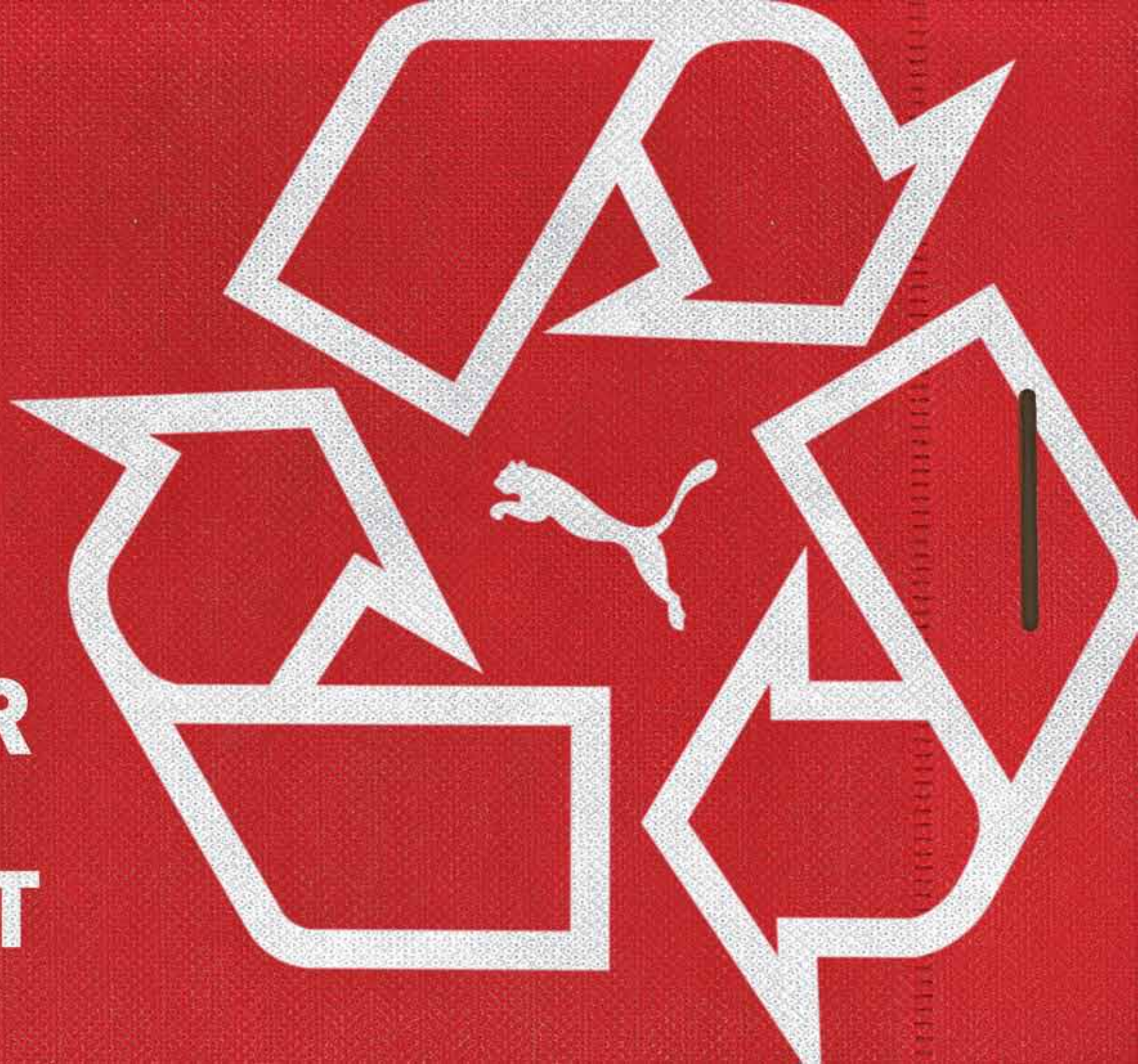


**CLEVER
LITTLE
REPORT**



ANNUAL AND SUSTAINABILITY REPORT





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CHAPTER:

1

FOREWORD

LETTER FROM YOUR CEO, FRANZ KOCH

DEAR SHAREHOLDERS AND FRIENDS OF PUMA,

What a year 2011 has been! It was exceptional in many ways - for me personally in my new position as PUMA's CEO as well as for PUMA as a company and brand.

Our annual results have proven that PUMA is indeed 'Back on the Attack.' We managed to crack 3 billion euros in sales, reaching the ambitious 2011 target we set for ourselves. In terms of earnings we have posted bottom-line results that exceeded expectations. This underlines the facts that PUMA continues to be profitable on a scale which compares favorably to the rest of the industry and that the PUMA brand remains both strong and desirable. Much of PUMA's success in 2011 can be attributed to the long-term strategic growth plan launched in autumn 2010 with implementation starting last year. I am pleased to see that our roadmap, aimed to unlock our long-term brand potential of 4 billion euros in sales by 2015, is already yielding fruit.

One aspect of this strategy is the increasing differentiation between PUMA's Performance and Lifestyle categories. While we will stay true to our Sportlifestyle positioning as a brand, we want to strengthen each of our segments through more distinct approaches in terms of products, marketing and distribution. Our PERFORMANCE proposition features thrilling athletes, electrifying teams and exciting technical innovations while our vision of LIFESTYLE is driven by cultural relevance, urban style leadership and cutting-edge design innovation. We are the brand that joyfully mixes the influences from sport and lifestyle with the desire to contribute to a better world.

Last year we made big strides towards strengthening our roots in performance, particularly in football, by significantly expanding our sports marketing portfolio of brand ambassadors. We signed four of the hottest assets that international football has to offer: Sergio 'Kun' Agüero and Yaya Touré of Manchester City, Radamel Falcao of Atlético Madrid and Cesc Fàbregas, the midfield maestro of FC Barcelona and the Spanish national team. They will all feature as central figures in our global marketing programs in the coming years.

We also signed a new sponsorship contract with the current German champions, Borussia Dortmund. The South African Football Federation also signed a long-term deal with PUMA. With a portfolio of 12 African teams, we remain the leading football sponsor on the African continent. All these strategic moves underline our ambition to be the clear number 3 brand in the world of football.

SHINING IN SPORT PERFORMANCE AND LIFESTYLE

But it was not just football where PUMA made headlines in the last year. At the Track & Field World Championships in Daegu, the World's fastest man, Usain Bolt, once again stole the show, leading Jamaica to gold in the 4 x 100m relay and smashing the world record in the process. In our Sailing category, PUMA Ocean Racing - with our racing yacht Mar Mostro - is currently competing in the Volvo Ocean Race, aiming to go one better than their second place last time around. Our credibility as a sailing brand has also paved the way for partnerships with the America's Cup Event Authority as well as the ORACLE Racing team. On top of this, we boosted our motorsport Formula 1 portfolio by extending our partnership with Ferrari and signing a new contract with Mercedes GP Petronas. In our Golf category, we excelled with our golfing superstars Lexi Thompson and Rickie Fowler. 16-year-old Lexi made history in September when she won the Navistar LPGA Classic, making her the youngest player ever to win on the LPGA or PGA Tour. Hot on the heels of Lexi's historic win, Rickie Fowler claimed his first professional title, taking home the Kolon Korea Open. At the beginning of this year, world-class golfer Ian Poulter signed with COBRA PUMA GOLF to sport our brand new styles of footwear and belts on the course.

Although we have been very busy in Sports Marketing, we have by no means been idle in Lifestyle. Throughout 2011, we continued with our successful PUMA Social campaign with collections that perfectly symbolize how we fuse Sport with Lifestyle in everyday life. PUMA Social is aimed at the 'After Hours Athlete' who thrives in nightlife and prefers play-

Foto: David Königsmann



FRANZ KOCH
Chief Executive Officer
of PUMA SE

ing darts, pool and table football with friends at the pub rather than sweating in the gym. Our After Hours Athlete enjoys the thrill of competition in a fun and social environment and the campaign allows us to communicate our brand positioning of 'JOY' and what the PUMA brand is about on every consumer touchpoint in the on and offline space.

PIONEER IN SUSTAINABILITY

All these strategic marketing and product initiatives are aimed at increasing PUMA's brand desirability so that we continue on our path to becoming the most desirable and sustainable Sportlifestyle company in the world. And I am pleased to see that we made big strides last year towards achieving this goal – especially in the realm of sustainability where PUMA continued to be a pioneer. We established the first-ever Environmental Profit and Loss Account, which puts a monetary value on the impacts the sourcing, production, marketing and distribution of PUMA products have on the environment. It is the second year running we have combined the Annual Report and Sustainability Report as our sustainability initiatives are integral parts of our corporate strategy.

Another key area of this strategy is the transformation of our business model, also initiated in 2011 with the primary objective to create a robust platform for growth well beyond our current 5-year horizon. Our transformation program will lead to more integrated processes and systems, reduced time to market and increased operational efficiency.

THANKS TO OUR EMPLOYEES

Looking back, I can say I am truly proud and grateful that everyone at PUMA worked so hard in order for PUMA to be able to exceed the 3 billion euro mark for the first time. Ever since I took the helm in July last year, when PUMA transformed from a German stock corporation into a European company, PUMA SE, and Jochen Zeitz moved on to become PUMA's Executive Chairman and a board member at PPR, I have met and continue to meet

highly motivated and inspiring people at PUMA. It is you – our PUMA employees - who are the biggest assets of our company and I would like to thank every single one of you for your commitment and dedication to our PUMA brand. Please keep up the brilliant work, which we will definitely need in 2012 – because we have a lot on the agenda.

With the African Cup of Nations, Euro 2012, the conclusion of the Volvo Ocean Race and the Olympics in London, this year is packed with major sports events that are all excellent platforms for showcasing and further increasing the global desirability of the PUMA brand.

Finally, I would like to take this opportunity to again thank not only all our employees at PUMA but also our shareholders and stakeholders for their continued support. I am exceptionally grateful for the trust they placed in me upon my appointment as CEO of PUMA and for their faith that I would be able to handle this job. This meant the world to me and made it much easier to enjoy a good start leading PUMA into the future.

YOURS

FRANZ KOCH

OUR PRINCIPLES

PUMAVision provides our company, our employees and all of our stakeholders with the 4Keys – Fair, Honest, Positive, and Creative. These 4Keys act as a compass that always keeps us true to our vision of a better world – guiding all of our decisions, actions, processes and practices. We use the 4Keys as a tool, which means always doing our best to be Fair, Honest, Positive and Creative in everything we do. We measure our thinking, our decisions, our actions and our processes against these principles by asking ourselves if what we are doing is Fair, Honest, Positive and Creative. Making PUMA work for us and for the world in which we operate – across our workplaces in so many countries – means using the 4Keys every day and in all that we do.

FAIR

Fair means balanced. It means we see both sides and resist the pressures that can push us into extreme ways of thinking, working or living. It also means we are open to all and refuse to discriminate against people or make judgments based on gender, race, religion, political persuasion, sexual preference, or way of life. And being fair means

listening as much as we talk, and giving back as much as we take.

HONEST

Honest means sincere. It means not faking it, walking the walk as much as we talk the talk. It means putting our money, our time and our energy where our mouth is. Being honest means admitting our mistakes and owning up to our responsibilities – something that applies to companies as much as it does to individuals.

POSITIVE

Positive means constructive. It means building things and people up, not breaking them down. It means suggesting rather than criticizing, and working for solutions rather than just complaining. It means supporting others when they try, encouraging them when they fail, and celebrating with them when they succeed. It means ‘we can’ more often than ‘we can’t.’

CREATIVE

Creative means imaginative. It means thinking outside the box, or thinking outside the shoebox, as the case may be. Being cre-

ative means finding a way around a problem, rather than stopping when the walls are too high. It means looking at new ways, listening to new ideas and trying new strategies. It means striving for the most innovative solution because just being good enough is never good enough. Being creative means having dreams, and then making those dreams real things, in our individual worlds, in our company’s world, in the real world. Each day every action we take and every decision we make has a ripple effect, influencing those around us and affecting situations. PUMA uses the 4Keys to guide ourselves towards fairer outcomes, honest interaction, positive results and more creative solutions.



THE PUMA SHARE

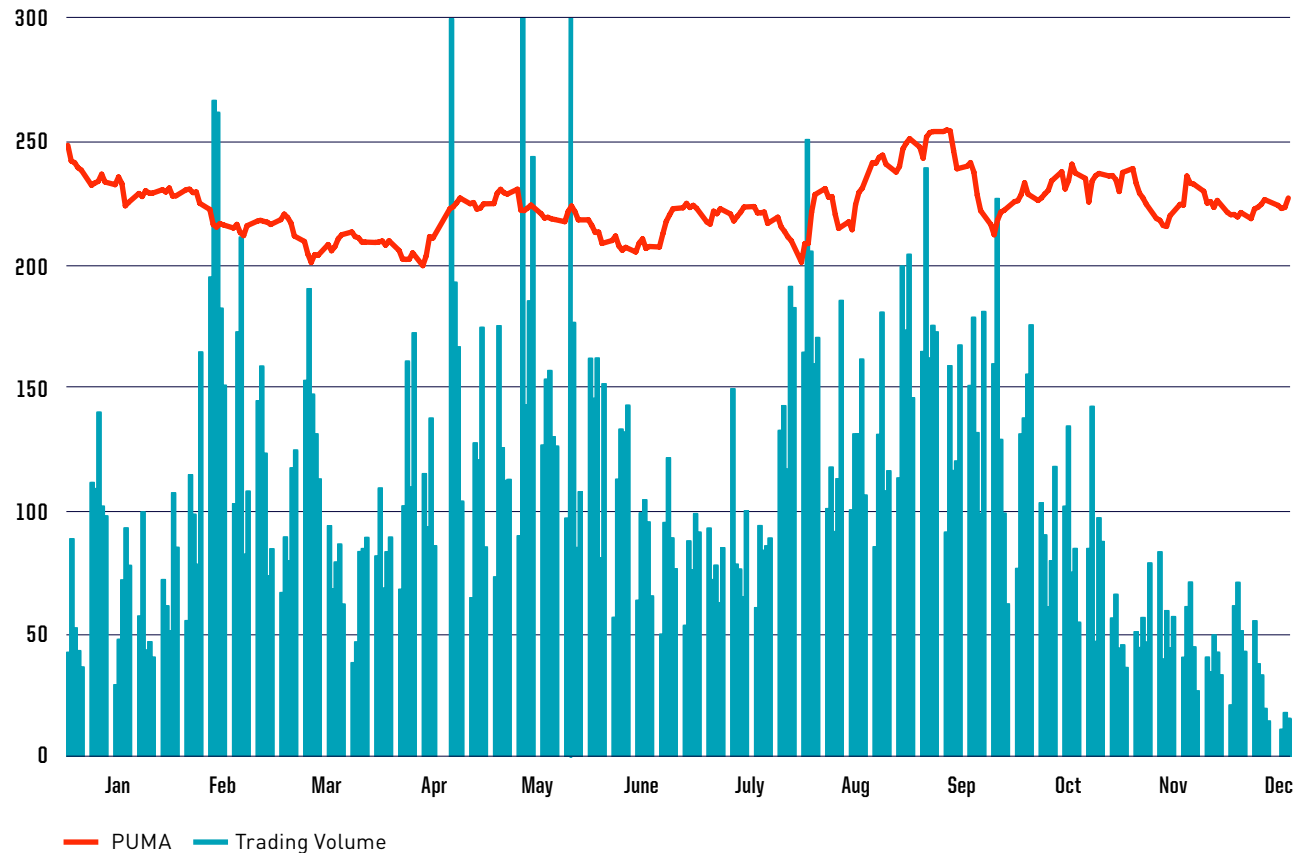
Events around the globe conspired to place continuous pressure on stock markets worldwide in 2011. The Japanese earthquakes, tsunami and subsequent nuclear catastrophe, the state of the US economy and, in particular, the European sovereign debt crisis had a negative effect on both economic development and various stock markets. Whereas the Dow Jones finished the year up six percent, the German stock market finished 2011 in the red.

The two most important German indices, the DAX and MDAX, retreated significantly in 2011, although the MDAX, which lists the most important German midcaps, fared slightly better than the DAX. The DAX finished 2011 at 5,898 points, 14.7% lower than the year before, whereas the MDAX gave up 12.2% to finish at 8,898 points.

Despite declining in 2011, the MDAX listed PUMA share price performed better than either the DAX or MDAX. PUMA's share price moved in a band between €197.30 (April 18, 2011) and €252.85 (September 20, 2011). The average daily volume of shares traded was 44,504 compared to 32,045 the previous year. PUMA's share price finished the year at €225.00 compared to €248.00 the previous year, 9.3% lower than at the end of 2010.

F.1

PUMA SHARE PERFORMANCE / TRADING VOLUME



Market capitalization of the PUMA share decreased by 9.6% and reached €3.4 billion at year-end, compared to €3.7 billion in the previous year.

The PUMA share has been registered for the regulated market (formerly official trading) on German stock exchanges since 1986. It is listed in the Prime Standard Segment and the Mid-Cap Index MDAX of the German Stock Exchange [Deutsche Börse]. Moreover, membership in the Dow Jones World / STOXX Sustainability indices and the FTS-E4Good index was once again confirmed.

T.1 KEY DATA PER SHARE	
End of year price	€ 225.00
Highest price listed	€ 252.85
Lowest price listed	€ 197.30
Daily trading volume (Ø)	amount 44,504
Earnings per share	€ 15.36
Gross cashflow per share	€ 25.47
Free cashflow (before acquisitions) per share	€ 4.07
Shareholder's equity per share	€ 107.14
Dividend per share	€ 2.00

	248.00	231.84	140.30	273.00	-9.3%
	263.75	240.74	273.26	350.10	-4.1%
	201.50	103.04	112.78	260.15	-2.1%
	32,045	38,996	57,310	141,082	38.9%
	13.45	5.28	15.15	16.80	14.2%
	23.84	18.47	25.46	26.23	6.8%
	8.35	16.52	7.21	13.63	-51.3%
	92.24	75.14	78.05	72.62	16.2%
	1.80	1.80	2.75	2.75	11.1%

* Adjusted comparable figures according to IAS 8, see chapter 3 in the notes to the consolidated financial statements as of December 31, 2010.

F.2 SHARE DEVELOPMENT - REBASED







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CHAPTER:

2



PUMAVision

WE AT PUMA HAVE A VISION.

PUMAVision. A vision of a better world. A world that is safer, more peaceful and more creative than the world we know today. PUMA as a leading company within the Sportlifestyle industry has the opportunity and the responsibility to contribute to a better world for the generations to come.

