the Administrative Board, subject to the obligation to offer these to the shareholders for subscription (indirect subscription right). The shareholders are basically entitled to a subscription right, whereby the shareholders' subscription rights may be excluded to prevent fractional amounts (Authorized Capital I).

B) By issuing up to €7.5 million worth of up to 2,929,687 new bearer shares on one or more occasions with a prorata amount of the share capital of €2.56 per share in exchange for cash contributions or contributions in kind. The new shares can also be acquired by one or several banks as determined by the Administrative Board, subject to the obligation to offer these to the shareholders for subscription (indirect subscription right). Shareholders have in principle subscription rights, whereby the shareholders' subscription rights may be wholly or partially excluded to avoid fractional shares (Subscribed Capital II).

Conditional Capital
Pursuant to the resolution passed by the Annual General Meeting of April 22, 2008, the share capital can be increased by up to €1.5 million through the issuance of up to 600,000 new shares. The contingent capital increase shall be used exclusively for granting subscription rights (stock options) to former members of the Supervisory Board and the Managing Directors of the Company as well as other executives of the company and subordinate associated companies.

As of December 31, 2013, conditional capital was still available in a total amount of €1.5 million (previous year: €1.5 million).

Dividends
The amounts eligible for distribution relate to the net income of PUMA SE, which is determined in accordance with German Commercial Law.

The Managing Directors recommend to the Administrative Board and the Annual General Meeting that a dividend of €0.50 per circulating share, or a total of €7.5 million (with respect to the circulating shares as of December 31), be distributed to the shareholders from the net income of PUMA SE for the 2013 financial year. This corresponds to a payout ratio of 140.3% relative to consolidated net income compared to 10.6% in the previous year.

Appropriation of the Net Income of PUMA SE:

		2013	2012
Net income of PUMA SE as of December 31	€ million	53.1	85.0
Dividends per share	€	0.50	0.50
Number of circulating shares *	Share	14,939,913	14,939,279
Total dividend *	€ million	7.5	7.5
Carried forward to the new accounting period *	€ million	45.7	77.5

* Previous year's values adjusted to the outcome of the Annual General Meeting

Non-controlling interests
The non-controlling interest remaining as of the balance sheet date relates to the company PUMA Wheat Accessories, Ltd with €0.6 million (previous year: €1.1 million) and Janed, LLC with €15.1 million (previous year: €7.8 million).

Capital Management
The Group's objective is to retain a strong equity base in order to maintain both investor and market confidence and to strengthen future business performance.

Capital management relates to the consolidated equity of PUMA. This is shown in the consolidated balance sheet as well as the reconciliation statement concerning "Changes in Equity."

19. Equity Compensation Plans/Management Incentive Program

In order to provide long-term incentives and thereby retain the management staff in the Company, PUMA uses share-based compensation systems in the form of stock option programs (SOP) and in the form of virtual shares with cash compensation.

The current programs are described below:

Explanation of "SOP"
Pursuant to the resolution of the Annual General Meeting of April 22, 2008, a stock option program, "SOP 2008", was accepted in the form of a "Performance Share Program". Conditional capital was created for this purpose and the Supervisory Board and the Board of Management of PUMA AG (as of July 25, 2011 change of form into SE) were authorized to grant subscription rights to the members of the Board of Management and other executives of the Company and of affiliated subsidiary companies for five years (after the registration of the conditional capital in the commercial register), but for at least three months after the end of the Annual General Meeting in 2013.
The term of the subscription rights issued and to be issued is five years and these subscription rights can be exercised after two years at the earliest, provided, however, that the price of the PUMA share has increased by at least 20% as of the date granted. In contrast to traditional stock option programs, the equivalent amount of the increase in value of the PUMA share since the date granted is serviced with shares, whereby the beneficiary pays an option price of €2.56 per share granted if the share was issued as part of a capital increase. If employees leave the company, their options rights shall expire.

Furthermore, pursuant to the authorization, the Administrative Board, in accordance with the recommendations of the Corporate Governance Code, may limit, fully or partially, the scope and contents of subscription rights issued to the company's Managing Directors in the event of extraordinary, unforeseen developments. This authorization also applies to the Managing Directors with respect to the other executive staff concerned.

The programs were valued using a binomial model or a Monte Carlo simulation.

The following parameters were used to determine the fair value:

SOP	2008 Tranche I	2008 Tranche II	2008 Tranche III	2008 Tranche IV	2008 Tranche V
Share price as of the date granted	€199.27	€147.27	€250.50	€199.95	€265.00
Expected volatility	29.1%	47.7%	34.5%	29.2%	26.8%
Expected dividend payment	1.50%	2.31%	1.30%	1.30%	0.8%
Risk-free interest rate, former members of the Board of Management/current Managing Directors	4.60%	1.97%	1.60%	2.40%	0.3%
Risk-free interest rate, executive staff	4.60%	1.97%	1.60%	2.40%	0.3%

The historical volatility during the year prior to the date of valuation was used to determine the expected volatility.

Changes in the "SOP" during the financial year:

SOP	2008 Tranche I	2008 Tranche II	2008 Tranche III	2008 Tranche IV	2008 Tranche V
Issue date	7/21/2008	4/14/2009	4/22/2010	4/15/2011	4/30/2012
Amount issued	113,000	139,002	126,184	151,290	145,375
Exercise price	€0.00	€0.00	€2.56	€2.56	€2.56
Residual term	0.00 years	0.29 years	1.31 years	2.29 years	3.33 years
Circulating as of 1/1/2013	**1,500**	**2,500**	**98,693**	**103,463**	**114,969**
Exercised	-1,000	-1,000	0	0	0
Ø Share price when exercised	€220.83	€214.57	n.a.	n.a.	n.a.
Expired	-500	0	0	0	-1,500
Circulating as of 12/31/2013	**0**	**1,500**	**98,693**	**103,463**	**113,469**
Exercisable options as of the reporting date	0	0	0	0	0

Pursuant to Section 5 of the Option Terms and Conditions, every year the options are subject to a vesting period from December 15 for up to ten trading days after the Annual General Meeting. Accordingly, no options can be exercised as of the reporting date.