Through our programs PUMA.Safe (focusing on environmental and social issues), PUMA.Peace (supporting global peace) and PUMA.Creative (supporting artists and creative organizations), we are making our contribution to build – for ourselves and our stakeholders – a more sustainable future. Sustainability has become an integral part of PUMA's business strategy and is essential to the PUMA DNA.

PUMA.SAFE

PUMA.Safe, as part of PUMAVision, reports directly to PUMA SE board member Reiner Seiz as well as to the Chief Sustainability Officer of PPR and Chairman of the PUMA Administrative Board, Jochen Zeitz. Since the establishment of PUMA.Safe in 1999, it has evolved from a social and environmen-

tal supplier auditing program into the social and environmental responsibility arm of PUMA. PUMA.Safe has employed a strategic approach to address issues of non-compliance with PUMA's Code of Conduct found among suppliers, implementing top-down as well as bottom-up social and environmental capacity building projects at key points in our supply chain.

To serve PUMA's increasing sustainability requirements, PUMA.Safe in 2011 adjusted its internal structure following the requirements of PPR HOME, the sustainability initiative of PUMA's majority shareholder PPR, on Leadership, Humanity, Ecology and Creativity. The PUMA.Safe department was divided into two strategic arms focusing on Humanity and Ecology issues within the supply chain and PUMA's operations. With this division of the team we will have a higher leverage of our key sustainability activities in the supply chain and beyond. As of the end of 2011 PUMA.Safe has 18 employees who globally ensure the proper implementation of PUMA's sustainability approach within PUMA's operations and in the supply chain.

PUMA.SAFE HUMANITY

PUMA.Safe Humanity focuses on the monitoring, remediation and build-up of supplier capacity to comply with and go beyond the PUMA Code of Conduct in the areas of labor, human rights, health & safety and community development. It also engages with all relevant partners and stakeholders to ensure socially responsible production of PUMA products. PUMA.Safe Humanity also contributes to the enhancement of social and economic development of communities of interest within PUMA's spheres of operation and influence.

PUMA.SAFE ECOLOGY

PUMA.Safe Ecology focuses on all environmental areas of PUMA's sustainability approach; the proper implementation of the Restricted Substances List (RSL) among all our suppliers; the collection and interpretation of Environmental Key Performance Indicators (E-KPIs); on capacity building programs to improve energy and water efficiency as well as waste management. PUMA.Safe Ecology is the main driver for the establishment of the Global Reporting

Initiative (GRI) sustainability reports on supplier level and is responsible for the E-KPI data collection and interpretation within our company. PUMA.Safe Ecology also works in cooperation with other PUMA departments to develop more sustainable product materials and cooperates with the sustainability managers in footwear, apparel and accessories to bring all of our suppliers to a greater level of sustainability.

PUMA.PEACE

PUMA.Peace is an initiative that uses an array of programs to foster a more peaceful world than the one we know today. Activities in 2011 included our seven inaugural 'peace starts with me' films, an annual commission of films based on peace that are gifted to the world; the sponsorship of 13 delegates to attend One Young World, the premier global forum on youth leadership; and the support of goodwill and conflict resolution football matches globally. PUMA.Peace also made sports equipment donations, public service announcements, education programming on the role of sport in peace, high-profile international PR announcements about peace as well as marketing campaigns to raise peace awareness. PUMA.Peace once again participated in World Peace Day on September 21 through our third Annual PUMA/adidas Peace Day Games around the world. PUMA.Peace contributes to positive brand association among our consumers and an authentic brand positioning of joy and peace.

PUMA.CREATIVE

PUMA.Creative is an initiative fostering cross-cultural exchange and collaboration through a variety of platforms. PUMA.Creative also drives and manages artist collaborations within our product divisions at PUMA. During 2011, PUMA.Creative provided support, counsel and industry recognition to filmmakers through the PUMA.Creative Film Program. PUMA.Creative supports documentary films that function as powerful educational and behavioral change tools both internally and for our consumers. The Creative Africa Network (CAN) and Creative Caribbean Network (CCN) both are primary sites for cultural information in their regions, and the Creative South America Network (CSAN) is now live. PUMA.Creative's activities also included the facilitation of Creative Africa Network artists in designing ten African National Football Kits for our PUMA Teamsport department, the launch and a major exhibition of these kits at the Design Museum, London; sponsorship of an important conference on the Caribbean in Curacao; multiple lectures and panel discussions at cutting-edge institutions globally; professionalization programs for design students; development of an environmental book and a campaign aimed at children with an accompanying product range for our PUMA Kids department; and a short, educational film screened internationally during the Volvo Ocean Race. PUMA.Creative strategically contributes to brand desirability through its cutting-edge initiatives and creative solutions.

STAKEHOLDER ENGAGEMENT

Engaging with our stakeholders is an essential part of our daily business to become more sustainable. Only through active and frequent dialogue with our stakeholders and carefully evaluating their feedback will we be able to adjust our approach for success. In 2011 PUMA was engaged within the Sustainable Apparel Coalition, the Fair Labor Association, Better Work as well as PPR Home.

SUSTAINABLE APPAREL COALITION

PUMA became an active member of the Sustainable Apparel Coalition (SAC) in 2011, an industry-wide group of leading apparel and footwear brands, retailers, manufacturers, non-governmental organizations, academic experts and the U.S. Environmental Protection Agency. The aim of the coalition is to work together to reduce the environmental and social impacts of apparel and footwear products around the world. PUMA is actively engaged in various environmental and social working groups within the coalition. Active membership in the SAC gives us the opportunity to work in collaboration with our industry peers on common goals, whether these goals are related to environmentally friendly products and production processes or to improving working standards within the supply chain.

WORKERS FAINING IN CAMBODIAN SUPPLIER FACTORY

In April 2011, 225 workers that inexplicably collapsed at our footwear supplier Huey Chuen in Cambodia were taken to hospital over a span of 2 days. The incident, which was not the first in Cambodia over the course of several weeks, prompted PUMA to launch an intensive investigation through the FLA into the exact causes as local investigations as well as PUMA's own investigations could not come to a common and exact set of causes. In July 2011, a second incident of mass collapse occurred despite some initial corrections that had been made such as the curtailment of overtime in the facility. As a consequence of the second occurrence, the Executive Chairman of PUMA, Jochen Zeitz, met with representatives of the FLA to discuss further measures to ensure that the facilities at Huey Chuen would fully meet PUMA's Social and Labor Standards as well as address the findings of the independent investigation. The results of the independent investigation did not conclusively prove specific causes for the earlier incident, but highlighted probable causes through a comprehensive risk assessment. We took

these collapsing incidences very seriously and implemented an improvement plan with short, medium and long-term actions based on this risk assessment. In line with this plan, excessive working hours do not occur any longer at Huey Chuen, additional ventilation was installed ensuring good air quality, additional lightning was implemented and due to the generally poor health conditions of some workers, PUMA instructed the factory to conduct medical check-ups of all workers despite this being not a legal requirement. The factory also built a canteen that serves as a rest area during break time for the employees. The factory now also provides breakfast and other meals for the factory workers at Huey Chuen at PUMA's costs to improve the workers' nourishment.

We acknowledge that the workers' situation in Cambodian factories – in the footwear as well as in the garment industry - is problematic in general and



not limited to our production facilities. Though dubbed 'mass fainting' incidences, most occurrences were actually sympathetic collapses as most workers never lost consciousness in all incidences that occurred over the course of several months in Cambodia. Huey Chen is the only footwear factory affected, while others occurred in garments facilities. Though there had been suggestions that chemical exposure might be the cause, further investigations in occurrences in other factories point to mass psychogenic illness. None of the studies conducted by the Inter-Ministerial Committee established by the government of Cambodia have found a unifying, common cause for all incidents except this. We have participated in discussions with our industry peers to tackle the issues on an industry-wide level. We also continue to work with the factory and local authorities to take every precaution that compliance with our social and labor standards is ensured and workers' safety is paramount.

FAIR LABOR ASSOCIATION

PUMA has been an active member of the Fair Labor Association (FLA) since 2004. Through collaborative actions, the FLA is trying to improve social and working conditions in factories within the global supply chain. External and independent monitoring of factories through the FLA followed by public reporting of the auditing results ensures transparency. The FLA requires that its member companies work together with their factories when remediating issues that were found during FLA audits. Through its third party complaint mechanism the FLA responds to workplace labor violations. In 2011, after numerous workers had fainted in a PUMA supplier factory in Cambodia, PUMA initiated a third party complaint with the FLA. A workplace specialist was engaged to intensively investigate the situation and circumstances that had led to the mass fainting at the factory. The results of this investigation were published on the FLA website.

BETTER WORK

Better Work is a unique partnership program between the International Labor Organization (ILO) and the International Finance Corporation (IFC). Launched in February 2007, the program aims to improve both compliance with labor standards and competitiveness in global supply chains. Better Work involves the development of both global tools and country-level projects, with a focus on scalable and sustainable solutions

that build cooperation among governments, employers' and workers' organizations and international buyers. Donor support also plays a large role in the implementation of global and country-level activities.

Better Work supports enterprises in implementing the ILO core international labor standards and national labor law. At a global level, Better Work develops practical tools to help enterprises improve their compliance with labor standards and increase their competitiveness such as compliance information management system, advisory services for suppliers and training resources. Country programs typically combine independent enterprise compliance assessments with enterprise advisory and training services to support practical improvements through workplace cooperation.

In 2011 PUMA worked with Better Work Vietnam, Better Work Indonesia and Better Factories Cambodia. As a condition of enhanced partnership for 2012, PUMA will phase out its own auditing activities in Better Work countries it fully participates in and will focus more on remediation and capacity building activities for member factories.

PPR HOME ... FOR THE LONG RUN

PUMA's majority shareholder PPR launched an ambitious and multi-tiered sustainability initiative in March 2011: **PPR HOME... for the long run.**

By forming **PPR HOME**, the PPR Group has committed to lessen its environmental impact, taking proactive steps to implement best business practices. **PPR HOME** will not



PPR HOME CENTERS ON 4 INTERCONNECTED PROGRAMS

1. **Leadership** → Leading a corporate paradigm shift both externally and internally
2. **Humanity** → Enhancing the social, economic and environmental wellbeing of communities in PPR's spheres of operation
3. **Ecology** → Mitigating PPR's footprint via reduction, offsets and investing in the environment
4. **Creativity** → Creating sustainable solutions to support global sustainability.

only focus on working towards reducing and mitigating its social and environmental impacts, but will also develop opportunities for the benefit of people and their environments in their spheres of operation.

PPR HOME is the new direction dedicated to sustainability inside PPR. Placed under the strategic leadership of Jochen Zeitz, PPR Chief Sustainability Officer, **PPR HOME** will bring expertise, support and creativity to all PPR brands. An annual €10 million budget, in addition to the PPR brands own initiatives, will be dedicated to **PPR HOME**. It will be indexed to the evolution of the dividend paid by PPR.

PPR HOME moves beyond the conventional CSR approach and promotes a new business paradigm whereby the attainment of sustainability is driving creativity and innovation, and vice versa, to build businesses that deliver financial, social and environmental returns for the long run. The PPR Group is uniting its brands under **PPR HOME** to work together towards **PPR HOME's** vision of a better world that is more sustainable - economically, socially and ecologically - than the world we know and live in today. It is an opportunity to reconsider products and services and a means to challenge the present way of doing things; motivating our-

selves and our customers to be aware of the planet's fragility thereby setting the pace for a new, more sustainable consumerism, helping good business become synonymous with good conservation, redefining sustainable shareholder value, and building businesses that meet the needs of an evolving society.

TALKS AT BANZ

From November 21 to 23, 2011, PUMA arranged its annual stakeholder meeting for the ninth time, the Talks at Banz at the Banz Monastery in Bad Staffelstein, Germany. John Elkington, a world authority on corporate responsibility and sustainable development gave the keynote speech on a holistic approach to understand sustainability in a broader light.

In 2011 more than 60 participants from industry, non-governmental organizations, academia and unions attended the event. Unlike previous years, the 2011 Talks focused on the PUMA Environmental Profit & Loss Account which had been released shortly before the meeting, necessary key performance indicators for a social profit and loss account such as better wages in the supply chain as well as PUMA's future sustainability initiatives. PUMA's Sustainability Scorecard was reviewed and it was this meeting that generated the seeds for a Sustainability Scorecard 2.0 (enhance social issues KPIs, including communities and employees).

Since the first Talks at Banz took place in 2003, the meeting has evolved from a small

discussion 'round-table' format to an innovative and forward-thinking debate in which representatives from NGOs, industry, suppliers, creative fields, universities, private organizations and PUMA addressing key sustainability issues PUMA is facing. The intense dialog with our stakeholders has always provided us with valuable and constructive feedback on our sustainability strategy.

MATERIALITY ANALYSIS

The meetings at Banz, together with regular individual stakeholder contacts, have so far been used to identify the most relevant issues or potential gaps in the context of PUMA's sustainability management.

Based on the guidelines of the Global Reporting Initiative as well as recommendations by our stakeholders, we decided to conduct a dedicated 'Materiality Analysis' in 2011 to find out whether such a formalized process of stakeholder engagement would lead to the same conclusions or different results.

In order to do so, we commissioned Stakeholder Reporting, an experienced expert organization, to conduct a stakeholder mapping exercise and then to send a questionnaire to our most relevant internal and external stakeholders and ask them to rank PUMA's sustainability topics in the categories supply chain, consumer and products, governance, employees, climate and environment as well as society. The replies to the questionnaires were then followed up with in-depth telephone interviews with selected stakeholder representatives.

FEEDBACK FROM OUR STAKEHOLDERS ON KEY TOPICS BY CATEGORY:

- Sustainability Strategy (Governance Category)
- Energy and Water (Climate and Environment Category)
- Promotion of and Compliance with Labor Rights (Supply Chain Category)
- Sustainable Products (Consumer and Products Category)
- Diversity and Equal Opportunities (Employees Category) as well as
- Stakeholder Involvement (Society Category)

Either way, we interpret the feedback as originating from our first attempt at a formal materiality analysis. This leaves us with room to rethink our strategy and will help

us to include relevant topics in our future work which we had so far not prioritized (e.g. social projects at supplier communities) but also confirms our previous opinion on the lower ranked materiality of other topics (for example consumer data protection or bribery and corruption indicators). We aim to build on the work carried out by Stakeholder Reporting in 2012 and conduct further research covering a larger amount of stakeholders.

GERMAN COUNCIL FOR SUSTAINABLE DEVELOPMENT AND TWO DEGREES INITIATIVE

In 2011, Jochen Zeitz was nominated a co-opted member of the German Council for Sustainable Development - which advises the German government on sustainability issues - where he represents the interests of businesses. Last year, he presented the results and benefits of the PUMA Environmental Profit and Loss Account (**E P&L**) to 15 council members and a representative of the Federal Government. As a result, the council will launch a project that aims at implementing standards for PUMA's environmental accounting statement and will promote the **E P&L** approach as an innovative practice in public debate.

Zeitz is also a member of the Two Degrees initiative - German CEOs for Climate Protection. The principle of the commitment to the initiative is to limit global warming to 2 degrees Celsius maximum compared to a pre-industrial level.

STANDING MEMBERSHIPS

PUMA became a member of the **United Nations Global Compact (UNGC)** initiative in October 2006, and since then we have adopted and supported the ten universal social and environmental principles as part of our activities. PUMA joined the **German Round Table on Codes of Conduct** in 2003. Through a discussion group between the GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), the BMZ (Federal Ministry for Economic Cooperation and Development), NGOs, unions and companies, the members look to improve the implementation of social standards in developing countries.

In 2005 we became an active member of the **Apparel and Footwear International Restricted Substances Management Group (AFIRM Group)**, which consists of international footwear and apparel brands. The Mission Statement of the AFIRM Group is “to reduce the use and

impact of harmful substances in the apparel and footwear supply chain.”

PUMA joined the **Climate Neutral Network** from the United Nations Environment Programme (UNEP) in 2009.

We are an active member in the World Federation of the Sporting Goods Industry (WFSGI) as well as the European Sporting Goods Federation (FESI), where Dr. Hengstmann, Director PUMA.Safe, chairs the Environmental Committee.

We consider as thematic basis of our social and environmental guidelines the UN **Universal Declaration of Human Rights**, the **Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy** from the International Labor Organization (ILO), and the Guidelines for **International Multinational Enterprises** from the Organization for Economic Cooperation and Development (OECD).

PUMA.SAFE SUSTAINABLE DESIGN LECTURE

Building on PUMA's commitment to sustainability and reasserting our position as a leading design company in Sportlifestyle, the **Annual PUMA.Safe Sustainable Design Lecture** is a platform for design to be discussed in the context of social and environmental sustainability. Inaugurated in 2010 by PUMAVision at the Design Museum, London, the first lecture featured Yves Béhar, the designer of the hugely successful **Clever Little Bag**.

Alejandro Aravena presented the Second Annual PUMA.Safe Sustainable Design Lecture at the Design Museum, London. Aravena is the executive director of Santiago-based architecture firm Elemental. Aravena led a sold-out audience through important innovations in architectural planning and building that encourages collaboration, less energy usage, positive social environments promoting peaceful coexistence and innovative solutions to using resources sustainably.

PUMA wishes to contribute to the highest levels of research and debate in sustainable design and in 2014, after covering the main disciplines of design, a publication will be produced documenting, in depth, each lecture, thus enlarging the legacy of this project. The reach of this series is further ensured by the production of podcasts and videos of both Béhar's and Aravena's lectures made available to the public online free of charge.





AWARDS



PUMAVISION AND PUMA RECEIVED NINE AWARDS IN 2011 RECOGNIZING THE COMPANY'S ACHIEVEMENT IN SUSTAINABILITY. THESE INCLUDE:

- ➔ Yellow Pencil Winner (Clever Little Bag), Packaging Design, Professional Awards 2011, D&AD
- ➔ Black Pencil Winner (PUMA Phone Packaging), Packaging Design, Professional Awards 2011, D&AD
- ➔ Winner (Clever Little Bag), Innovation of the Year, 2011 Luxury Briefing Awards
- ➔ Silver Winner (PUMA), Best Green International Business Award (Large), 6th International Green Awards
- ➔ Bronze Winner (Clever Little Bag), Best Green New Product Innovation, 6th International Green Awards
- ➔ Winner (Clever Little Bag), Best of Show, The Dieline Awards 2011
- ➔ Winner (Clever Little Bag), Sustainability, Conde Nast Traveller 2011 Innovation and Design Awards
- ➔ Winner (Clever Little Bag), Packaging, Core77 Design Award 2011
- ➔ Winner (Clever Little Bag), Graphics/Identity/ Packaging GOOD DESIGN Award 2011

PUMA remains a listed member of both the Dow Jones Sustainability Index (since 2006) and the FTSE4Good (since 2005), two of the most important sustainability indices worldwide.