As of the date of allocation, the average fair value per option was €49.44 for "Tranche I -2008". Taking into account the vesting period, there are no expenses for the current financial year. Of the options in circulation, 0 options belong to the previous members of the Board of Management of PUMA AG or the current Managing Directors.

Pursuant to the allocation, the average fair value per option was €53.49 for "Tranche II – 2008". Taking into account the vesting period, there are no expenses for the current financial year. Of the options in circulation, 0 options belong to the previous members of the Board of Management of PUMA AG or the current Managing Directors.

Pursuant to the allocation, the average fair value per option was €61.81 for "Tranche II – 2008". Taking into account the vesting period, there are no expenses for the current financial year. Of the options in circulation, 83,693 options belong to the previous members of the Board of Management of PUMA AG or the current Managing Directors.

Pursuant to the allocation, the average fair value per option was €40.14 for "Tranche IV – 2008". Taking into account the vesting period and the expiration, the expenses for the current financial year amount to a total of €0.6 million. A total of 86,463 options belong to the previous members of the Board of Management of PUMA AG or the current Managing Directors at the end of the year.

Pursuant to the allocation, the average fair value per option was €44.59 for "Tranche V – 2008". Taking into account the vesting period and the expiration, the expenses for the current financial year amount to a total of €3.1 million. A total of 13,453 options belong to the current Managing Directors as at year end.

Explanation of Virtual Shares
Virtual shares were granted during the 2013 financial year as part of a management incentive program. Each virtual share entitles the holder to a cash payout at the end of its term, depending on the final determined price of the PUMA share. Virtual shares are subject to a vesting period of three years. After that, there is an exercise period of two years (in the period from April to October) which can be freely used by participants for the purposes of execution. The fundamental exercise condition after the vesting period is the existence of an active employment relationship with PUMA. At the end of the financial year, all participants remained in active service.

Virtual Shares		
Issue date	1/1/2013	
Term	5	Years
Vesting period	3	Years
Base price	224	EUR/share
Participants in year of issue	4	people
Exercise threshold (price increase relative to base price)	n.a.	
Exercise threshold (minimum price)	n.a.	
Number of virtual shares	14,315	share

This commitment consisting of share-based remuneration transactions with cash compensation are recorded as personnel provisions and revalued on every balance sheet date at fair value. Expenses are likewise recorded over the vesting period. Based on the market price on the balance sheet date, the provision amounts to €0.4 million.

20. Other Operating Income and Expenses

According to the respective functions, other operating income and expenses include personnel, advertising, sales and distribution expenses as well as rental and leasing expenditure, travel costs, legal and consulting expenses and other general expenses. Typical operating income that is associated with operating expenses was offset. Rental and lease expenses associated with the Group's own retail stores include sales-dependent rental components.

Other operating income and expenses are allocated based on functional areas as follows:

	2013 € million	2012 € million
Sales and distribution expenses	977.6	1,152.4
Product development/design	80.8	93.9
Administrative and general expenses	305.1	261.5
Other operating expenses	**1,363.5**	**1,507.8**
Other operating income	**17.7**	**22.8**
Total	**1,345.8**	**1,485.0**
Of which systematic depreciation	53.8	59.7
Of which impairment expenses	79.1	16.3

Within the sales and distribution expenses, marketing/retail expenses account for a large proportion of the operating expenses. In addition to advertising and promotional expenses, they also include expenses associated with the Group's retail activities. Other sales and distribution expenses include warehousing expenses and other variable sales and distribution expenses.

Administrative and general expenses include expenses for the statutory auditor of PUMA SE in the amount of €0.6 million (previous year: €0.7 million). Of this, €0.5 million is allocated to auditing expenses (previous year: €0.5 million), €0.1 million to tax advisory services (previous year: €0.1 million) and €0.0 million to other assurance services (previous year: €0.1 million).

Other operating income includes €17.3 million in income from the allocation of development costs (previous year: €20.9 million) and €0.4 million in other income (previous year: €1.9 million).

Overall, other operating expenses include personnel costs, which consist of:

	2013 € million	2012 € million
Wages and salaries	336.6	376.1
Social security contributions	47.5	53.7
Expenses from share-based remuneration with compensation in shares	1.1	2.8
Expenses from share-based remuneration with compensation in cash	0.4	0.0
Expenses for old-age pension and other personnel expenses	39.7	43.4
Total	**425.3**	**476.0**

In addition, cost of sales includes personnel costs in the amount of €18.2 million (previous year: €16.4 m).

The annual average number of full-time employees was as follows:

	2013	2012
Marketing/retail/sales	7,176	7,265
Product development/design	882	935
Administrative and general units	2,692	2,735
Total annual average	**10,750**	**10,935**

As of the end of the year, a total of 10,982 individuals were employed (previous year: 11,290) on a full-time basis.

21. Financial Result

This financial result consists of:

	2013 € million	2012 € million
Income from Associated Companies	**1.3**	**0.6**
Interest income	6.2	4.4
Income from currency conversion differences, net	0.0	2.5
Financial Income	**6.2**	**6.9**
Interest expense	-6.7	-7.2
Interest accrued on purchase price liabilities from acquisitions of business enterprises	-0.1	-0.2
Valuation of pension plans	-1.0	-1.0
Expenses from currency conversion differences, net	-8.4	0.0
Financial Expenses	**-16.2**	**-8.4**
Financial Result	**-8.7**	**-0.9**

Income from associated companies results exclusively from the shareholding in Wilderness Holdings Ltd. (see also paragraph 11).

Interest income results from financial investments.

Interest expenses relate to short-term financing liabilities.

Moreover, the financial result includes €8.4 million in expenses from currency conversion differences (previous year: income of €2.5 million), which are attributable to financing activities.

22. Income Taxes

	2013 € million	2012 € million
Current income taxes		
Germany	10.7	11.9
Other countries	40.7	64.9
Total current income taxes	**51.4**	**76.8**
Deferred taxes	**-18.9**	**-44.3**
Total	**32.5**	**32.5**

In general, PUMA SE and its German subsidiaries are subject to corporate income tax, plus a solidarity surcharge and trade tax. Thus, a weighted mixed tax rate of 27.22% applies for the financial year.

Reconciliation of the theoretical tax expense with the effective tax expense:

	2013 € million	2012 € million
Earnings Before Income Tax	**53.7**	**112.3**
Theoretical tax expense Tax rate of SE = 27.22% (previous year: 27.22%)	14.6	30.6
Taxation difference with respect to other countries	-4.1	-13.4
Other tax effects:		
Income tax for previous years	-6.7	2.6
Losses and temporary differences. for which no tax claims were recognized	20.5	20.7
Changes in tax rate	0.1	0.9
Non-deductible expenses for tax purposes and non-taxable income and other effects	8.1	-8.9
Effective Tax Expense	**32.5**	**32.5**
Effective tax rate	60.5%	28.9%

The tax effect resulting from items that are directly credited or debited to equity is shown directly in the statement of comprehensive income.

Other effects include withholding taxes in the amount of €9.9 million (previous year: €13.1 million).

23. Earnings per Share

The earnings per share are determined in accordance with IAS 33 by dividing the consolidated annual surplus (consolidated net earnings) attributable to the shareholder of the parent company by the average number of circulating shares. Potential shares from the management incentive program may lead to a dilution of this indicator (see paragraph 19).

The calculation is shown in the table below:

		2013	2012
Consolidated net earnings	€ million	5.3	70.2
Average number of circulating shares	in units	14,939,515	14,966,658
Diluted number of shares	in units	14,941,089	14,967,848
Earnings per share	(€)	0.36	4.69
Earnings per share, diluted	(€)	0.36	4.69

24. Management of the Currency Risk

In the 2013 financial year, PUMA designated “forward purchase USD” currency derivatives as cash flow hedges in order to hedge the amount payable of purchases denominated in USD, which is converted to Euros.

The nominal amounts of open rate-hedging transactions, which relate mainly to cash flow hedges, refer to currency forward transactions in a total amount of €581.8 million (previous year: €626.1 million).

Cash flows for the underlying transactions are expected in 2014.

The market values of open rate-hedging transactions on the balance sheet date consist of:

	2013 € million	2012 € million
Forward currency contracts, assets (see paragraph 6)	11.6	8.4
Forward currency contracts, liabilities (see paragraphs 13 and 14)	-14.5	-16.1
Net	**-2.9**	**-7.7**

The changes in effective cash flow hedges are shown in the schedule of changes in shareholders' equity and the statement of comprehensive income.

In order to disclose market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on earnings and equity. The periodic effects are determined by relating the hypothetical changes caused by the risk variables to the balance of the financial instruments held as of the balance sheet date. The underlying assumption is that the balance as of the balance sheet date is representative for the entire year.

Currency risks as defined by IFRS 7 arise on account of financial instruments being denominated in a currency that is not the functional currency and is monetary in nature. Differences resulting from the conversion of the individual financial statements to the Group currency are not taken into account. All non-functional currencies in which PUMA employs financial instruments are generally considered to be relevant risk variables.

Currency sensitivity analyses are based on the following assumptions:
Material primary monetary financial instruments (cash and cash equivalents, receivables, interest-bearing debt, liabilities from finance leases, non-interest-bearing liabilities) are either denominated directly in the functional currency or transferred into the functional currency through the use of forward exchange transactions.

Forward exchange transactions used to hedge against payment fluctuations caused by exchange rates are part of an effective cash flow hedging relationship pursuant to IAS 39. Changes in the exchange rate of the currencies underlying these transactions have an effect on the hedge reserve in equity and on the fair value of these hedging transactions.

If, as of December 31, 2013, the USD had appreciated (devalued) against all other currencies by 10%, the hedge reserve in equity and the fair value of the hedging transactions would have been €57.2 million higher (lower) (December 31, 2012: €56.4 million higher (lower)).

Currency risks are discussed in greater detail in the Group Management Report under the Risk Management section.

25. Segment Reporting

Segment reporting is based on geographical regions in accordance with our internal reporting structure. Sales revenues and operating results (EBIT) are shown according to the head office of the respective Group company of the corresponding region. The inter-company sales of the respective region are eliminated. The allocation of the remaining segment information is also determined on the basis of the respective Group company's head office. The totals equal the amounts at the time in the income statement and the balance sheet.

The regions are subdivided into EMEA (Europe, Middle East and Africa), Americas (North and Latin America) and Asia/Pacific.

The segments' internal sales are generated on the basis of market prices. They are not considered in the representation, as they are not relevant for controlling.

Investments and depreciation/amortization relate to additions and depreciation/amortization of property, plant and equipment and intangible assets during the current financial year. In addition, total impairment expenses in the amount of €79.1 million (previous year: €16.3 million) were taken into account in the following segments, EMEA (€19.1 million, previous year: €7.4 million), Americas (€0.0 million, previous year: €8.3 million), Asia/Pacific (€29.0 million, previous year: €0.5 million) and central units/consolidation (€31.0 million, previous year: 0.1 million).

Since PUMA is active in only one business area, namely that of the sports equipment industry, products are allocated according to the footwear, apparel and accessories product segments in accordance with the internal reporting structure. According to this reporting structure, except for the allocation of sales revenues and gross profit, there is no other allocation of the operating result and asset and liability items.

Operating Segments 1-12/2013

Regions

	External Sales		EBIT		Investments	
	1-12/2013 € million	1-12/2012 € million	1-12/2013 € million	1-12/2012 € million	1-12/2013 € million	1-12/2012 € million
EMEA	**1.125,0**	1.213,7	**-14,7**	0,8	**23,6**	55,5
Americas	**952,0**	1.033,3	**71,5**	96,7	**19,7**	24,3
Asia/Pacific	**576,5**	710,3	**18,1**	34,2	**8,5**	12,3
Central units/consolidation	**331,9**	313,4	**116,5**	159,0	**4,3**	6,8
Special items			**-129,0**	-177,5		
Total	**2.985,3**	3.270,7	**62,5**	113,2	**56,1**	99,0

	Depreciation		Inventories		Trade Receivables	
	1-12/2013 € million	1-12/2012 € million	1-12/2013 € million	1-12/2012 € million	1-12/2013 € million	1-12/2012 € million
EMEA	**15,8**	17,5	**248,8**	271,2	**151,2**	192,9
Americas	**12,7**	13,7	**143,7**	157,3	**142,2**	161,7
Asia/Pacific	**9,0**	10,0	**62,8**	76,1	**74,5**	103,4
Central units/consolidation	**16,3**	18,3	**66,1**	48,0	**55,4**	48,9
Total	**53,8**	59,5	**521,3**	552,5	**423,4**	507,0