PPR INNOVATION AND SUSTAINABLE DEVELOPMENT AWARDS

PPR Group's 60,000 employees by March 15, 2011 had to submit an innovative team project focused on sustainable development to a jury of experts.

This second edition of the PPR Innovation and Sustainability Awards proved to be an outstanding success, with 48 projects initiated by 140 staff members from Argentina, Brazil, Germany, Hong Kong, USA, Sweden and France among others. While the jury expressed its high appreciation for all projects submitted, they recognized four projects as particularly attractive due to their innovative nature, their capability to respond to sustainability issues and their close relationship with the corporate business activities.

The first prize was awarded to a **PUMA team** based at our headquarters in Germany. On the occasion of the Volvo Ocean Race 2011-2012 which PUMA is taking part in with an own sailing yacht, this project plans for extensive collecting of plastic waste along the Indian coastlines and for its reclamation via the creation of a plastic recycling business in India. Concurrently, to support the growth of the recycling business, PUMA also plans to introduce a special

CLEVER LITTLE BAG

Our innovative packaging system saves more than 60% of paper and water.



The winning projects of the 2nd edition of the Innovation & Sustainable Development Awards were revealed on the occasion of the PPR annual Shareholders General Meeting held last May 19. Chairman & CEO François-Henri Pinault handed out the prizes in person to the winning teams.

collection of products made from these recycled plastics. The PUMA team came on stage to pick up its award under roaring applause from the shareholders. The implementation of this project will be supported by a financial grant of € 25,000 from PPR.

PEOPLE@PUMA

We see the role of our Human Resources (HR) function in attracting the best and most talented employees as well as developing and retaining our current employees. Therefore we focus our activities on creating a working atmosphere that is characterized by mutual respect and appreciation for each individual to encourage great performance. Since 2009 two extensive surveys have been conducted based on the assessment of our employees to improve the working conditions constantly, for PUMA to be an 'Employer of Choice.'

EMPLOYEE OPINION SURVEY

First PUMA participated in the Employee Satisfaction Survey 'What's the weather like' managed by PPR group in 2009. The survey is led by Towers Watson and takes place every two years to measure the development of companies within 13 defined areas that

characterize the organization (see figure 1). The second survey (Employee Opinion Survey) was conducted in October 2011 for PUMA. Compared to the first survey in 2009, there was an increase in the number of surveyed employees from 3,217 to 5,467 since employees from Retail were also given the chance to participate in the survey. The results of the survey in 2011 have revealed positive dynamics in all categories compared to the results in 2009, with the most improvements in the category 'Training and Development' (by 8 scores) followed by the categories 'Top Management' and 'Pay and Benefits' (by 7 scores each); 'Social and Environmental Responsibility' and 'Internal Communication' (by 6 scores each); 'Customer Focus', 'Working Relationships' and 'Company Image' (by 5 scores each) (see figure 1).

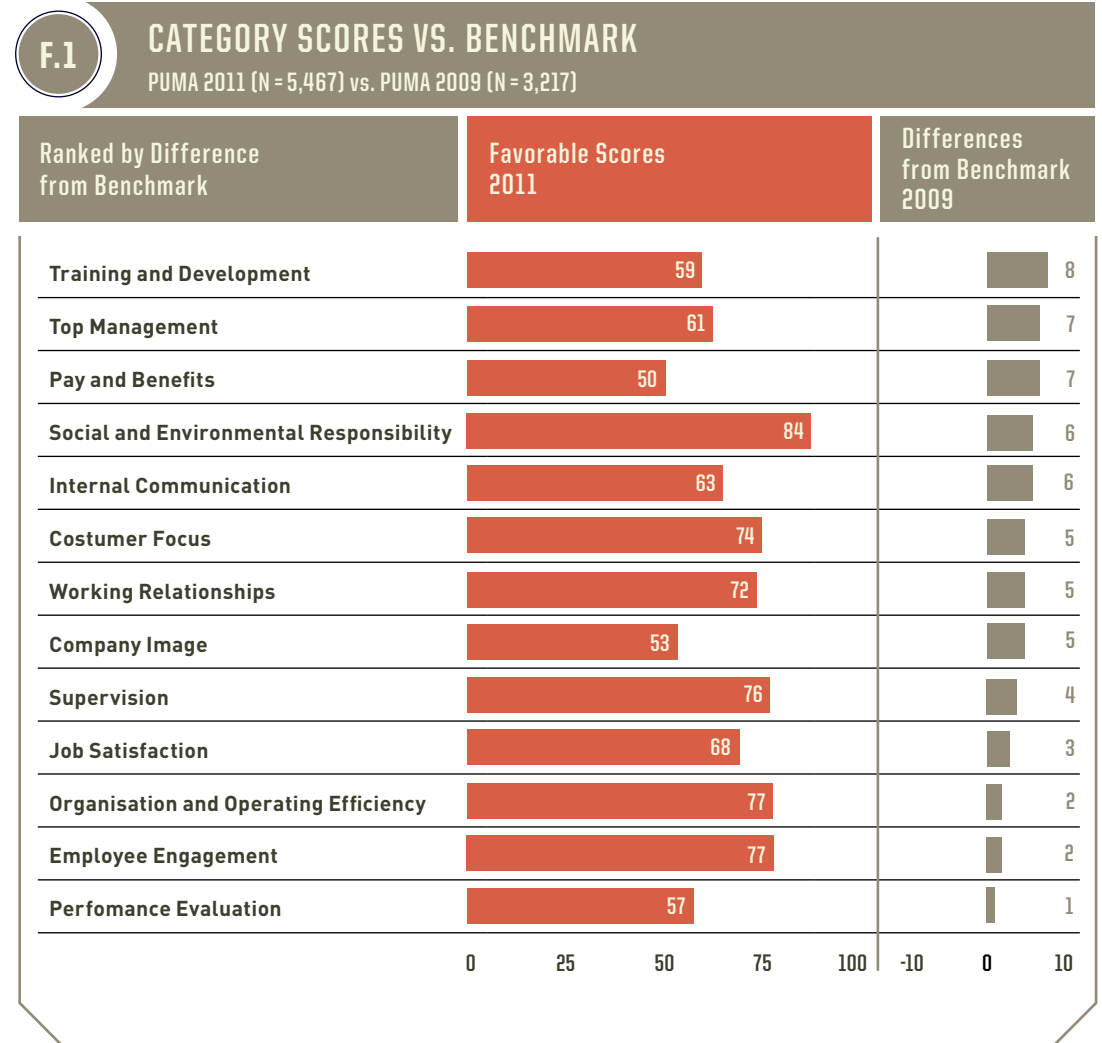


Figure 1: Category Scores vs. Benchmark (results from the Employee Satisfaction Survey 2009)

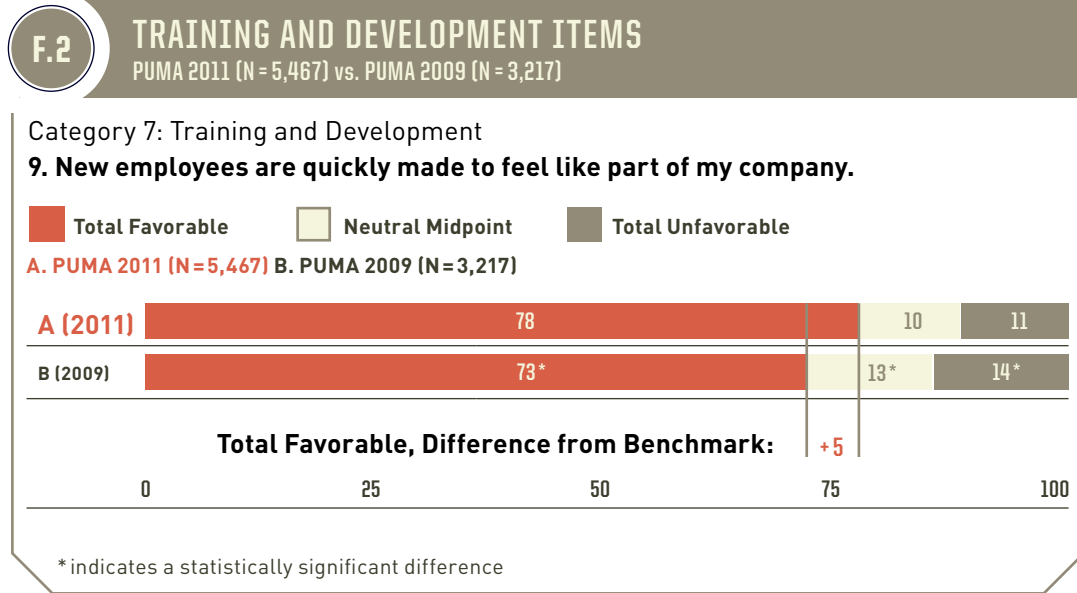


Figure 2: Category Training and Development

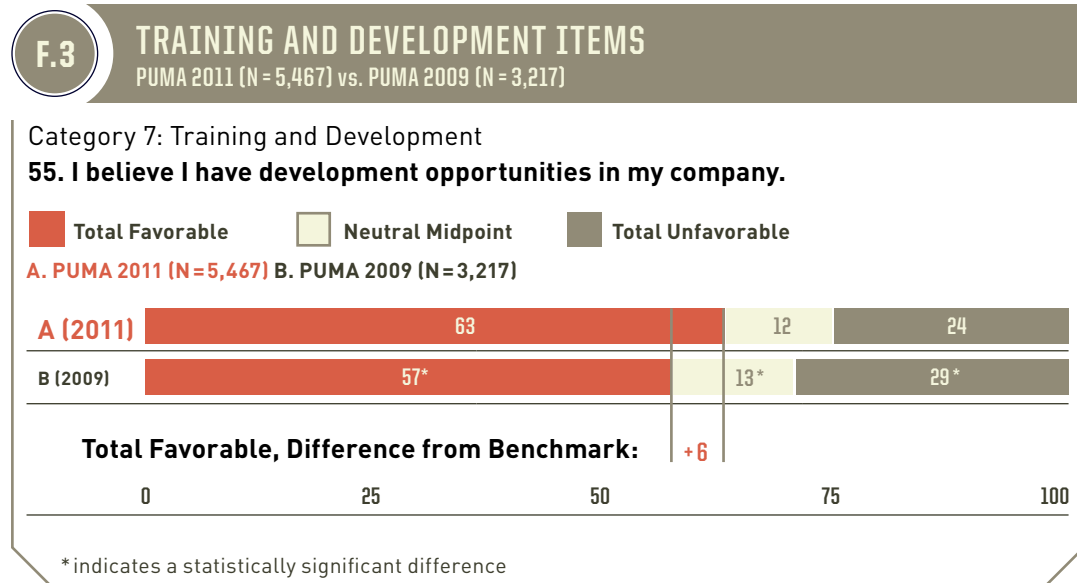


Figure 3: Category Training and Development

TRAINING AND DEVELOPMENT

The overall score of each category is the result out of several items. General improvement in the 'Training and Development' category is mainly indicated in nine specific questions such as 'New employees are quickly made to feel like part of my company' (see figure 2) or 'I believe I have development opportunities in my company' (see figure 3). The higher scores in 2011 compared to the survey in 2009 are a result of the efforts in training and development such as the wide range of trainings offered to all employees in the newly created training catalog or a higher training budget. Accordingly the responses to the question whether PUMA

supports equal opportunities for all employees are answered positively by 61 scores. This proves that PUMA adheres to its Keys Fair and Honest as regards to its employees.

TOP MANAGEMENT

Positive dynamic in the category 'Top Management' was triggered by an increase of eight favorable scores of the statement that the company's management is interested in the wellbeing of its employees. The question reached 58 positive scores in 2009 compared to 66 positive scores in 2011. Another question in this category with an increase of eight favorable scores referred to the management style within PUMA (see figure 4).

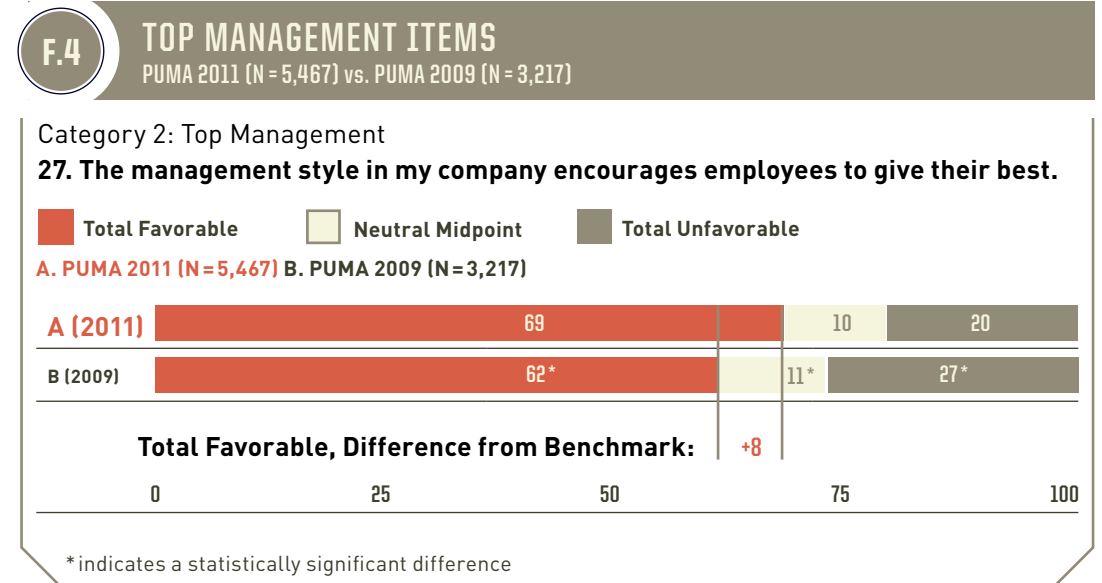


Figure 4: Category Top Management

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The category 'Social and Environmental Responsibility' received the highest favorable scores (84 scores out of 100), which highlights that PUMA follows its sustainability strategy to become the most desirable and sustainable Sportlifestyle company and the employees feel well informed about the sustainable activities of PUMA (see figure 5).

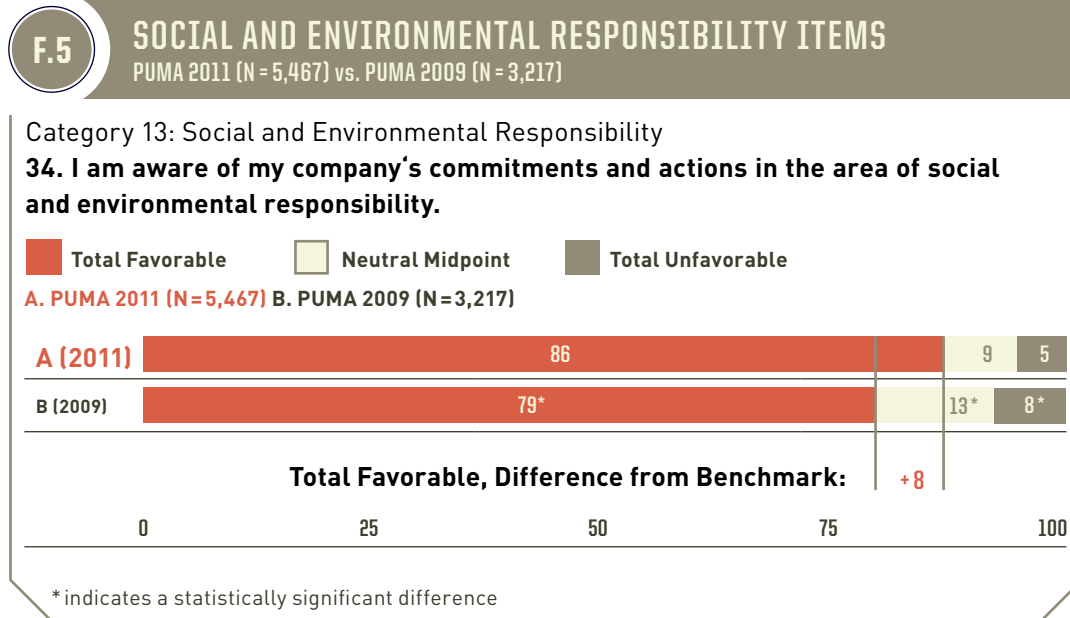


Figure 5: Category Social and Environmental Responsibility

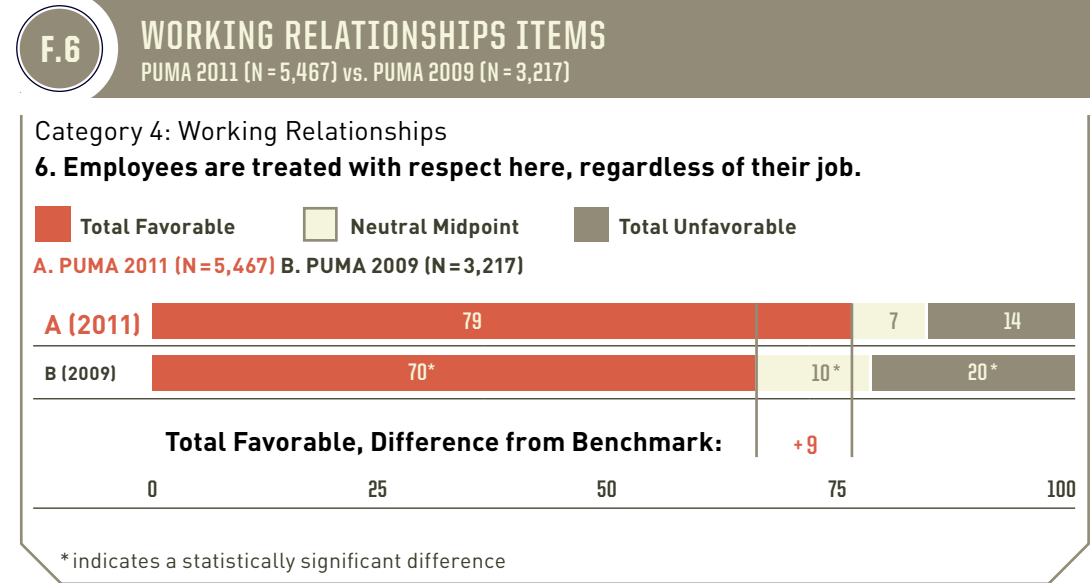


Figure 6: Category Working Relations

WORKING RELATIONSHIPS

The high positive scores in the category 'Working Relations' regarding the statement 'Employees are treated with respect here, regardless of their job' is a result of PUMA's encouragement for fair-dealing working relations, where employees are valued for their talent and strong contribution. The scores of favorable replies increased by nine scores compared to the first survey's result in 2009 (see figure 6).

The consistently positive trend in all thirteen categories that have been measured

confirms that the measures PUMA derived from the 2009 Employee Satisfaction Survey are successful. Although there has been an increase in positive scores in the categories 'Training and Development,' 'Pay and Benefits' and 'Performance Evaluation,' we identified further potential for improvement in certain items such as retention, talent review and succession planning. PUMA is determined to take action and will define workshops to evaluate the results for each region in order to plan initiatives to further improve the results.

TALENT MANAGEMENT

PUMA's talent management strategy is consistent with the sustainable concept of early identification and development of talents and supports the growth objective in the global business plan. We attract the best talents from around the globe, leveraging each individual through effective assignment and promotion planning processes to build a performance-driven organization that rewards and retains the best talents.

To recruit talents for entry-level positions we intensified the collaboration and long-term relationship with educational institutions in 2011. In cooperation with dual academies, PUMA will extend the dual studies sport management by further studies consisting of both theory and practice, such as International Business and Textile Management in 2012. At the end of 2011, PUMA SE employed 26 apprentices, 4 dual students and 6 trainees.

GLOBAL LEARNING AND DEVELOPMENT

Whether an introductory seminar or specialized coaching, all our training courses are developed based on internal competency management. Since 2011 employees and their managers have the chance to select trainings from a newly designed training catalog. Existing training offers have been optimized and extended by new trainings to meet the employee's requirements throughout their entire professional development at PUMA.

The offered training will develop expertise on varying levels. The catalog includes the

development of personal and social skills for all employees as well as a specific training series for management only. The whole training program is designed to support the employees in finding ways to achieve long-term efficiency by developing key competencies.

The first seminar, 'Women in leadership' that focuses on how to be successful as a female manager started with great resonance. To take advantage of opportunities and potential synergy created by cultural diversity, we extended the selection of intercultural topics. Besides these trainings for employees who require intercultural competencies due to their collaboration with international colleagues or customers, we also provide the so-called training 'Managing Germans in a German Organization as a Non-German.' This training has been included in the program since 2011 and aims to optimize participants' leadership skills with German employees.

The wide ranges of training opportunities encouraged employees to profit from synergies and participate in cross-border trainings.

In 2012 the training selection will be further adapted and extended to include for instance innovative training sessions for creative departments such as Design, Development and Product Line Management. Managers across divisions will be invited to discuss leadership-orientated topics with notable speakers from sports, business, science and non-profit-organizations.

COMPETENCY & PERFORMANCE MANAGEMENT

We believe that every single employee plays an important role in the success of the company. To ensure that our employees meet the required competencies for their positions and are perfectly equipped on the path to achieving our business goals, each employee is involved in a performance management process that consists of feedback and coaching by the managers. Additionally our talent management and targeting tool People@PUMA evaluates individual performance against business-linked objectives and sustainability targets and plans their further development at the same time by being directly linked to the training catalog. In 2011 the internal performance system was further rolled out to Italy, Korea and Japan and the whole leadership team across EEMEA (Eastern Europe Middle East Africa). It now covers 43% of the total population in PUMA. To ensure consistency in performance management globally, the tool will be introduced to several more countries such as China, Benelux and France within the next years.

INTERNATIONAL LEADERSHIP PROGRAM

A major step in the global Training and Development of employees has been the completely new designed concept for the leadership program, which was introduced in 2011. First modules already started in the EMEA region and will be rolled out globally within the next years.

The program is differentiated into three programs containing different modules that cover all required leadership competencies.

Overreaching goals are to build up leadership capabilities to support the 'Back on the Attack' strategy, support the regional and global network of executives and integrate PUMA's values and the **4Keys-Fair, Honest, Positive, and Creative** in everyday leadership.

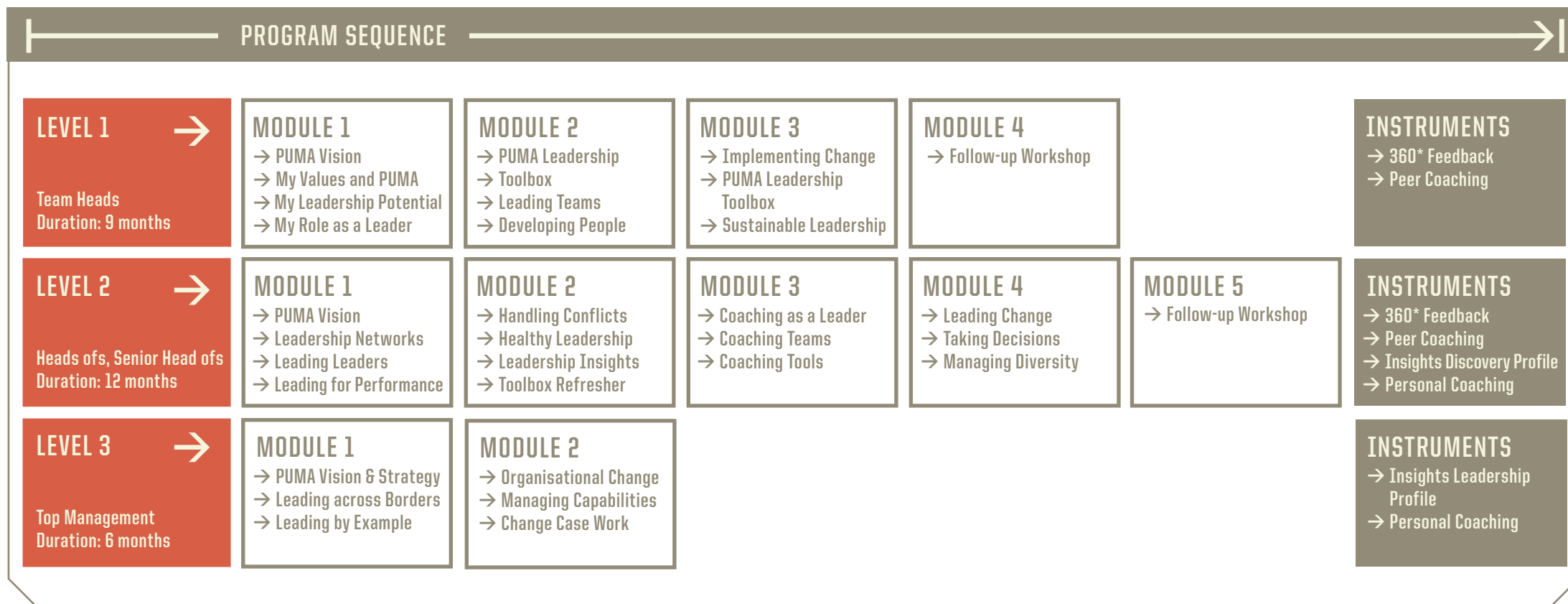
Level 1 is for new leadership and consists of four different modules. The aim is to introduce the managers over a period of nine months to different leadership tools and assist them in finding their personal leader-

ship style. Another goal is to enable them to successfully manage change projects. The modules are mainly based on tools such as 360° Feedback and Peer Coaching.

The second Level consists of five different modules that take up the content from Level 1 and focus additionally on the importance of developing the leaders coaching skills, including the field of healthy and resource oriented management. Head and Senior Head of Managers complete the five mod-

ules in a time period of twelve months. From this level on personal coaching sessions for leaders are optional.

Target group of **Level 3** is the top management. Both modules in this level focus on strategic leadership, change management and leading virtual teams across borders. The duration of this third level is six months.



DIVERSITY AND INCLUSION

The diversity of our global customers, consumers and communities is represented as well in our workforce. We see workforce diversity as an asset to our business. To reflect and understand the broad range of backgrounds and experiences of our customers, consumers and communities around the world, we offer several intercultural trainings within PUMA.

Since 2005 PUMA has been committed to the Ethic Codex and since 2010 to the Charter of Diversity. We implemented the Charter of Diversity in order to provide a work environment free of prejudice in which all employees are respected, regardless of their gender, race, nationality, ethnic origin, religion, philosophy, physical ability, age, sexual orientation and identity.

One result of the 2011 Employee Opinion Survey in the category 'Social and Environmental Responsibility' highlights that the vast majority of employees do feel being treated fairly in relation to their gender (86 favorable scores; 5 indifferent scores), their ethnic origin (87 favorable scores; 7 indifferent scores), their age (83 favorable scores; 7 indifferent scores) and feel treated fairly regardless of the state of their health and handicap (84 favorable scores; 11 indifferent scores).

COMPENSATION & BENEFITS

PUMA's goal is to provide a global set of competitive compensation and benefit programs that attract and retain talented employees. Our programs are reviewed regularly to ensure they are aligned with our corporate goals as well as competitive practices.

PUMA believes compensation should be aligned with performance. As a result, PUMA seeks to create compensation programs where pay components such as base salary adjustments and short and long-term incentive awards are aligned with individual and/or business performance. Short-term incentive (or bonus) plans are offered to some employees. Short-term incentive plan payouts are aligned with business performance and sustainability targets (e.g. reduction of waste production, energy, paper and water consumption). Long-term awards are comprised of stock options. As with the short-term incentive (STI) plan, long-term award payouts are based on company performance.

The current STI plans have been further rolled out to the headquarters in Boston, London and Hong Kong as well as to further key countries in order to be consistent across the PUMA organization. In the bigger parts of our subsidiaries we have Collective Bargaining Agreements in place that allow, for example, for payment above industry average, extended annual leave, etc.

PUMA offers a variety of benefit plans. The company also offers a competitive set of defined contribution and deferred compensation retirement plans.



PUMA EMPLOYEES
The diversity of our employees is a crucial factor of our business success.

WORK-LIFE BALANCE

PUMA sets great value on working arrangements that allow its employees to balance work with personal commitments. This includes a flexible working time model and compressed workweeks.

Work-life balance related topics are also an essential component of different trainings that expand competencies in sustainable management of our employees. Courses like 'Self and Resource Management - Finding your inner balance' will train participants on how to manage their own resources more effectively. The employees will reflect their own behavior patterns and develop ways to optimize their stress and self-management techniques. The sustainable management of employees is also a topic that is discussed in different leadership trainings.

In 2011 we started cooperation with an external family service. The support relates to finding suitable care services – such as

places in day care centers, arranging au-pairs, nannies or babysitters. Since the services are well accepted by the employees, we think about extending the support. Furthermore PUMA enlarged its company sport program 'PUMA Athlete' by the establishment of several sport groups such as cycling, running or soccer. Besides there are further cooperation plans in tennis or golf that will start in 2012. Well attended sport events in 2011 were the spinning event that took place in the Rudolf Dassler Hall and the company sponsored participation in the B2Run in Nuremberg. In all bigger locations we offer onsite fitness center facilities with a wide range of fitness equipment and professional guided training courses. At selected offices the employees have the chance to use additional health related services such as company physicians and physiotherapists. The canteen in our major offices provides a large range of healthy and fresh food.

OCCUPATIONAL HEALTH AND SAFETY

PUMA operates in its head office in Germany a formal health and safety committee, which is pleased to report that the injury rate has further decreased in comparison to the previous years. Safety-related trainings such as first aid, fire and occupational health and safety are offered on a regular basis as well as a newly implemented e-learning system. Details of further HR-related data is provided in the table starting on page 34.

EMPLOYEE PRIVACY

PUMA respects employee privacy and dignity. We will only collect and retain personal

information from employees that is required for the effective operation of the company or as required by law. We will keep that information confidential and release it only to those who have a legitimate need to know. The employees' privacy was also evaluated in the 2011 Employee Opinion Survey by the question if employees feel their company operates with integrity in its internal dealings in the category 'Working Relations' (see figure 8). The positive scores in 2011 are even 5 scores higher than the Towers Watson Global Retail Norm. The Global Retail Norm consists of 151,262 feedbacks from employees in the Global Retail Industry.

CORPORATE GOVERNANCE / WHISTLEBLOWER POLICY

PUMA wishes to ensure that its companies comply with our ethical business standards. If the employees feel any of these standards may have been compromised, they have an opportunity to sound alarm. To support our Code of Ethics, which sets out PUMA's commitment to ethical and responsible behavior, we provide a whistleblower scheme linking to a toll-free phone hotline that is accessible globally.

GOVERNANCE BODIES EXECUTIVE / ADMINISTRATIVE BOARD

With the appointment of Franz Koch as a board member in March 2011 the Executive Board of PUMA AG was composed of seven members from different backgrounds: four from Germany, two from America and one from Italy. The Executive Board consisted of six men and one woman. The Supervisory Board included three members from France, two from Germany and one from Sweden. The German works council of PUMA AG consisted of five female members and eight male members.

With the transformation into PUMA SE in July 2011, the new administrative board includes nine members from diverse backgrounds including three employee representatives. Five members of the administrative board are French, three are German and one is Swedish. Three out of five managing directors are German, one is Italian and one American.

WORKS COUNCIL AND EMPLOYEE REPRESENTATIVES

Due to the conversion into an SE, PUMA has established an SE works council with 22 members that represents employees in 26 countries. Seven members of the SE works council are female. The chairman of the SE works council is German and the further two members of the executive committee are German and Dutch.

The German works council of PUMA SE currently consists of thirteen members: five women and eight men. Until November 2011 the works council was represented by an American chairman and it is now represented by a German. One member of the works council cares especially for the needs of disabled employees.

COMMUNICATION

PUMA uses several channels and tools to support communication within the company. One of the channels is a monthly Welcome Day event for new employees. There, people get to know each other and meet with the representatives of CEO. As a result, people from their first days are introduced into the main targets and strategies of the company. Another channel consists in annual town hall meeting, where the Management Board of PUMA shares the current situation and the strategic plans with all employees globally via web cast. In 2011 the new e-magazine **CATch Up** was first sent out globally, and

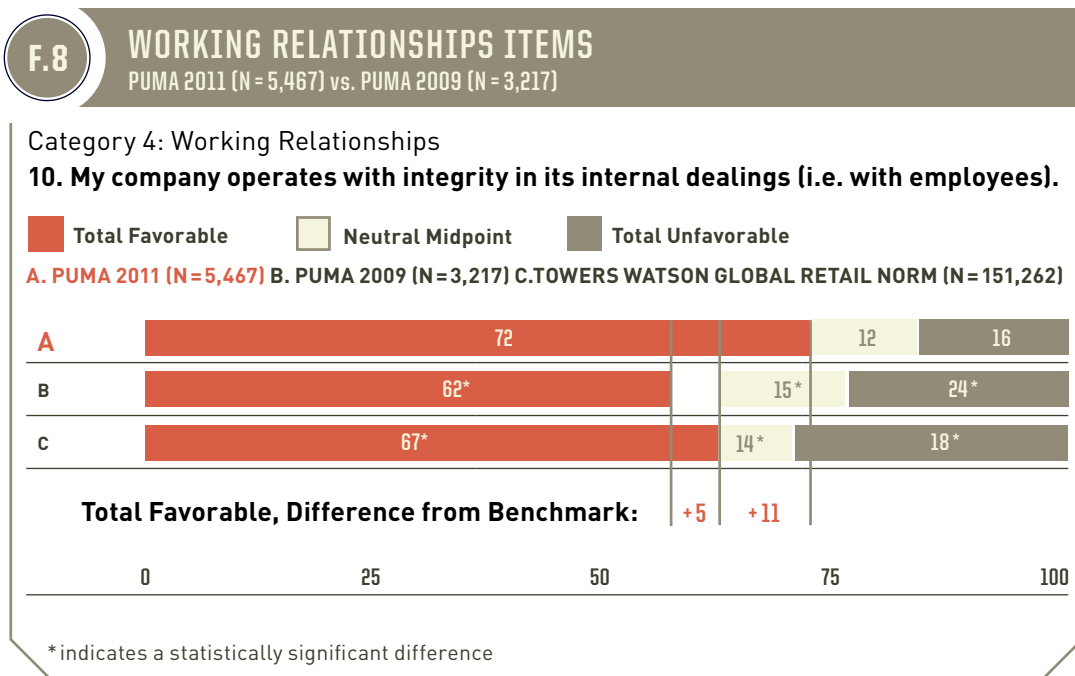


Figure 8: Working Relationships

it now informs more than 6,900 employees on a monthly basis regarding the company’s performance and projects and provides personal insights.

A progress in the Internal Communication area was notably indicated by high positive scores to the statement ‘Changes in my Company are usually: well communicated’ in the Employee Opinion Survey in 2011 (see figure 9). The increase in scores in comparison to the results in 2009 proves that PUMA, as a fast-growing company, takes care of efficient communication within the company and keeps employees up to date regarding changes.

As a tool for everyday communication PUMA

employs corporate e-mail and messaging. The first tool keeps employees updated regarding internal and external information. The second tool allows employees worldwide to install an immediate contact or a call. Employees at PUMA stores share information by blackboard posting.

As a platform for fair and honest communication PUMA follows a flat organizational structure. The structure allows employees from every level to communicate freely and open with anyone higher in authority. This concerns communication both within departments and within subsidiaries and headquarters.