Product

	External Sales		Gross Profit Margin	
	1-12/2013 € million	1-12/2012 € million	1-12/2013 € million	1-12/2012 € million
Footwear	**1.372,1**	1.595,2	**43,7%**	46,5%
Apparel	**1.063,8**	1.151,9	**48,3%**	49,8%
Accessories	**549,4**	523,6	**49,8%**	50,5%
Total	**2.985,3**	3.270,7	**46,5%**	48,3%

Bridge to EBT

	1-12/2013 € Mio.	1-12/2012 € Mio.
EBIT	**62,5**	113,2
Financial Result	**-8,7**	-0,9
EBT	**53,7**	112,3

26. Notes to the Cash Flow Statement

The cash flow statement was prepared in accordance with IAS 7 and is structured based on cash flows from operating, investment and financing activities. The indirect method is used to determine the cash inflow from ongoing operating activities. The gross cash flow, derived from earnings before income tax and adjusted for non-cash income and expense items, is determined within the cash flow from ongoing operating activities. Cash inflow from ongoing operating activities, reduced by investments in property, plant and equipment as well as intangible assets, is referred to as "free cash flow".

The financial resource fund reported in the cash flow statement includes all payment methods and equivalent payment methods shown under "Cash and cash equivalents", i.e., cash in hand, checks and bank balances.

Other non-cash expenses and income in the reporting year mainly concern impairment expenses for non-current assets (previous year: restructuring expenses).

27. Contingencies and Contingent Liabilities

Contingencies
As in the previous year, there were no reportable contingencies.

Contingent Liabilities
As in the previous year, there were no reportable contingent liabilities.

28. Other Financial Obligations

Obligations from Operating Lease
The Company rents and leases offices, warehouses, facilities and fleets of vehicles and sales rooms for its own retail business. Rental agreements for the retail business are concluded for terms of between five and fifteen years. The remaining rental and lease agreements have residual terms of between one and five years. Some agreements include options to renew and price adjustment clauses.

Total expenses resulting from these agreements amounted in 2013 to €117.5 million (previous year: €125.0 million). Some of the expenses are dependent on sales.

As of the balance sheet date, the obligations from future minimum rental payments for operating lease agreements are as follows:

	2013 € million	2012 € million
Under rental and lease agreements:		
2014 (2013)	91.0	99.8
2015 – 2018 (2014 – 2017)	194.6	209.2
from 2019 (from 2018)	59.3	55.6

Further Other Financial Obligations
Furthermore, the Company has other financial obligations associated with license, promotional and advertising agreements, which give rise to the following financial obligations as of the balance sheet date:

	2013 € million	2012 € million
Under license, promotional and advertising agreements:		
2014 (2013)	112.8	83.6
2015 – 2018 (2014 – 2017)	363.7	192.7
from 2019 (from 2018)	55.3	44.1

In addition, there are obligations concerning the provision of sports equipment under sponsoring agreements.

As is customary in the industry, the promotional and advertising agreements provide for additional payments on reaching pre-defined goals (e.g. medals, championships). Although these are contractually agreed, they naturally cannot be accurately predicted in terms of their timing and amount.

29. Managing Directors and Administrative Board

Disclosures pursuant to Section 314 (1)(6) of the HGB (German Commercial Code)

In accordance with the Act on Disclosure of Management Board Compensation of August 3, 2005, the disclosure of the individual earnings of the members of the Board of Management and Managing Directors may be dispensed with for a period of 5 years pursuant to Section 286 (5); Section 285(9)(a) sentences 5 – 8; Section 314 (2) sentence 2; Section 314 (1)(6)(a) sentences 5 – 8 of the HGB, if the Annual General Meeting passes a resolution in this regard with a 75% majority.

Pursuant to the resolution of the Annual General Meeting of May 7, 2013, the Company was authorized to refrain from disclosures pursuant to Section 285(9)(a) sentences 5 – 8 and Section 314 (1)(6)(a) sentences 5-8 of the HGB with respect to the financial year beginning on January 1, 2013 and all subsequent financial years ending December 31, 2017 at the latest.

The Managing Directors and the Administrative Board are of the opinion that the shareholders' justified interest in information is sufficiently accounted for by the disclosure of the total compensation of the Managing Directors. The Administrative Board will ensure that individual compensation is appropriate in accordance with its statutory duties.

Managing Directors

The compensation of the Managing Directors, which is determined by the Administrative Board, consists of non-performance-based and performance-based components. The non-performance-based components consist of a fixed salary and non-cash compensation, whereas the performance-based components consist of bonuses and components with a long-term incentive effect (stock appreciation rights). Along with job assignments and performance of each individual Managing Director, the criteria for calculating the total remuneration are the economic situation, long-term strategic planning and related targets, the long-term durability of targeted results, the Company's long-term prospects as well as international benchmark comparisons.

Fixed salary as non-performance-based basic compensation is paid monthly. In addition, the Managing Directors receive non-cash compensation, such as company cars and insurance premiums. In principle, these benefits are granted to all Managing Directors in an equal manner and are included in the non-performance-based compensation.

The bonus component of performance-related compensation is mainly based on the PUMA Group's operating income and free cash flow and is staggered according to the degree to which targets are met. An upper limit is also agreed.

The previous performance-based compensation component with a long-term incentive effect (stock appreciation rights) as part of a stock option plan was not granted beyond the 2012 financial year. Details on the parameters used for the respective programs are provided in Section 19 of the Notes to the Consolidated Financial Statements.

In the 2013 financial year, a new remuneration program with a long-term incentive effect was introduced, which is due to be accepted at the first Administrative Board meeting of 2014. Provisions amounting to € 0.4 million were recorded for this, based on commitments to the Managing Directors in employment contracts. The new performance-based program is aimed at further increasing the value of PUMA SE over a period of several years.

The fixed compensation for the Managing Directors amounted to € 1.9 million in the financial year (previous year: € 2.5 million) and variable bonuses came to € 0.9 million (previous year: € 0.4 million). € 0.1 million (previous year: € 0.1 million) was granted in non-cash compensation.