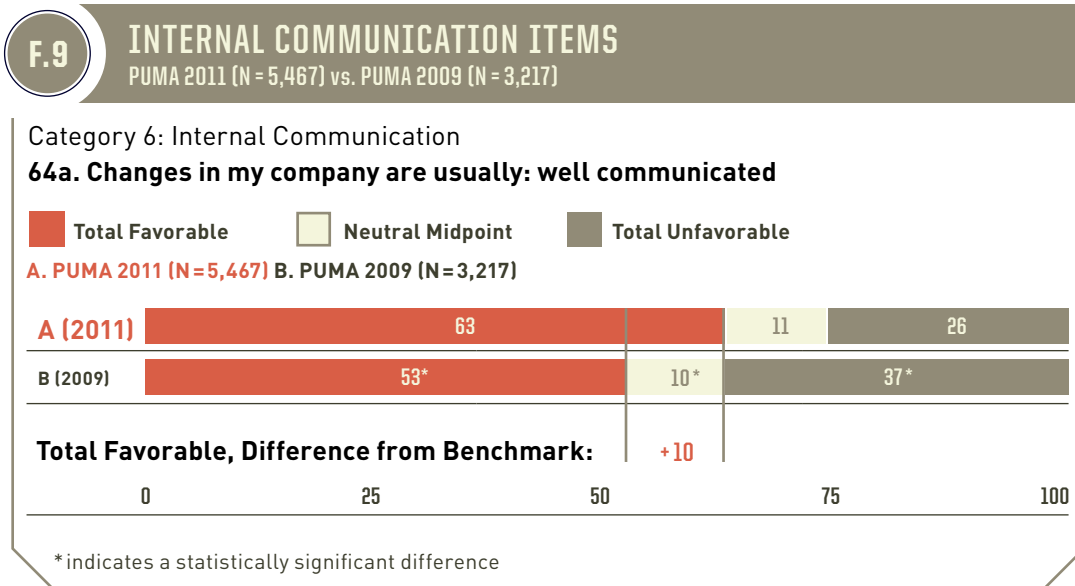


Figure 9: Category Internal Communication

TOTAL WORKFORCE* BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT AND REGION

T.1 WORKFORCE REGION	PERMANENT			FIXED TERM			RATIOS PERMANENT		
	Permanent 2009	Permanent 2010	Permanent 2011	Fixed Term 2009	Fixed Term 2010	Fixed Term 2011	Ratio Permanent 2009	Ratio Permanent 2010	Ratio Permanent 2011
APAC	1,570	1,714	1,973	725	709	882	68%	71%	69%
EMEA	4,108	3,892	4,121	571	541	615	88%	88%	87%
Latin America	1,661	1,781	2,088	92	70	118	95%	96%	95%
North America	2,704	2,129	2,305	7	530*	602*	100%	80%	79%
Total	10,043	9,516	10,487	1,395	1,850	2,217	88%	84%	83%

* In 2009 all seasonal workers were counted as permanent contracts whereas per 2010 they were split up according to their initial contractual agreement in fixed and permanent term.

T.2 WORKFORCE REGION	FULL-TIME			PART-TIME			
	Full-Time 2009	Full-Time 2010	Full-Time 2011	Part-Time 2009	Part-Time 2010	Part-Time 2011**	Ratio Part-Time 2011
APAC	2,243	2,358	1,915	52	65	58	2.9%
EMEA	4,093	3,941	3,583	586	492	538	13.1%
Latin America	1,597	1,759	1,960	156	92	128	6.1%
North America	2,676	1,481	1,108	35	1,178*	1,197*	51.9%
Total	10,609	9,539	8,566	829	1,827	1,921	18.3%

* Big portions of the employees in Retail in the US are part-time employees.

** Permanent contracts only.

T.3

REGION	NON MANAGERS 2009			NON MANAGERS 2010			NON MANAGERS 2011		
	Female	Male	Ratio Female	Female	Male	Ratio Female	Female	Male	Ratio Female
APAC	1,086	769	59%	1,095	861	56%	1,259	1,076	54%
EMEA	2,088	1,882	53%	1,964	1,727	53%	2,077	1,865	53%
Latin America	507	1,035	33%	518	1,118	32%	623	1,369	31%
North America	1,145	1,282	47%	1,104	1,244	47%	1,239	1,349	48%
Total	4,826	4,968	49%	4,681	4,950	49%	5,198	5,659	48%

T.4

REGION	MANAGERS 2009			MANAGERS 2010			MANAGERS 2011		
	Female	Male	Ratio Female	Female	Male	Ratio Female	Female	Male	Ratio Female
APAC	155	285	35%	164	303	35%	191	329	37%
EMEA	258	451	36%	257	485	35%	284	510	36%
Latin America	73	138	35%	72	143	33%	74	140	35%
North America	130	154	46%	123	188	40%	124	195	39%
Total	616	1,028	37%	616	1,119	36%	673	1,174	36%

T.5

TOTAL NUMBER OF EMPLOYEES

REGION	Total 2009	Total 2010	Total 2011
APAC	2,295	4,423*	2,855
EMEA	4,679	4,433*	4,736
Latin America	1,753	1,851	2,206
North America	2,711	2,659	2,907
Total	11,438	11,366	12,704

*One country was shifted from EMEA to APAC in the 2011 report.

T.7

AGE DISTRIBUTION 2010 (PERMANENT CONTRACTS)
* figures differ from total permanent contract since New Zealand figures are not reflected for legal reasons

REGION	< 25 years	25 - 30	31 - 40	41 - 50	51 - 55	56 - 60	> 60	Total
APAC	265	406	615	269	74	31	13	1,673
EMEA	805	1,071	1,252	550	130	62	22	3,892
Latin America	373	487	617	210	48	29	17	1,781
North America	1,003	536	340	179	40	16	15	2,129
Total	2,446	2,500	2,824	1,208	292	138	67	9,475
	25.82%	26.39%	29.80%	12.75%	3.08%	1.46%	0.71%	100.00%

TOTAL WORKFORCE* BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT AND REGION

T.6

AGE DISTRIBUTION 2011 (PERMANENT CONTRACTS)
* employees of New Zealand voluntarily provided age brackets

REGION	< 25 years	25 - 30	31 - 40	41 - 50	51 - 55	56 - 60	> 60	Total
APAC	344	545	660	307	68	34	15	1,973
EMEA	785	1,141	1,347	619	141	64	24	4,121
Latin America	487	562	685	251	50	29	24	2,088
North America	1,097	508	395	212	52	25	16	2,305
Total	2,713	2,756	3,087	1,389	311	152	79	10,487
	25.87%	26.28%	29.44%	13.24%	2.97%	1.45%	0.75%	100.00%

T.8

AGE DISTRIBUTION 2009 (PERMANENT CONTRACTS)
* figures differ from total permanent contract since New Zealand figures are not reflected for legal reasons

REGION	< 25 years	25 - 30	31 - 40	41 - 50	51 - 55	56 - 60	> 60	Total
APAC	228	357	556	262	88	33	12	1,536
EMEA	1,052	1,205	1,145	509	121	59	19	4,110
Latin America	343	463	577	193	45	26	14	1,661
North America	1,106	913	510	127	31	11	6	2,704
Total	2,729	2,938	2,788	1,091	285	129	51	10,011
	27.26%	29.35%	27.85%	10.90%	2.85%	1.29%	0.51%	100.00%

* TOTAL WORKFORCE IN HEADS CONSISTING OF RETAIL AND WHOLESALE EMPLOYEES

TURNOVER BY REGION

REGION	TOTAL NUMBER AND RATE OF EMPLOYEE INITIATED TURNOVER BY REGION					
	Leavings in 2009	Leavings in 2010	Leavings in 2011	Turnover in 2009 in %	Turnover in 2010 in %	Turnover in 2011 in %
APAC	157	402	549	7	17	19
EMEA	1,135	1,037	786	24	23	17
Latin America	329	190	202	19	10	9
North America	219	1,423*	1,217*	8	54*	42*
Total	1,840	3,052	2,754	16	27	22

* Includes seasonal workers in the US who have an employment without finish date and are therefore counted under permanent contracts.

COLLECTIVE BARGAINING AGREEMENTS

REGION	PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS		
	Ratio 2009	Ratio 2010*	Ratio 2011*
APAC	4%	6%	6%
EMEA	38%	45%	47%
Latin America	57%	79%	80%
North America	0%	0%	0%
Total	25%	33%	36%

*Permanent contracts only.

TOTAL WORKFORCE* REPRESENTED IN FORMAL JOINT MANAGEMENT WORKERS HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS

REGION	NUMBER OF HOURS SPENT IN SAFETY-RELATED TRAINING			PEOPLE TRAINED IN FIRE EVACUATION			NUMBER OF EMPLOYEES TRAINED IN FIRST AID		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
APAC	293	238	281	58	222	278	27	26	25
EMEA	9,245	8,539	5,215	2,301	3,029	2,430	756	762	949
Latin America	726	918	862	153	203	327	28	35	113
North America	16,040	288*	661*	3,124	6**	138***	23	16	139
Total	26,304	9,983	7,019	5,636	3,460	3,173	834	839	1,226

* 2010 and 2011 figure do not include on-the-job trainings in the US as reported in previous years.

** Fire evacuation drill was not performed in 2010 (scheduled in Q1 2011).

***Fire evacuation has been part of the onboarding process since 2011.

* TOTAL WORKFORCE IN HEADS CONSISTING OF RETAIL AND WHOLESALE EMPLOYEES

RATE OF INJURIES, ACCIDENTS ETC.

REGION	ABSENTEEISM RATE			ABSENTEEISM RATE DUE TO SICKNESS		
	2009	2010	2011	2009	2010	2011
APAC	1.24%	0.41%	0.84%	0.46%	0.26%	0.42%
EMEA	8.18%	6.54%	6.02%	2.69%	2.51%	2.43%
Latin America	4.68%	3.36%	3.71%	1.55%	2.04%	2.29%
North America	0.46%	1.11%	1.00%	0.15%	0.36%	0.70%
Total	4.31%	3.23%	3.45%	1.43%	1.39%	1.61%

EDUCATION TRAINING, COUNSELING PREVENTION

REGION	TRAINING HOURS PER REGION			TRAINING PARTICIPANTS BY REGION		
	2009	2010	2011	2009	2010	2011
APAC	7,812	13,723	23,348	681	1,009	1,276
EMEA	37,631	38,434	37,459	2,649	1,763	2,037
Latin America	17,852	6,442	8,526	103	310	706
North America	47,010	6,150*	22,356	2,663	138*	1,780
Total	110,305	64,749	91,689	6,096	3,220	5,799

*Excluding 'on-the-job' training hours as published in previous years.

REGION	TOTAL ACCIDENTS			TOTAL INJURY RATE (OSHA)			FATAL ACCIDENTS		
	2009	2010	2011**	2009	2010	2011**	2009	2010	2011
APAC	2	3	1	0.09	0.14	0.04	0	0	0
EMEA	24	24	16	0.54	0.57	0.41	0	0	0
Latin America	58	54	39	3.42	2.96	1.99	0	0	0
North America	28	1*	5*	1.03	0.05	0.31	0	0	0
Total	112	82	61	1.00	0.78	0.61	0	0	0

* Figure excluding outsourced warehouse operation in the US.
 ** Without way-to-work accidents and accidents that did not lead to a work stoppage of one day or more.

* TOTAL WORKFORCE IN HEADS CONSISTING OF RETAIL AND WHOLESALE EMPLOYEES





PUMA.Safe

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CHAPTER:

3

THE PUMA ENVIRONMENTAL PROFIT & LOSS ACCOUNT

IN 2011, PUMA ESTABLISHED - AS THE FIRST COMPANY EVER - AN ENVIRONMENTAL PROFIT & LOSS ACCOUNT (E P&L).

WHAT IS THIS?

While nature is much more to us humans than a mere 'business,' the **E P&L** seeks to answer the seemingly simple question: How much would our planet ask to be paid for the services it provides to PUMA if it was a business? And how much would it charge to clean up the 'footprint' through pollution and damage that PUMA leaves behind? Our operations and supply chain depend on nature for services such as fresh water, clean air, healthy biodiversity and productive land. The PUMA **E P&L** is the first attempt to measure the immense value of these ser-

vices to a business, and the true costs of a business's impacts on nature.

The PUMA **E P&L** is simply a means of placing a monetary value on the environmental impacts along our entire value chain.

Although we pay fees to local authorities for services such as the treatment and supply of water, the true costs of natural resources and our environmental impacts remain externalized and unaccounted for. The **E P&L** represents how much we would need to pay for the impacts we cause and the services nature provides so that PUMA can produce, market and distribute footwear, apparel and accessories made of leather, cotton, rubber or synthetics for the long run.

Providing goods and services will always have some impact on the environment. The challenge for us is to reduce our impact on

the environment (the 'loss' in an **E P&L**) as far as possible while continuing to deliver value to our customers – and looking for ways to return value to the environment.

WHY DID WE DO THIS?

We have set ourselves targets to reduce CO₂ emissions, energy, waste and water in PUMA offices, stores, warehouses and direct supplier factories by 25% by 2015 and launched an environmentally friendly product packaging – our Clever Little Bag. While all these initiatives are crucially important to help reduce PUMA's negative environmental impact, never before had a company integrated and accounted for the true costs of nature's services, which all businesses depend on.

It is a common practice in the corporate world that this 'inherent' value of nature is not defined and integrated into a company's accounting. Corporations believe that businesses solely rely on financials and are driven by their 'bottom lines.' But luckily, even those concerned only about bottom-lines and not the fate of nature are beginning to realize that the sustainability of business itself depends on the long-term viability of ecosystems.

A challenge for all companies is to build an increasingly sustainable and resilient business model while also delivering competitive advantage. PUMA aims to be the world's most desirable and sustainable Sportlifestyle company and the **E P&L** is one of the principal tools by which we hope to gain the information and insight required to achieve this.

THE E P&L PROVIDES THE FOLLOWING BENEFITS TO OUR BUSINESS:

→ STRATEGIC TOOL

The findings of the **E P&L** transparently reveal where we need to direct our sustainability initiatives in order to make real improvements in reducing our footprint. As a result we are looking into solutions to identify more sustainable materials, investigating the development of broadly accepted definitions of sustainable cotton and rubber, and have started to engage in opportunities to reduce greenhouse gas emissions.

→ RISK MANAGEMENT TOOL

Understanding the value and nature of our environmental impacts in the supply chain provides an early view of emerging risks, enabling us to respond strategically to protect and enhance shareholder value. The **E P&L** provides information to ensure we are well placed to manage underlying risk from rising raw material costs and to deal with scarcity of supply issues. This is particularly relevant in an industry already facing increasing input costs as a result of a changing climate and shifting water availability.

→ TRANSPARENCY TOOL

By reporting the results of the **E P&L** we are being transparent about the extent of our environmental impacts. We believe this will provide a basis for engagement with our stakeholders and enable us to demonstrate clearly the impact of our activities to reduce our impacts.

WHAT ARE PUMA'S ENVIRONMENTAL IMPACTS?

The **E P&L** aims to cover all significant environmental impacts from the production of raw materials right through to the point of sale. Through consultation in the expert community and reviews of relevant current industry and academic publications we concluded that our most significant environmental impacts are greenhouse gas emissions (GHG), water use, land use, air pollution and waste. It is these impacts that are therefore included in the PUMA **E P&L**. The diagram below illustrates some of the processes that cause these impacts along our supply chain.

For the full set of 2010 results of the PUMA **E P&L**, [please click here.](#)

-  → GHGs
-  → WATER
-  → LAND USE
-  → AIR POLLUTION
-  → WASTE

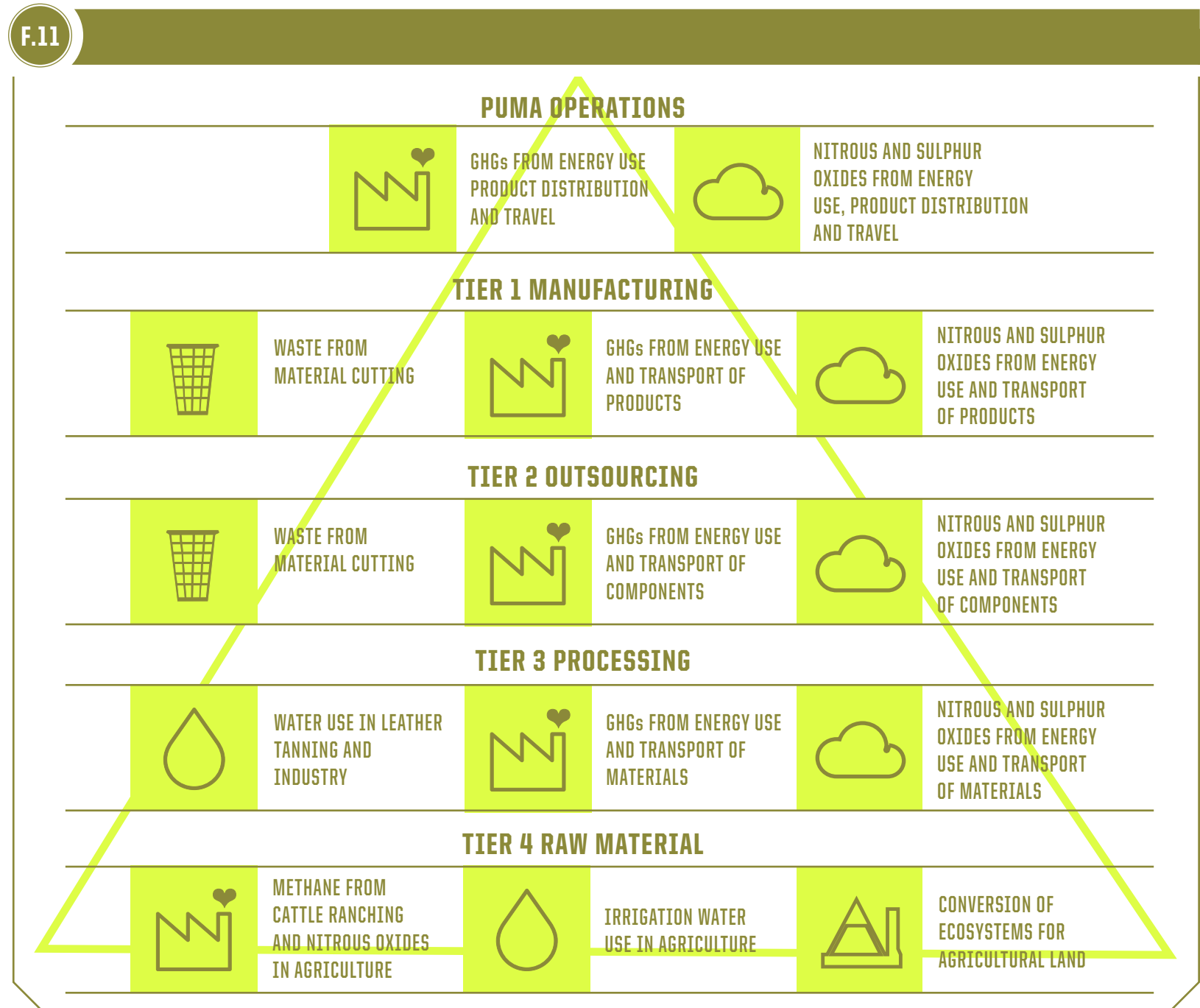


Figure 11: PUMA's supply chain and related environmental impacts

ENVIRONMENTAL TARGETS 2015

In 2009 PUMA defined through its Sustainability Scorecard the environmental targets to be achieved by 2015. The scorecard was divided into three sections focusing on PUMA's operations, products and the supply chain and is based on the environmental KPI collection, which was established in 2005 and has been improved over the years. The targets set until 2015 are savings of 25% on water, energy and a 25% waste reduction globally on the operational side (*excluding third party owned warehouses and franchised shops) compared to a 2010 baseline. PUMA's Environmental Key Performance Indicators (E-KPIs) are frequently measured against the set target. Through the globally used software tool Enablon we have ensured that the same data collection and analyzing system is used throughout the group. PUMA has offset its Carbon Emissions from own entities for Scope 1 (direct emissions) and Scope 2 (indirect emissions) since 2010 covering the 2009 and 2010 reporting period so far.