Following the allocation of expenses to the vesting period, the expenses resulting from options issued in previous years amounted to a total of € 0.3 million (previous year: € 1.1 million income).

The Managing Directors receive pension benefits, for which the Company took out a pension liability insurance policy. The proportion of the pension capital that is already financed through contributions to the pension liability insurance is deemed to be vested. € 0.3 million was allocated for Managing Directors in the financial year (previous year: € 0.2 million). The present value of the pension benefits granted to Managing Directors in the amount of € 0.3 million as at December 31, 2013 (previous year: € 0.4 million) was offset against the pledged asset value of the pension liability insurance policy, which was of an equal amount.

Pension obligations to former members of the Board of Management and Managing Directors amounted to € 12.5 million (previous year: € 10.2 million) and are accordingly recognized as liabilities under pension provisions, unless they are offset against asset values of an equal amount. Pensions were paid in the amount of € 0.2 million (previous year: € 0.2 million).

Administrative Board

In accordance with the Articles of Association, the Administrative Board has at least three members; it currently consists of nine members. The compensation of the Administrative Board is comprised of a fixed and a performance-based component. The total fixed compensation amounted to a total of € 0.3 million (previous year: € 0.3 million).

In accordance with the Articles of Association, each member of the Administrative Board receives fixed annual compensation in the amount of € 25,000. Fixed remuneration is increased by an additional fixed annual amount of € 25,000 for the Chairman of the Administrative Board, € 12,500 for the Vice Chairman of the Administrative Board, € 10,000 for the Chairman of a committee (with the exception of the Nominating Committee) and € 5,000 for each member of a committee (with the exception of the Nominating Committee).

In addition, each Administrative Board member receives performance-based compensation equal to € 20.00 for each € 0.01 by which the earnings per share figure as disclosed in the consolidated financial statements exceeds a minimum amount of € 16.00 per share. The performance-based compensation amounts to a maximum of € 10,000 per year. The Chairman of the Administrative Board receives twice this amount (maximum € 20,000); the Vice Chairman receives one and a half times this amount (maximum € 15,000) in compensation. Since earnings per share are below the minimum amount in the financial year, no performance-based compensation is paid.

30. Relationships to Related Companies and Parties

In accordance with IAS 24, relationships to related companies and parties that control or are controlled by the PUMA Group must be reported, unless such related parties are already included as consolidated companies in the consolidated financial statements of PUMA SE. Control is defined as the ability to determine an entity's financial and business policies and benefit from its activities.

SAPARDIS SE, Paris, a wholly-owned subsidiary of Kering S.A. (formerly PPR S.A.), presently holds over 75% of the subscribed capital of PUMA SE. Kering S.A. is controlled by Artémis S.A., Paris, which in turn is a wholly-owned subsidiary of Financière Pinault S.C.A., Paris. Consequently, all companies that are directly or indirectly controlled by Artémis S.A. and are not included in the consolidated financial statements of PUMA SE are defined as related companies.

In addition, the disclosure obligation pursuant to IAS 24 extends to transactions with associated companies as well as transactions with other related companies and parties. These include non-controlling shareholders in particular.

Transactions with related companies and parties largely concern the sale of goods and services. These sales were concluded under normal market conditions that are also customary with third parties.

The following overview illustrates the scope of the business relationships:

	Deliveries and services rendered		Deliveries and services received	
	2013 € million	2012 € million	**2013 € million**	2012 € million
Artémis-Group consolidated comapnies	0,1	0,0	0,4	1,0
Kering-Group consolidated companies	4,3	9,0	3,0	3,3
Other related parties	6,6	8,5	14,9	13,7
Total	**11,0**	**17,5**	**18,3**	18,0

	Net receivables from		Payables to	
	2013 € million	2012 € million	**2013 € million**	2012 € million
Artémis-Group consolidated comapnies	0,0	0,0	0,2	0,2
Kering-Group consolidated companies	1,2	1,3	0,4	0,6
Other related parties	9,9	5,6	1,7	0,9
Total	**11,1**	**6,9**	**2,3**	1,7

Receivables from related companies and parties are, with one exception, not subject to value adjustments. Only with respect to the receivables from a non-controlling shareholder and its group of companies were gross receivables in the amount of €52.2 million adjusted in value for a subsidiary of PUMA SE in Greece as of December 31, 2013 (previous year: €52.2 million). In the 2013 financial year, expenses in the amount of €0.0 million (previous year €0.0 million) were recorded in this regard.

The Managing Directors as well as the members of the Administrative Board of the PUMA Group are related parties within the meaning of IAS 24. The services and compensation of this group of individuals is shown in paragraph 29.

As part of consulting, service and employment contracts, members of the Administrative Board received compensation from PUMA in the amount of €0.3 million (previous year: €4.6 million).

31. Corporate Governance

In November 2013, the Managing Directors and the Administrative Board submitted the required compliance declaration with respect to the recommendations issued by the Government Commission German Corporate Governance Code pursuant to Section 161 of the AktG (Aktiengesetz, German Stock Corporation Act) and published it on the homepage of the Company's website (www.puma.com). Please also refer to the Corporate Governance Report in the Management Report of PUMA SE.

32. Events after the Balance Sheet Date

There were no events after the balance sheet date that had any material impact on the net assets, financial and results of operations.

33. Declaration by the Legal Representatives

We state to the best of our knowledge that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the applicable accounting principles, and that the Group Management Report provides a true and fair view of the course of the development and performance of the business and the position of the Group, together with a description of the principal risks and opportunities associated with the expected performance of the Group.

Date of Release
The Managing Directors of PUMA SE released the consolidated financial statements on February 7, 2014 for distribution to the Administrative Board. The task of the Administrative Board is to review the consolidated financial statements and state whether it approves them.