Within the supply chain we have concentrated first on our strategic suppliers globally. Until 2015 all our strategic suppliers are asked to reduce their E-KPIs by 25%. This applies to energy, CO₂ emission, water and waste.

By 2015 PUMA plans to offer at least 50% of their products made of more sustainable materials compared to the original material according to the PUMA Sustainability Index, PUMA S-Index. The S-Index defines the sustainability of a material and takes into account working conditions at the product manufacturer as well as environmental aspects of the production process.

In 2011 the environmental non-governmental organization Greenpeace launched the global campaign 'Detox' to stop discharging harmful substances into open waters. The campaign was targeted at the textile industry and the main sporting goods companies. In line with PUMA's long-term sustainability program, we recognize the urgent need for reducing and eliminating industrial releases of all hazardous chemicals. According to our approach based on prevention and precau-

tionary principles, PUMA is committed to eliminate the discharges of all hazardous chemicals from the whole lifecycle and all production procedures that are associated with the making and using of PUMA products by 2020.

PUMA was the first brand which committed to this ambitious goal and came to an agreement with Greenpeace in late 2011 in order to guarantee a zero discharge until 2020. Together with other industry peers PUMA developed an ambitious roadmap in order to ensure these goals. At the same time PUMA informed its suppliers about the campaign and started to develop its internal program based on detailed capacity building projects, information tools as well as on-site measuring of harmful substances in wastewater. The existing PUMA Restricted Substances List (RSL) was adjusted in 2011. In addition, we have established a so-called Manufacturing Restricted Substances List (M-RSL) adding the eleven harmful substance groups not to be used in the manufacturing process as requested by Greenpeace. The results of the PUMA E P&L showed that

the major impact on ecosystem services is caused by the supply chain and especially by the raw material production while PUMA's operations have a minor impact only. The achieved results can be seen as an excellent platform to establish a process addressing the supply chain aiming to improve the overall environmental impact.

Based on the results of the **E P&L**, PUMA is in the process of adjusting the sustainability scorecard in order to meet the requirements as well as to design capacity building projects for the supply chain.

Two years ago, PUMA established a sustainability advisory board, which met twice in 2011. The intention of this advisory board is to consult us on our mission. The board consists of six members from industry, non-governmental organizations and public institutes and has the duty to advise PUMA on its sustainability approach.

In order to support the sustainability initiatives within its departments, PUMA in 2011 recruited four sustainability managers for PUMA.SAFE, footwear, apparel and accessories.



The upper of the **TEKKIS JAM** is made of organic cotton.

F.12

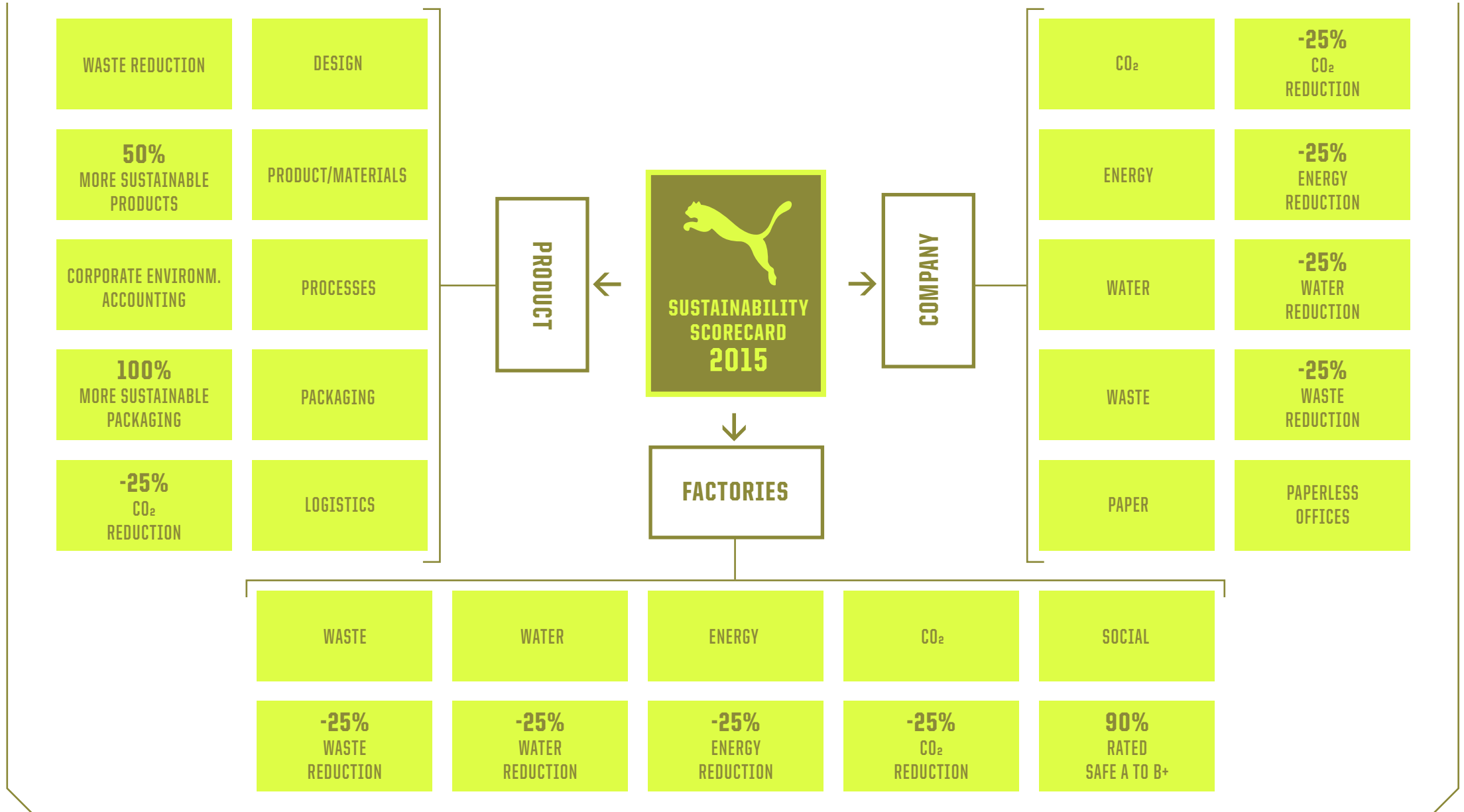


Figure 12: PUMA Sustainability Scorecard 2015

SUSTAINABLE PRODUCTS

The PUMA **E P&L** revealed that over half (57%) of all environmental impacts are associated with the production of raw materials such as leather, rubber or cotton in PUMA's supply chain. More than ever we have started to identify more sustainable materials to be used for our products in order to reduce the extensive environmental impact occurring at the level of raw material production and processing.

THE CRADLE TO CRADLE® CONCEPT

In a long-term cooperation with the Environmental Protection Encouragement Agency (EPEA) PUMA is currently investigating the development of recyclable products according to the **Cradle to Cradle®** concept. In the **Cradle to Cradle®** method of production, material flows are formed with conscious consideration of protecting resources. Usually, raw materials are taken and turned into products, are sold and then end up in waste dumps or incineration plants where by the materials' value is then lost forever. Rather than attempting to reduce the linear material flows and present-day methods of production, the **Cradle to Cradle®** design con-

cept envisages their redesign within circular nutrient cycles in which value, once created, remains of worth to both man and nature. In line with our Sustainability Index (S-Index) standard that serves as a benchmark for sustainable products, our long-term vision is to use innovative and safe materials and design concepts for our products that can be disassembled and recycled as technical nutrients or composted as biological nutrients.

Imagine a world in which industry, yes, every factory and every building is as wasteful and as useful as a cherry tree in full bloom. A world in which buildings - just like trees - use the sun's energy, produce nutrients and oxygen, provide living space for other creatures, cleanse water, purify the air and even change to adapt to the seasons. A world without environmental pollution or waste, where only products with materials that are beneficial to both man and the environment are manufactured. A world, in which materials are of such high value that they flow in specially designed material cycles.

A world in which humans can actually be pleased about the benefits their consumption has on the environment. A world in which humans are freed from and no longer have to live under the restraints and limitations placed on them by always having to save, reduce, and cut down on certain things for the sake of the environment. That is exactly the kind of world that the Cradle to Cradle® design concept opens up to all of us. (Taken from the EPEA Website www.epea-hamburg.org)

COTTON MADE IN AFRICA

"Cotton Made in Africa" works on the principles of a social business. That means the initiative operates in accordance with sound business methods, except that it does not aim to maximize the profits of individuals but rather to improve the conditions of life of a large number of African cotton farmers. "Cotton Made in Africa" acts in accordance with the rules of the market, avoiding subsidies or interventions in the system of world market prices, which are dependent on supply and demand as are the prices of virtually all raw materials.

"Cotton Made in Africa" is not organic cotton. But sustainable growing of the raw material is ensured – together with its partners, the initiative gives the farmers training in modern, efficient growing methods, with awareness of pesticide use, i.e. use of the minimum amount of pesticides. Rain fed cultivation and crop rotation is used. But the initiative works in close cooperation with organic cotton organizations, for joint work to increase the sales of sustainably grown cotton.

We currently use "Cotton Made in Africa", organic cotton and recycled polyester in some of our performance and lifestyle apparel products.

IN 2011, ABOUT 16% OF OUR TOTAL APPAREL PRODUCTS WERE MADE OF MORE SUSTAINABLE MATERIALS.

1% of all teamsport products and 15% of our lifestyle collections. This means we are right on track to reach our 2012 target of having 50% of our international collections made of more sustainable materials.

> cotton made in africa

WHAT IS RECYCLED POLYESTER?

Recycled Polyester is polyester that has been manufactured by using previously used polyester items. In the clothing world, recycled polyester clothes are usually created from recycled plastic bottles. On top of reusing materials, energy needed to make recycled polyester is less than what is needed to make virgin polyester. So we save waste and energy, and ultimately by using less energy also reduce our CO₂ emissions.



THE PUMA RE-SUEDE

In 2011, we introduced our iconic style PUMA Suede to sustainability, creating the PUMA Re-Suede made for the environmentally conscious consumer. It has been developed using the latest materials and processes through eco-friendly product innovation. The Re-Suede material is comprised of 100% recycled polyester fibers, produced by a chemical recycling process that reduces both the energy consumption and the CO₂ emissions compared to the production of virgin materials. The recycled polyester is scrap waste from manufacturing processes that is repurposed to create the synthetic material.

VEGANBLOG.DE

PETA'S German vegan blog Veganblog.de raffled off a pair of PUMA Re-Suede. Over 230 people took part in the competition. **"We are very happy with how the competition turned out. Feedback was phenomenal,"** said the makers of the blog. **"We think it is great that PUMA is taking a step in a sustainable, environmentally and animal-friendly direction."**

> www.veganblog.de

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Over 18 years ago, PUMA introduced its Code of Conduct (CoC) to ensure that human and labor rights are respected in our daily operations. Until today, it remains a challenge to ensure that suppliers on all levels adhere to the PUMA Code of Conduct. Persistent non-compliance remains an issue in the majority of the major sourcing markets due in large part to weaknesses in the local and international regulatory frameworks as well as the social infrastructure in the respective countries of production—these include a lack of clear implementation guidelines of local laws, an inadequately educated manpower pool, poverty, and more. Adding to this, many suppliers continue to have limited access to local manpower with the technical skills and experience to systematically manage compliance and further perpetuated by the high turnover rate of compliance staff. Suppliers



continue to have problems balancing the improvement of social standards and maintaining short-term business competitiveness.

PUMA'S SUPPLY CHAIN

PUMA outsources the majority of its production and approximately 90% of this production takes place in Asia. With outsourced activities, it is more difficult to control the impact on issues such as sustainability.

EXCEPTIONS: COMPONENT AND PROCESS MANUFACTURERS AS TIER 1

Certain component and process manufacturers have been labeled as **Tier 1** suppliers, such as those in the hosiery and golf industries. This applies to cases where a holding company/agent or end-process manufacturer acts as the consolidator for production, in which case all the different manufacturers required for the core production processes to produce a final product are considered **Tier 1**. This is to ensure and highlight responsible production throughout the core production process.

Supplier factory in Vietnam

F.13

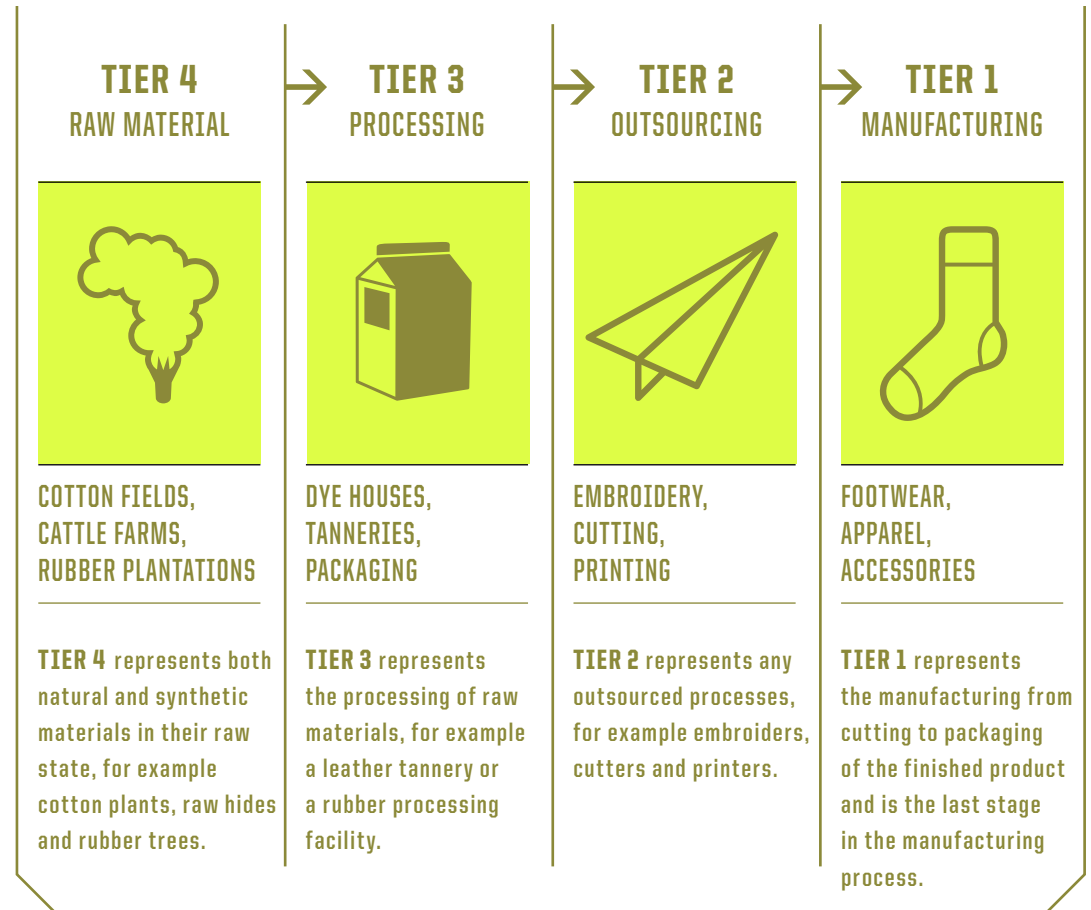


Figure 13: Outsourced manufacturing activities by tier

EXCEPTIONS:**FULL PROCESS SUBCONTRACTORS**

Certain full-process manufacturers have been labeled as **Tier 2** suppliers, particularly those factories that belong to or are aligned with a Strategic Partner Supplier/Vendor. Due to the necessity to align assignment of factory codes with our Global Buying System (GBS), PUMA.Safe reports these as core subcontractors or strategic **Tier 2** manufacturers.

To cover these exceptions, PUMA.Safe monitors and remediates issues found in **Tier 1** and **Tier 2** under the same schedule and standard.

In line with the restructuring of PUMA. Safe to Humanity and Ecology divisions, the following are the core programs dedicated to ensure sustainable supply chain management:

1. SOCIAL COMPLIANCE MONITORING

In keeping with the Sustainability Scorecard target of 90% A and B+ suppliers by 2015, the auditing program remains the core mechanism by which suppliers are assessed for their level of compliance with PUMA's Code of Conduct > http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf

The auditing program includes onsite audits and visits as well as onsite and remote remediation of issues found prior to the release of audit grades in partnership with the relevant sourcing partners.

In keeping with the restructuring, various internal system enhancements were under development in 2011, particularly adjustments to the audit conduct, rating system procedures, collaboration on audits, and lower tier policies to achieve greater transparency and alignment with internal sourcing partners as well as external partners and commitments such as the FLA Sustainable Compliance Initiative, Better Work and the DETOX Roadmap. A key aspect of internal adjustments revolves around configuring the acceptance of completed audits, not just corrective action plans, with organizations like Better Work and brands with similar Code of Conduct standards. It is expect-

ed that these internal improvements will be fully rolled out by mid-2012 after a process of consultation with internal and external stakeholders.

The PUMA.Safe Handbooks provide detailed guidelines to our factories explaining how to comply with the PUMA Code of Conduct. These guidelines promote the management system approach to make compliance sustainable and effective. The Handbooks will be updated in 2012 to better conform to the requirements of the California Transparency in Supply Chains Act (known as SB 657). In 2010, PUMA's commitment to audit a portion of its lower tier suppliers (Tiers 2 and 3) ended. In 2011, due to its commitments to the results of the PUMA E P&L, the DETOX Roadmap commitments, the new legal requirements set out by SB 657 as well as in major production countries such as Cambodia, the global lower tier monitoring policy was reviewed. Though audits for some key lower tier suppliers continued even prior to the DETOX and other commitments, proposals for enhanced lower tier mapping and monitoring were received and developed and a number of pilots in this area are expected to be rolled out in 2012.

2. CAPACITY BUILDING ON SUSTAINABILITY

Depending on the nature of the findings and relationships with suppliers, they are either required or encouraged to participate in a number of compliance enhancement projects to address immediate and root causes

of non-compliance. These efforts aim to increase the numbers of factories that have A and B+ ratings within our supply chain in keeping with our Sustainability Scorecard 1.0. For both social and environmental sustainability, PUMA.Safe has supported various training projects to improve management skills and worker awareness on issues such as human resources management including improvements in the implementation of freedom of association, health and safety and the carbon footprint of the manufacturing process. Please refer to the chapter 'Main Projects 2011' for details.

3. STRATEGIC STAKEHOLDER ENGAGEMENTS

PUMA.Safe advanced its engagements with various stakeholders at local, regional and global levels in pursuit of its mandate. These efforts were directed both externally and internally. Please refer to the chapter 'Stakeholder Engagement' for details.

**FACTORY AUDITS
AUDIT PERFORMANCE 2011**

In line with PUMA's expansion and acquisition of new brands under the 'Back on the Attack' strategy and Sustainability Scorecard, the registered active supply chain grew to 540 (by the end of 2011) contract manufacturers (see breakdown in the next table) in 2011 from 489 the previous year. PUMA has made a commitment to audit 100% of its direct and licensee suppliers

T.15	ACTIVE FACTORIES ¹ BY THE END OF 2011	FACTORIES AUDITED IN 2011 ²	FACTORIES WITH AN 'A' GRADE IN 2010 ³	NUMBER OF AUDITS CONDUCTED IN 2011 ⁴	FACTORIES MADE INACTIVE BY 2011 AUDITS
Tier 1	443	332	34	372	21
Tier 2	67	39	1	41	2
Tier 3	30	11	-	13	-
Total	540	382	35	426	23

1. Active factories – for the purposes of this report active factories will mean both factories labeled “active” as well as those labeled “first audit”, as it is presumed by year end 2011 the factories that have undergone their first audit in 2011 have either started producing for PUMA or remedial action is still in process and sourcing partners wish for the factories to remain as possible suppliers.

2. Including active factories during the year which turned inactive by the end of 2011.

3. Not audited in 2011 but with a valid qualifying grade in 2011.

4. Includes re-audits done in 2011.

Table 15: Active factories and related audits 2011

at the **Tier 1** level at least once, primarily through its internal monitoring team. Based on the audit grade received, a factory may be eligible to be audited once in 2 years (grade A), annually (grade B+), within 8 months (grade B-), or within 2-6 months (grade C or D) depending on the severity of the issues found in the first audit. Because of the sharp increase IN contract manufacturers in 2011 coupled with internal staffing changes due to the PUMA.Safe restructuring, it was not possible to formally audit all contract manufacturers in 2011. PUMA.

Safe prioritized auditing for new factories, facilities of Strategic Partners and contract manufacturers where critical issues had been found.

World Cat Ltd., PUMA’s direct Sourcing organization, reviewed the supply chains of its new brands and consolidation of procurement was implemented for general categories such as apparel to take advantage of strategic supplier relationships and minimize the use of short-term, agent-only transactions/relations with factories for which there was minimal business influence. Suppliers for specialized items such as golf clubs and similar remained. The process of consolidation is expected to continue well into 2012. The supply base is also expected to increase, as production for non-core products that are part of the Sustainability Scorecard implementation will be included in the registered database.

Including factories with qualifying grades⁵, the total number of factories covered in 2011 was at least 417 or approximately 77% of the active supply base. There were 42 factories (**Tier 1 - Tier 3**) that were audited more than once in 2011 because the initial audit earlier in the year resulted in grades from B- to D, requiring 85 audits or approximately 20% of all audits conducted within the year. Forty **Tier 1** factories had to be re-audited within the same year, mostly in China and India, to follow up/remediate critical issues found in these high-risk countries.

Some factories in high-risk countries such as Cambodia and Vietnam were not officially re-audited because PUMA.Safe was piloting a number of initiatives that focused less on the general compliance grade but more on linchpin issues that are identified through audit collaboration reports and worker or

third-party complaints such as industrial relations, management systems weaknesses in HR and Health & Safety among others. In Cambodia and Vietnam in particular, PUMA in 2011 piloted the full acceptance of Better Work audits as replacement for some of its own auditing (please refer to the Stakeholder Engagement section for details). Key suppliers were monitored based on public commitments such as those indicated in the FLA website > <https://www.fairlabor.org/fla/go.asp?u=/pub/mp&Page=NewsReleaseStat>, among others.

Factories in other countries were not monitored due to the impact of numerous natural disasters in 2011, such as those in Japan and Thailand. Continued contact through relevant sourcing partners was maintained to ensure that suppliers affected during the disasters could be supported.

5. PUMA employs a grading system where in the highest grade A is considered a valid, qualifying grade for 2 years. As such all factories that are rated A in the previous year are considered factories with a valid, qualifying grade in the current year. Hence the total number of factories with qualifying grades in 2011 include those audited in 2011 plus A rated factories in 2010.



DISTRIBUTION OF FACTORIES AND AUDITS BY COUNTRY

Below is the distribution of major sourcing countries and the number of contract manufacturers in each. **Tier 1** factories are those suppliers of which PUMA has the highest influence and capacity to remediate issues.

Because of the nature of **Tier 2** suppliers, PUMA monitors and remediates issues in these suppliers similar to **Tier 1** suppliers. These countries indicate the highest priority areas for monitoring and remediation. The percentage of audits conducted in Asia was 89% of the total auditing effort.

T.16

BY NUMBER OF ACTIVE FACTORIES AT THE END OF 2011 (TIER 1)

BY NUMBER OF ACTIVE FACTORIES AT THE END OF 2011 (TIER 1 - TIER 3)

BY NUMBER OF AUDITS⁶ IN 2011 (TIER 1 - TIER 3)

China (182)	China (208)	China (183)
India (51)	India (55)	India (60)
Vietnam (31)	Vietnam (48)	Vietnam (42)
Japan (14)	Turkey (22)	Indonesia (19)
Cambodia (13)	Indonesia (21)	South Korea (18)
Indonesia (13)	Taiwan (18)	Taiwan (14)
Bangladesh (12)	Cambodia (17)	Bangladesh (12)
South Korea (11)	Japan (16)	Turkey (12)
Turkey (10)	Bangladesh (15)	Japan (10)
Taiwan (10)	South Korea (12)	Malaysia (8), South Africa (8)

6. Includes re-audits

Table 16: Active factories and audits by country

F.14

NUMBER OF AUDITS BY REGION

TIER 1 - TIER 3

1. EMEA 8% (35)
2. AMERICA 3% (12)
3. ASIA 89% (379)

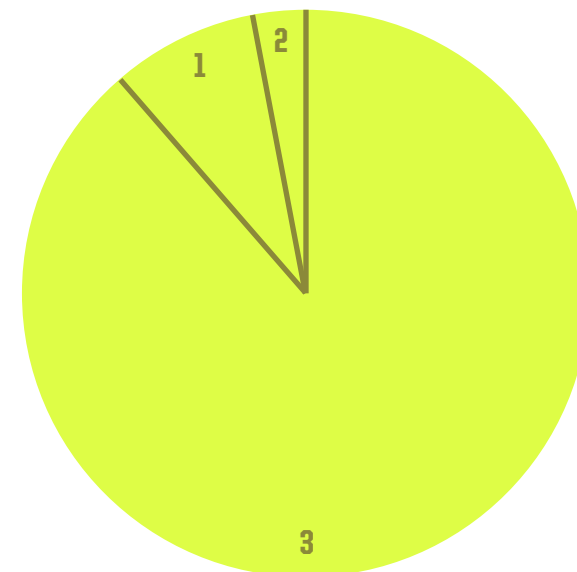
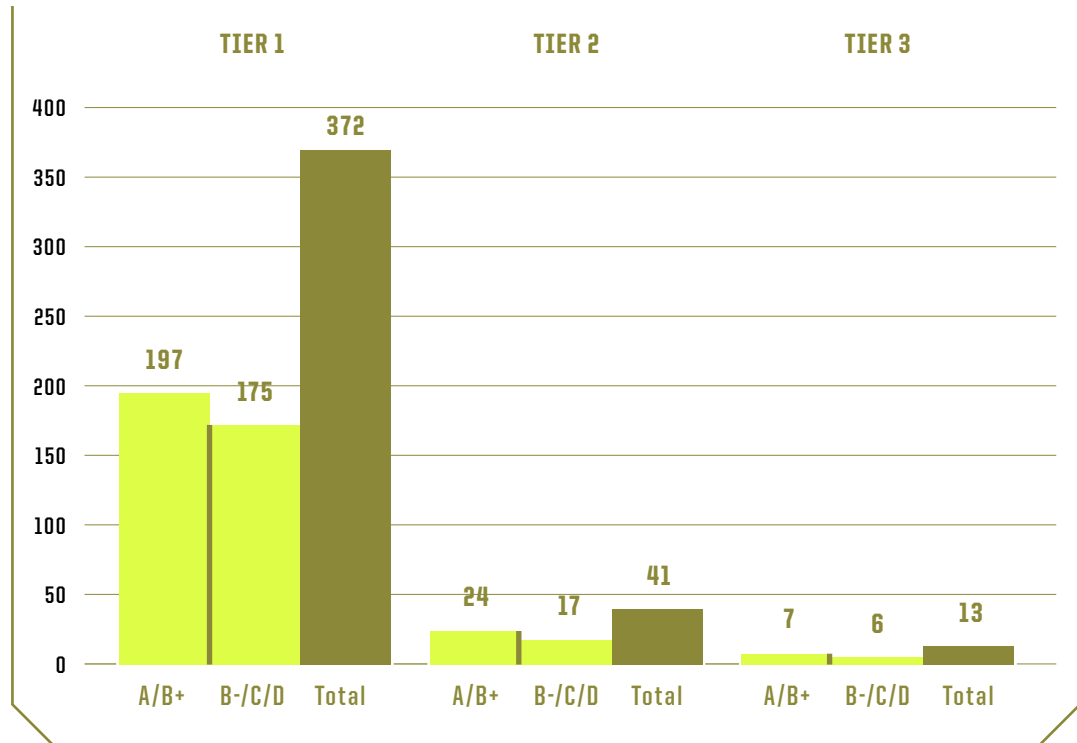


Figure 14: Number of audits by region

The global audit performance, aggregating new audits and re-audits, amounted to 53% resulting in A and B+ grades. However, the Sustainability Scorecard target of 90% A and B+ covers direct source or World Cat facilities and product. Aggregate **Tier 1** (World Cat and non-World Cat) audit results

were 53% A/B+, while aggregate World Cat audits resulted in 56% A and B+ in terms of aggregated audits done in 2011 (see charts on the next page).

F.15 AUDIT PERFORMANCE BY TIER



F.16 AUDIT RATINGS BY SOURCING GROUP (TIER 1 - TIER 3)

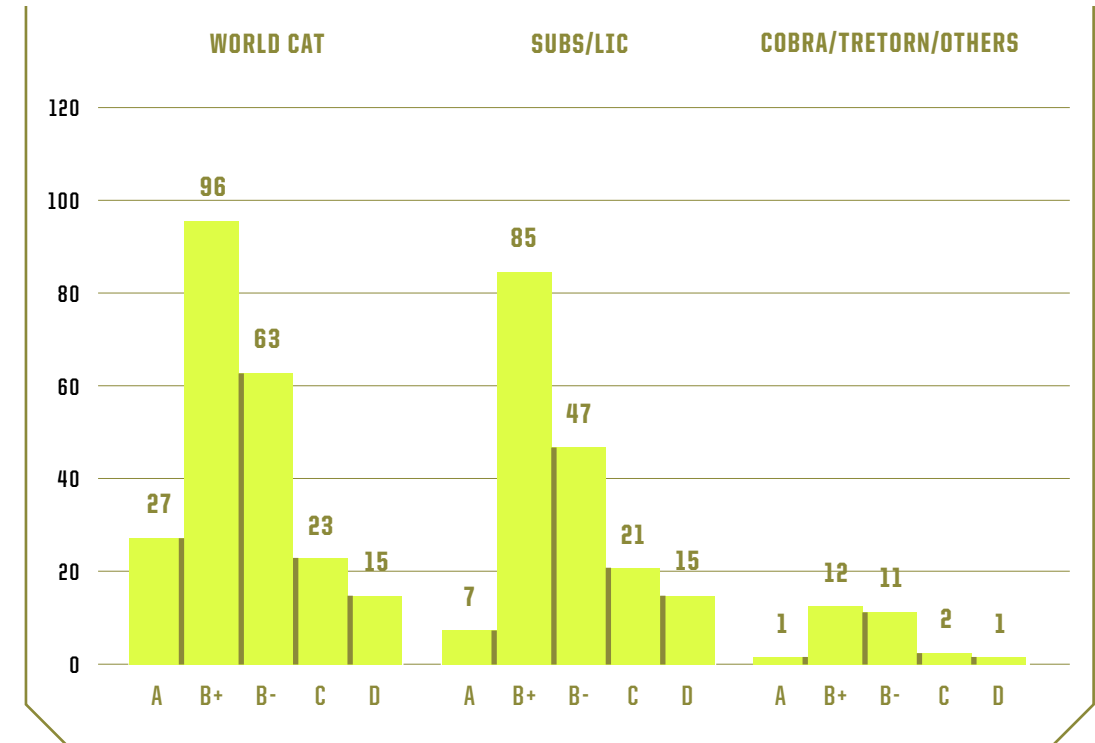


Figure 15: Audit Performance by Tier

*Audit Performance data by Tier is based on all audits and re-audits done in 2011, includes re-audits done in the same factory.

Figure 16: Audit Ratings by Sourcing Group

F.17 AUDITS RATINGS

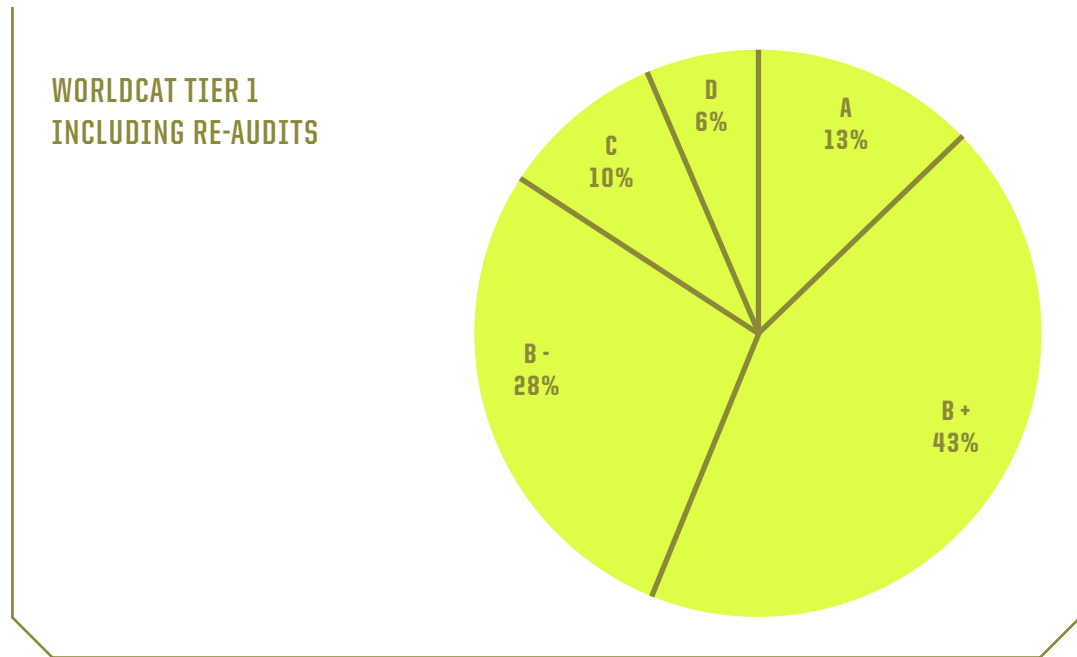


Figure 17: Audit Ratings Tier 1

In terms of factories audited in 2011, approximately 60% of the **Tier 1** factories audited for World Cat obtained a final grade A or B+, which is better than the average of all Tier 1 suppliers at 58%.

T.17 AUDIT RATINGS (WORLD CAT) IN 2011 BY TIER

WORLD CAT FACTORIES	A	B+	B-	C	D	TOTAL
Tier 1	24	73	43	12	8	160
Tier 2	2	13	10	1	4	30
Tier 3	-	5	1	4	-	10

Table 17: Audit ratings (World Cat) in 2011 by Tier

T.18 AUDIT RATINGS (ALL SOURCING PARTNERS) IN 2011 BY TIER

ALL SOURCING PARTNERS FACTORIES	A	B+	B-	C	D	TOTAL
Tier 1	32	159	86	33	22	332
Tier 2	2	22	10	1	4	39
Tier 3	-	6	1	4	-	11

Table 18: Audit ratings (all sourcing partners) in 2011 by Tier

PUMA's commitment to ethical sourcing is manifest through its World Cat Strategic Supplier concept, for which the A and B+ grade is a criteria. World Cat sources 75% of all products from A and B+ suppliers globally. For footwear, 67% of products derive from A and B+ factories. For apparel, approximately 79% of products are sourced only from A and B+ Strategic Suppliers, while for accessories, this figure is close to 89%.

The table on Top 10 production countries indicates countries with the highest volumes and the percentage of that, which is sourced from A and B+ factories.