Herzogenaurach, February 7, 2014

Managing Directors

Gulden **Caroti** **Köhler** **Lämmermann**

Managing Directors of PUMA SE

Björn Gulden
(CEO)
from July 1, 2013
Membership of other supervisory boards and controlling bodies:
- Tchibo, Hamburg
- Ecornes ASA, Ikornnes/Norwegen

Franz Koch
(CEO)
until March 31, 2013

Stefano Caroti
(CCO)

Andreas Köhler
(COO)
from June 1, 2013

Michael Lämmermann
(CFO)

Reiner Seiz
(Procurement)
until January 31, 2013

Administrative Board of PUMA SE, Herzogenaurach

Jean-François Palus
(Chairman)
Paris, France
Directeur Général Délégué and member of the Conseil d'Administration of Kering, Paris/France, responsible for Strategy, Operation and Organization

Membership of other supervisory boards and controlling bodies:
- KERING AMERICAS, Inc., USA
- Volcom Inc., Costa Mesa/USA
- L.G.I. S.A., Cadempino/Switzerland
- KERING Luxembourg S.A., /Luxembourg
- Brioni S.p.a., Penne/Italy
- KERING TOKYO INVESTMENT LTD (Japan)
- POMELLATO SpA, Italy
- VOLCOM LUXEMBOURG HOLDING S.A., Luxembourg
- SOWIND GROUP SA, La Chaux-de-Fonds/Switzerland

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François-Henri Pinault
(Vice Chairman)
Paris, France
Président-Directeur Général of KERING, Paris/France

Membership of other supervisory boards and controlling bodies:
- Artémis S.A., Paris/France
- Financière Pinault S.C.A., Paris/France
- Société Civile du Vignoble de Château Latour S.C., Pauillac/France
- Christie's International Ltd., London/United Kingdom
- Bouygues S.A., Paris/France
- Sowind Group S.A., La Chaux-de-Fonds/Switzerland
- Soft Computing S.A., Paris/France
- Boucheron Holding S.A.S, Paris/ France
- Yves Saint Laurent S.A.S., Paris/ France
- KERING HOLLAND N.V. (previously named Gucci Group N.V)., Amsterdam/Netherlands
- FNAC S.A., Ivry sur Seine/France (until 6/18/2013)
- SAPARDIS SE, Paris/ France
- Volcom Inc., Costa Mesa/USA
- Stella McCartney Limited, Haywards Heath/West Sussex/United Kingdom
- Brioni SpA, Italy
- KERING INTERNATIONAL LIMITED, London/ United Kingdom

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Thore Ohlsson
Falsterbo, Sweden
President of Elimexo AB, Falsterbo/Sweden

Membership of other supervisory boards and controlling bodies:
- Nobia AB, Stockholm/Sweden
- Bastec AB, Malmö/ Sweden
- Elite Hotels AB, Stockholm/ Sweden
- Tomas Frick AB, Vellinge/ Sweden
- Tjugonde AB, Malmö/ Sweden
- Tretorn AB, Helsingborg/ Sweden
- Cobra Golf Inc., Carlsbad/USA

Todd Hymel
Paris, France
COO of the Sport & Lifestyle Division (Pôle Sport & Lifestyle) of KERING, Paris/France

Membership of other supervisory boards and controlling bodies:
- Volcom Inc., Costa Mesa/California/USA
- COBRA GOLF Inc., Wilmington, Delaware/USA

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Michel Friocourt
Paris, France
Directeur Juridique Groupe of KERING, Paris/France

Membership of other supervisory boards and controlling bodies:
- Discodis S.A.S., Paris/France
- SAPARDIS SE, Paris/ France
- C.F.P, Paris/ France
- Luminosa, Paris, France
- RC MAN CO, Paris/ France
- YVES SAINT LAURENT S.A.S, Paris/ France
- Discodis Belgique N.V., Brussels/Belgium
- Balenciaga UK LTD, United Kingdom
- Kering UK Services Limited, United Kingdom
- Boucheron UK Limited, United Kingdom
- Kering Management services II limited, United Kingdom
- Paintgate Limited, United Kingdom
- Stella McCartney LTD, United Kingdom
- Kering holdings Limited, Hong Kong
- YSL UK LTD, United Kingdom
- PPR HK LTD, Hong Kong
- Kering Luxembourg, Luxembourg
- PPR Distri Lux S.A., Luxembourg
- Bottega Veneta International S.A.R.L., Luxembourg
- Sergio Rossi International S.A.R.L., Luxembourg
- Olima B.V., Netherlands
- Bottega Veneta Holding B.V., Amsterdam/Netherlands
- Gucci Netherlands B.V., Amsterdam/Netherlands
- Kering Netherlands BV, Netherlands
- APARFI, Switzerland
- PPR Suisse, Switzerland
- KERING ASIA PTE LTD, Singapore

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Jean-Marc Duplaix
Paris, France (since May 8, 2013)
Chief Financial Officer of KERING, Paris/France

Membership of other supervisory boards and controlling bodies:
- SAPARDIS SE, Paris/ France
- GPo HOLDING SAS, Paris/ France
- E_Lite SpA, Italy
- KERING Italia SpA, Italy
- POMELLATO SpA, Italy
- KERING JAPAN LTD, Japan
- KERING TOKYO INVESTMENT LTD, Japan
- KERING Luxembourg SA, Luxembourg
- Qeelin Holding Luxembourg, Luxembourg
- e_Kering Lux, Luxembourg

Bernd Illig
(Employee Representative)
Bechhofen, Germany
Specialist IT User & System Support of PUMA SE

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Martin Köppel
(Employee Representative)
Weisendorf, Germany
Administrator IT Microsoft Systems of PUMA SE

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Guy Buzzard
(Employee Representative)
West Kirby, United Kingdom
Key Account Manager (Sales) of PUMA United Kingdom Ltd.

Auditor’s Certificate

We have audited the consolidated financial statements – comprising the balance sheet, profit and loss statement, the statement of comprehensive income, schedule of changes in shareholders’ equity, cashflow statement and notes to the consolidated financial statements – as well as the Group Management Report for the financial year January 1 through December 31, 2013. The creation of the Group financial statements and Group Management Report in accordance with the International Financial Reporting Standards (IFRS) as they are applied within the EU and the German commercial regulations that also apply in line with Section 315a (1) HGB is the responsibility of the Managing Directors of the company. It is our task to submit an assessment of the consolidated financial statements and the Group Management Report on the basis of the audit we have conducted.

We have conducted our audit of the consolidated financial statements in accordance with Section 317 HGB in compliance with the German principles of proper auditing of financial statements set by the Institute of Auditors. The audit must then be planned and carried out in such a way that inaccuracies and breaches that have material effects on the presentation of the picture of the net assets, financial position and results provided by the consolidated financial statements, in compliance with the applicable accounting regulations and provided by the Group Management Report, are recognized with sufficient certainty. Findings on the Group’s business activities and its economic and legal environment and expected potential errors are taken into account when determining the audit procedures. The audit will assess the effectiveness of the accounting-based internal controlling system and evidence for the information given in the consolidated financial statements and Group Management Report predominantly on the basis of spot checks. The audit encompasses the assessment of the annual financial statements of the companies included in the consolidated financial statements, the definition of the group of consolidated companies, the balance sheet and consolidation principles applied and the material estimates of the Managing Directors, as well as an appraisal of the overall presentation of the consolidated financial statements and the Group Management Report. We believe that our audit forms a sufficiently secure basis for our assessment.

Our audit has not led to any reservations.

According to our assessment, based on the findings gained in the audit, the consolidated financial statements of PUMA SE, Herzogenaurach, conform to the IFRS as they are applicable in the EU, and to the commercial regulations as they also apply in accordance with Section 315a (1) HGB, and convey, in compliance with these regulations, an accurate picture of the Group's net assets, financial position and results. The Group Management Report is in line with the consolidated financial statements, conveys overall an accurate picture of the Group's situation and accurately presents the opportunities and risks of future development.

Munich, February 12, 2014

Deloitte & Touche GmbH
Auditing Company

(Stadter)	(Besli)
German Public Auditor	German Public Auditor

Report by the Administrative Board

In the following report, the Administrative Board provides information regarding its main areas of focus during the 2013 financial year. The Company is managed by the Administrative Board ("single-tier system"), which determines the Company's basic business strategies and monitors their implementation by the Managing Directors. Below is a discussion in plenum on the main group governance, monitoring and advisory tasks, the work of the committees, the statutory audits of the Group's annual financial statements and the consolidated financial statements, relationships with affiliated companies and changes to the company organs.

Dear shareholders,

2013 was a challenging year for PUMA despite the successful continuation of the transformation and cost-reduction program which improved efficiencies and reduced the OPEX structure. The 2013 financial results reflect the current issues of the company in terms of lack of brand heat, commercial products and desirable distribution. The Administrative Board took decisive action and put a new management team under the aegis of Chief Executive Officer Björn Gulden in place. Together with our new Chief Operating Officer Andy Köhler and further key additions to PUMA's senior management team like our new Creative Design Director, Torsten Hochstetter, we are confident that we have put leadership in place which sets us up for success.

Björn Gulden has more than 20 years' extensive international experience in a variety of management positions within the sports equipment and footwear sector and has showcased his management expertise at several sports industry and footwear retail companies. The Administrative Board is certain that Björn Gulden is the right man to re-establish PUMA's position as one of the hottest brands in the sports industry and to decisively lead PUMA back to profitable growth.

Despite the many challenges that we have identified, PUMA is a fantastic brand with a great history, fantastic logos, outstanding athletes and highly talented and motivated employees. Together with the new management team, we have implemented a new strategy for PUMA to become a true Sports Brand. Going forward, PUMA will be the Fastest Sports Brand in the World. This simplified mission will result in a single brand positioning and a single message both to the consumers and retailers as well as our own employees. PUMA is about fast products, fast athletes, fast designs and fast decision making and we will leverage our clear positioning in sports to sell performance and sports-inspired lifestyle products.

It is in the nature of our industry that strategic changes take time until they materialize. But the re-signing of Usain Bolt, the signings of Arsenal FC and Mario Balotelli as well as successful launches of innovative products such as the evoPOWER, the world’s most powerful soccer boot, make us believe that PUMA is heading in the right direction to become the Fastest Sports Brand in the World.

The Administrative Board is convinced that 2014 will mark the start of PUMA's turnaround.

Below we will discuss the most important activities of the Administrative Board and its committees from January 1 to December 31, 2013.

Administrative Board

The Administrative Board has exercised its duties under the law, statutes and company rules with regard to the incumbent tasks of the Administrative Board. It has managed the Company, determined the base business lines and monitored their implementation by the Managing Directors.

In this regard, the Administrative Board has discussed the Company's business policies, all relevant aspects of corporate development and corporation planning, the Company's economic situation, including its net assets, financial position and results of operations, and all key decisions and resolutions involving the Group in the four ordinary and two extraordinary meetings it has held. All members were involved in drafting the resolutions. The Managing Directors have informed the Administrative Board regularly, comprehensively, and in a timely manner regarding the implementation of all decisions and regarding all major business transactions.

The Administrative Board discussed all of the Company's significant business transactions, based on the reports by the Managing Directors and the committees, and presented its own ideas. Any deviations from business performance based on the specifications that have been given to the Managing Directors by the Administrative Board have been explained by the Managing Directors to the Administrative Board. The Administrative Board verified all of these explanations using the supporting documents submitted. The Administrative Board was involved in all key decisions from an early stage. In addition, the Chairman of the Administrative Board and other members of the Administrative Board maintained, and continue to maintain, regular verbal or written contact with the Managing Directors.

Focus on managerial, monitoring and advisory activities

At each individual Administrative Board meeting, in addition to the ongoing business development, there were numerous topics on the agenda that the Administrative Board discussed extensively with the Managing Directors. These discussions did not give rise to any doubts that the Managing Directors were managing the Group in anything other than a lawful and proper manner.

In the last PUMA SE financial year, the focus was primarily on the following topics:

- Audit and approval of the 2012 annual financial statements
- Setting the agenda for the regular 2013 Annual General Meeting
- Corporate Governance, compliance and the internal control system
- Transformation and cost reduction program
- Sustainability program
- PUMA re-engineering and process optimization
- Ongoing business development
- 2014 corporate planning and medium-term planning, including capital expenditures
- Dividend policy
- Personnel issues related to the Managing Directors

To address these topics, the Administrative Board reviewed the Company's financial reports and records.

The Administrative Board has established various committees to perform its duties and receives regular reports on their work.

Executive Committee

In 2013, the Executive Committee was composed of Thore Ohlsson (Chairman), Michel Friocourt and Martin Köppel. The Executive Committee organizes the Administrative Board meetings and makes decisions when instructed by the Administrative Board to do so on its behalf.

Personnel Committee

In 2013, the Personnel Committee was composed of François-Henri Pinault (Chairman), Bernd Illig and Jean-François Palus. The main areas of focus of the Personnel Committee are matters relating to the Managing Directors, plus the preparation of changes to their contract terms and compensation, succession planning for Managing Directors, recruiting and retaining talent within the Company, securing the employee base and long-term incentives for employees and executives.

Audit Committee

In 2013, the Audit Committee was composed of the following Administrative Board members: Thore Ohlsson (Chairman), Jean-François Palus (Member until 5/7/2013), Jean-Marc Duplaix (Member as of 5/8/2013) and Guy Buzzard. The Audit Committee was convened in four ordinary meetings and one extraordinary meeting in 2013. In particular, the Audit Committee is responsible for accounting issues and monitoring the accounting process, the effectiveness of the internal control system, the risk management system, internal audits, compliance and the statutory audit of the financial statements, with particular regard to the required independence of the statutory auditors, issuing the audit mandate to the statutory auditors, defining the audit areas of focus, any additional services to be performed by the auditors and the fee agreement.

Sustainability Committee

In 2013, the Sustainability Committee was composed of Administrative Board members Jean-François Palus (Chairman), François-Henri Pinault and Martin Köppel. The Sustainability Committee, which was convened twice in 2013, is responsible for monitoring the targets and strategies of PUMA in the area of sustainability and the progress of PUMA in achieving these targets.

Nominating Committee

Members of the Nominating Committee may only be representatives of the shareholders on the Administrative Board. In 2013 the members were François-Henri Pinault (Chairman), Jean-François Palus and Todd Hymel. The Nominating Committee proposes suitable shareholder candidates to the Administrative Board for its voting recommendations to the Annual General Meeting. It was convened once in 2013 and Jean-Marc Duplaix was put forward as a new member of the Administrative Board.

Corporate governance

In the 2013 financial year the Administrative Board discussed the amendments to the German Corporate Governance Code (GCGC), which contains key legal requirements and recommendations for the management and supervision of listed companies and standards for responsible company management. The corporate governance standards have long been a part of the corporate routine. None of this will change as a result of the single-tier corporate governance system now in place at PUMA.

Pursuant to paragraph 3.10 of the GCGC, the Managing Directors also report to the Administrative Board on corporate governance in the Corporate Governance Report, which is part of the Annual Report. With very few exceptions, the Company satisfies the requirements of the GCGC and discloses these exceptions, as well as deviations from the GCGC resulting from PUMA's single-tier system, in the Statement of Compliance. The Statement of Compliance is available to our shareholders at any time on the Company's website.

Annual financial statements approved

The annual financial statements for PUMA SE prepared by the Managing Directors in accordance with the German Commercial Code (Handelsgesetzbuch/HGB), the Management Report for the 2013 financial year and the consolidated financial statements prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS), as well as the Group Management Report for the 2013 financial year, have been audited by the statutory auditors who were appointed at the Annual General Meeting on May 7, 2013 and commissioned by the Administrative Board to audit the separate annual financial statements and the consolidated financial statements, Deloitte & Touche GmbH, Munich, and have been given an unqualified auditor's opinion.

In their report, the statutory auditors conclude that PUMA's institutionalized risk management system, in accordance with Section 91(2) of the German Stock Corporation Act (Aktiengesetz/AktG), is capable of detecting at an early stage and countering any developments that might jeopardize the continuity of the Company as a going concern. The Administrative Board has been regularly updated by the Managing Directors on all relevant risks in this regard, in particular their assessments of market and procurement risks, financial risks (including currency risks) and organizational risks.

The accounting records, the audit reports from the auditors and the Managing Directors' recommendation on the appropriation of retained earnings were made available to all members of the Administrative Board in a timely manner. At the meeting of the Audit Committee on February 18, 2014 and at the subsequent Administrative Board meeting held on the same day, the auditors reported the key results of their audit and discussed them in detail with the Managing Directors and the members of the Administrative Board. No discrepancies were detected. Further, at today's meeting, the Managing Directors explained to the Administrative Board the disclosures made in the Management Report pursuant to Sections 289(4) and 289(5) and Section 315(4) of the German Commercial Code (HGB).

Following a thorough audit of the annual financial statements for the legal entity, the Management Report, the consolidated financial statements and the Consolidated Management Report, the Administrative Board approved the auditors' results and in accordance with the Audit Committee's recommendation, approved the annual financial statements for the legal entity and the consolidated financial statements for the 2013 financial year, which are thereby adopted.

The Administrative Board likewise agrees with the Managing Directors' proposal to distribute a dividend of € 0.50 per share to the shareholders for the 2013 financial year. The dividend will be funded from cash and cash equivalents, which will not jeopardize the Company's liquidity. A total amount of € 7.5 million will be paid out in dividends from PUMA SE's retained earnings. The remaining retained earnings of € 47.5 million are to be carried forward.

Report on relationships with affiliated companies

PUMA SE is a dependent company of SAPARDIS S.E., a wholly owned subsidiary of Kering S.A, which in turn is a subsidiary of Artémis S.A (due to the voting right majority), pursuant to Section 17 of the German Stock Corporation Act (AktG) since April 10, 2007. The report by the Managing Directors on relations with affiliated companies (Dependent Company Report) specified in Section 312 AktG was made available to the Administrative Board. The report has been reviewed by the statutory auditors, who issued the following auditor's opinion:

"We have duly examined and assessed the report and hereby certify that:

1. the information contained in the report is correct;
2. the payments made by the corporation in the legal transactions listed in the report were not unduly high."

After a thorough review, the Administrative Board agreed with the Dependent Company Report prepared by the Managing Directors and approved the auditors' findings. No objections were raised.

Thanks to the Managing Directors and employees

We would like to express our gratitude and recognition to the Managing Directors, the management teams at the Group companies, the Works Council and all our employees for their personal dedication, performance and continuing commitment.

Herzogenaurach, February 18, 2014

On behalf of the Administrative Board

Jean François Palus
Chairman