F.18 TOP 10 PRODUCTION COUNTRIES FOR PUMA⁷

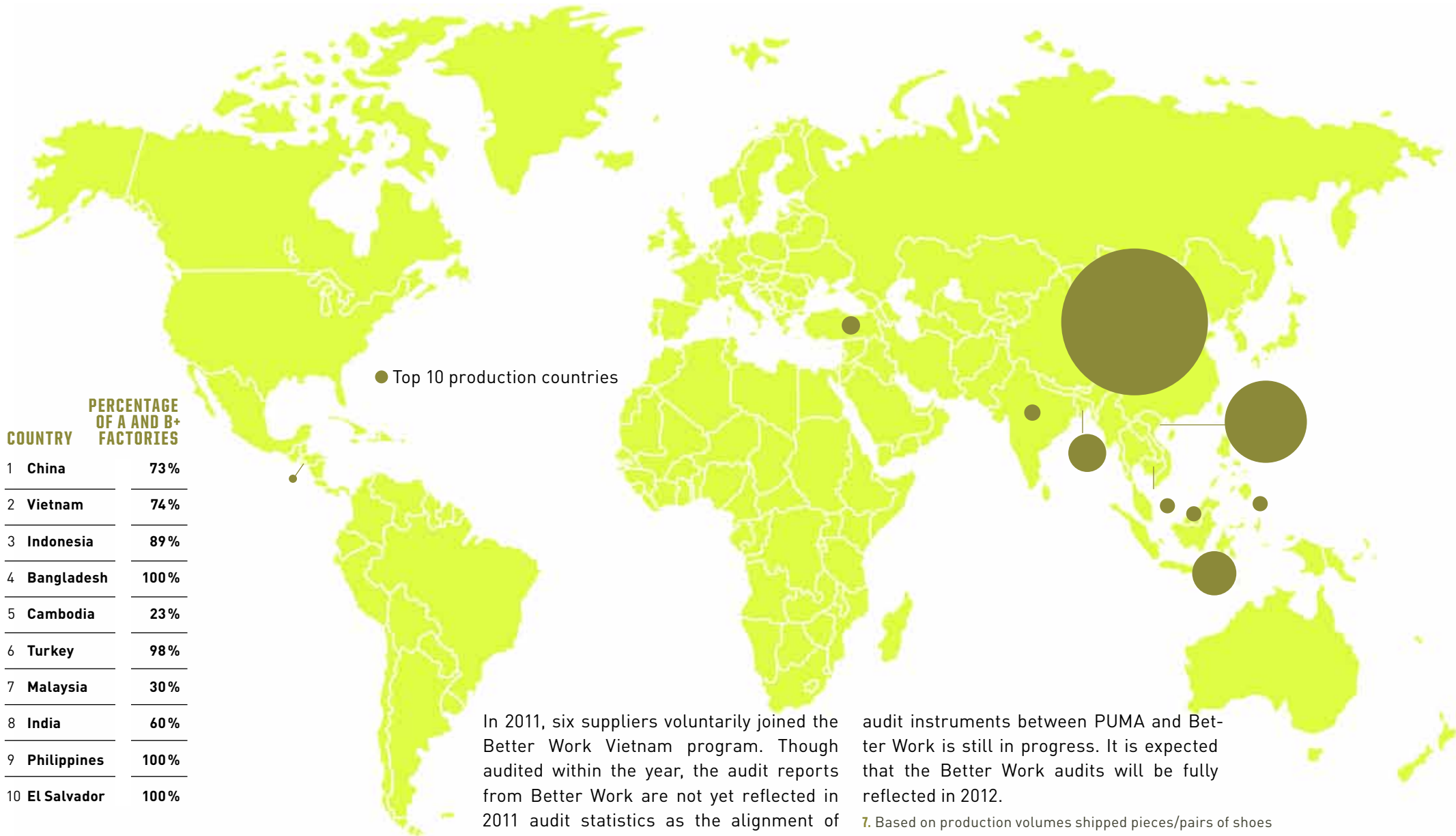
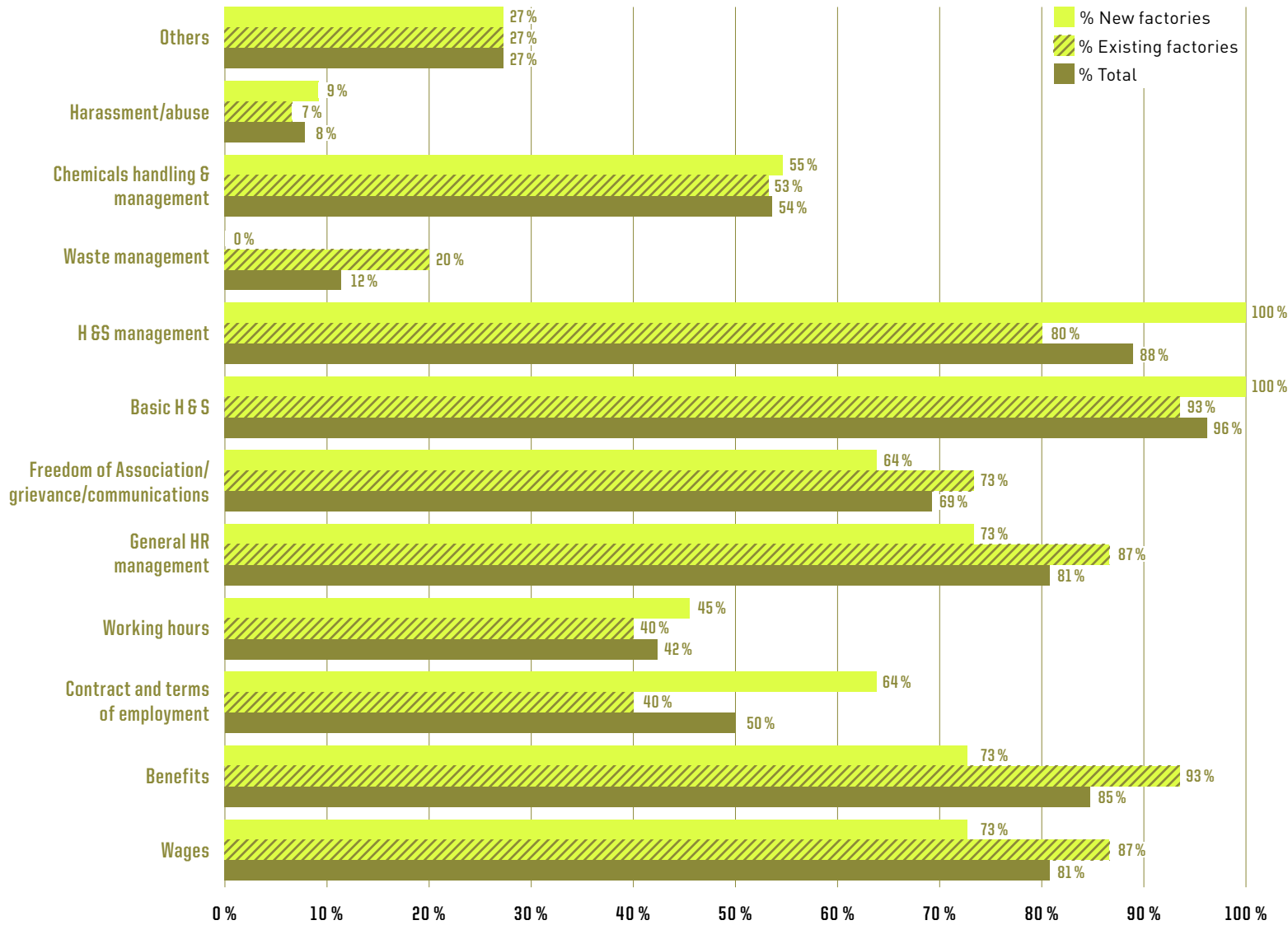


Figure 18: Top 10 production countries for PUMA

F.19 AREAS OF FAILURE

BASED ON TIER 1 WORLD CAT FACTORIES WITH C & D RATING



AREAS OF FAILURE

Twenty-six **Tier 1** World Cat factories obtained a C or D grade during 2011. These facilities are located in China, India, Bangladesh, Vietnam, Indonesia, Zimbabwe, South Africa and Mexico. Below are the percentages of findings categorized by areas of failure found in these facilities that required immediate remediation or have not been adequately remediated in the last audit in the facility. The majority (58%) of the C/D graded facilities are labeled 'existing' World Cat suppliers, reflecting that the majority had been audited officially twice within the year. The rest are 'new' suppliers, which had not been registered prior to 2011.

Figure 19: Areas of failure for failed factories

MAIN PROJECTS 2011 - REGIONAL AND GLOBAL PROJECTS

2011 was a year in which PUMA.Safe devoted many resources to capacity building projects. After several years conducting pilot projects in different countries, the results show trends on topics and partners who have helped to replicate positive results.

P. 1 CAMBODIA

PROJECT TITLE	DESCRIPTION		STATUS AS AT THE END OF 2011
ANNUAL HEALTH CHECK UP	<p>The program was recommended by PUMA.Safe to its footwear suppliers.</p>	<p>All employees of supplier Huey Chuen (around 3,000 people) took the medical check-up. The examinations were conducted by the Ministry of Health of Cambodia. Some of the medical trainings were carried out by RHAC and RUPP.</p>	<p>Completed</p>
COMPREHENSIVE EHS RESPONSE TO THE MASS FAINTING IN CAMBODIA	<p>After the initial mass fainting, PUMA.Safe worked closely with Huey Chuen and facilitated trainings on the following topics: HIV/AIDS, Reproductive Health & Life Skills; Mental & Psychiatric awareness. All employees underwent a medical check-up. Lunch booths and a breakfast feeding program started. The daily temperature is checked every day and additional ventilation equipment was installed.</p>	<p>49 employees were trained by Reproductive Health Association of Cambodia (RHAC) while 167 workers attended the Royal University of Phnom Penh (RUPP) trainings. Apart from face-to-face trainings, different awareness tools were also used, like comics, posters and short instructional films shown during lunch breaks. Employees took the medical check-up. RHAC training is a peer-to-peer training method where selected workers were initially trained by the RHAC. This was followed by two sessions of RHAC supervised peer-to-peer communication of the trained workers to other co-workers.</p>	<p>Further details available on the FLA website</p> <p style="text-align: right;">→</p>

PROJECT TITLE	DESCRIPTION			STATUS AS AT THE END OF 2011
<p>LABOR LAW AWARENESS TRAINING BY BETTER FACTORIES CAMBODIA (BFC)</p>	<p>The project was two days' classroom-type training on labor laws. Each factory received an training needs assessment on site followed by a post training follow-up on site and specific coaching.</p> <p>Four factories participated. The trainees were six participants from each factory composed of representatives from the general management, HR & admin, production and compliance officers.</p> <p>The duration of the project was three months, from July through September 2011.</p>			<p>Completed</p>
<p>CAMBODIA SPECIAL ISSUES</p>	<p>Collaboration is still ongoing with BFC regarding the issues of growth of footwear industry, mass fainting, new subcontracting monitoring law and child labor resurgence. A supervisory skills training has been introduced at 13 suppliers already.</p> <p>The main parties in the project are Better Factories Cambodia and suppliers.</p> <p>Outreach and engagement started after the Buyers Forum Meeting in Phnom Penh in August 2011.</p>			<p>Under implementation</p>

P. 2 GEORGIA

PROJECT TITLE	DESCRIPTION			STATUS AS AT THE END OF 2011
<p>MANAGEMENT SYSTEMS AND GRIEVANCE/ COMPLAINT/ SUGGESTION SYSTEM USAGE TRAINING.</p>	<p>The training was conducted at Ajara Textile Co in Batumi / Georgia. During the training, workers' representatives were aware about the function and usage of the Grievance/Suggestion/Complaint system. In addition to this the PUMA Code of Conduct was communicated to the participants.</p> <p>The training was conducted in two different sessions, one for the workers' representatives and the other one for the middle management of the factory.</p> <p>The duration of the project was one day.</p>			<p>Completed</p>

P. 3 **INDONESIA**

PROJECT TITLE	DESCRIPTION	STATUS AS AT THE END OF 2011
<p>FREEDOM OF ASSOCIATION PROTOCOL</p>	<p>The protocol assesses how the factory shall implement the laws around freedom of association and collective bargaining in Indonesia. This includes giving workers freedom to form unions, acknowledge the existence of the different unions, non-interference in organizational activities and allow union representatives to undertake their organizational activities among others. The brands have the obligation to disseminate the contents of the protocol and encourage its implementation among its suppliers and their sub-contractors. The suppliers are obliged to produce a Collective Bargaining Agreement (CBA) that encompasses the provisions of the protocol.</p> <p>The protocol was signed in Jakarta on June 2011 by PUMA, Nike, adidas, four factories and five union federations.</p> <p>There is already a continuing coordination with adidas and other brands on the expected deliverables on the protocol.</p>	<p>Under implementation</p>

P. 4 **TURKEY**

PROJECT TITLE	DESCRIPTION	STATUS AS AT THE END OF 2011
<p>ENHANCEMENT OF INTERNAL COMMUNICATION</p>	<p>The project was implemented at the PUMA supplier SLN Tekstil. It aimed to increase communication skills of managers, to improve the communication between managers and other personnel, and to contribute to a harmonious and productive working environment.</p> <p>The scope of the workshops was determined jointly by representatives of supplier SLN Textile, PUMA and the NGO SOGEP. 22 managers, supervisors and managerial staff from different departments participated in the workshops.</p> <p>Five workshops were implemented between May 11 and June 4, 2011, one workshop per week. Each workshop was carried out for half a day and during office hours.</p>	<p>Completed</p>



PROJECT TITLE	DESCRIPTION			STATUS AS AT THE END OF 2011
SUPPORTING HUMAN RIGHTS, ENHANCEMENT OF COMMUNICATION AND COMBATING ABUSE AT THE WORKPLACE	<p>A training project was implemented at Ceseka Textile. Ceseka Textile is located in the Fatsa-Ordu/Blacksea Region in Turkey and it is one of the companies owned by Milteks Group. This project is a part of the institutional responsibility work of Milteks, and a good example of continuing collaboration. The NGO SOGEP gave the training.</p> <p>Hundred and twenty people participated in the training. That group of participants was formed randomly and included the same number of people from each line.</p> <p>The training took place five days in July 2011.</p>			Completed
WORKSHOP ON PUMA.SAFE REQUIREMENTS FOR HR MANAGERS	<p>During this workshop the PUMA Code of Conduct and the PUMA. Safe policies and practices requirements were communicated to the participants. Policies revision and internal Code of Conduct implementation were required from the participants.</p> <p>The HR managers of eight direct PUMA suppliers attended.</p> <p>The workshop took place one day in December 2011.</p>			Completed
COLLABORATION WITH THE TURKISH MINISTRY OF WORK	<p>This was a collaboration with the Turkish Ministry of Labor to create and distribute a set of handbooks on labor law among employees. The handbooks were issued by the Ministry of Labor, addressing special working conditions including child labor, young and female workers, compensation rights, salaries in the labor code, the right to rest and working times.</p> <p>The Turkish Ministry of Labor created the handbooks. They were handed out and explained to the workers in one of the T2 factories (around 35 employees).</p> <p>The duration of the project was half a day.</p>			Completed



P. 5 VIETNAM

PROJECT TITLE	DESCRIPTION			STATUS OF THE END 2011
<p>MULTI-BRANDS HUMAN RESOURCES MANAGEMENT SYSTEMS (HRMS) PROJECT</p>	<p>To provide participating factories with methods and tools to measure and evaluate their HRM performance. To build a framework for effective human resources management in the factory that results in sustainable compliance with code standards and supports high performance workplace systems and production processes. The project management was done by TÜV Rheinland Vietnam.</p> <p>After the HRMS pilot phase collaboration between adidas, Columbia, New Balance ended in early 2010, PUMA has continued to collaborate with Adidas for the second phase with three additional Apparel & Accessories factories starting April 2010 and ending June 2011. After phases 1 & 2, periodic meeting activity (every two to three months and up to seven meetings) between factories' HRMS</p> <p>.Committee members have been organized and maintained to continue to work on the factories' application of the HRMS training. Results: Installation of a proper HRMS committee / echo trainer / developed employees handbook / SWOT / HR Tools like Job Descriptions, Job Analysis, Job Evaluation / HR KPIs tracking/ Analyze practice for root causes / Target & CAP Challenges: High turnover of trained HR staff in participating factories, difficult implementation of higher HR concepts in a factory setting.</p>			<p>Completed</p>
<p>INTERNAL COMMUNICATION WORKSHOP</p>	<p>Provide understanding for the importance of enhanced internal communication between employees and management due to the risks of disputes and wildcat strikes in Vietnam.</p> <p>The project was conducted by TÜV Rheinland and Kind Management International.</p> <p>Approximately 60 people from all World Cat Vietnam factories attended.</p>			<p>Completed</p>



PROJECT TITLE	DESCRIPTION	STATUS OF THE END 2011
BETTER WORK VIETNAM	<p>Better Work Vietnam is a voluntary program for apparel suppliers. Managed by the International Labour Organization and the International Finance Corporation, factories that sign up are assessed regularly and supported by the BWV team through monthly CAP improvement activities involving the factory's management and workers. Brands that support the program accept BWV assessments in replacement for their own audits and work with the factory and BWV in facilitating remediation of issues found.</p> <p>After receiving the factory assessments, PUMA is in the process of reviewing the conversion of the assessment findings into the PUMA rating system.</p>	<p>In 2011, six factories signed up to the program. Four were assessed for the period ending 2011.</p> <p>Ongoing</p>

Capacity-Building Activities by Country

SUPPLIER ROUNDTABLES

In 2011 PUMA organized roundtables for its suppliers in the following countries: China, Vietnam, Indonesia, Cambodia and India. The aim of the roundtables is to discuss the most important social and environmental challenges in the country as well as to inform the suppliers about PUMA's news.

Originated by PUMA.Safe in 2010, the purpose is to offer a problem-solving mechanism through an interactive discussion from/among factories. All roundtables were developed and arranged by the PUMA.Safe team based on the actual needs or weak areas from the factories identified during the SAFE audits. Experts are consulted for specific topics.

Roundtables in India were supported by PUMA's sourcing team and were held in Bangalore and Delhi. All of PUMA's strategic partners participated. As a result of the meeting, it was possible to identify training needs in order to map the capacity-building projects for 2012.

In Cambodia the discussions revolved around the better implementation of industrial relations from the management standpoint, the mass fainting cases in the country and general health and safety issues. Representatives of 13 factories participated in the meeting as well as representatives from Better Factories Cambodia.

The China Roundtable showed a series of best practice examples on topics such as energy efficiency and handling labor shortages. The participants had open discussions on challenges and potential solutions

regarding social insurance, labor shortages, energy savings, subcontractor management and workers from 'Generation Y.'

The Indonesian Roundtable focused on how to implement the new Freedom of Association (FoA) Protocol signed by PUMA and other brands together with union federations in Indonesia (see Indonesian projects above). Better Work Indonesia (BWI) also participated and presented its program as well as new developments on the issue of contract work and the ILO/BWI view on the FoA Protocol.

The Roundtables in Vietnam counted with 60 participants from diverse suppliers and besides the given update on PUMA projects in the country, the numerous meetings focused on health and safety management systems, the introduction of a library for labor law sources, and the discussion on 'worker retention' mechanisms.

STRATEGIC INITIATIVES WAGES IN THE SUPPLY CHAIN

In 2009, PUMA engaged with the Asia Floor Wage Campaign (AFWC) to start looking for ways to implement fair wages in the supply chain. The wage ladder methodology, which was piloted in Turkey in the Jo-In project that PUMA participated in, was used as a starting point to gauge how far PUMA suppliers were from the levels set by the AFWC. In 2010, an initial figure for some key sourcing countries was computed, which highlighted the need to elevate the discussion from searching for the right 'delta' to how to move factories up the rungs.

In 2011 different implementation models were presented and discussed by the Fair Labor Association (FLA) during a brands meeting in Istanbul. One of these included the fair wage assessment methodology, in which PUMA was the first brand to participate in 2010. The methodology did not look at defining what a fair wage is per se, but rather assessed the different dimensions and factors that comprise and influence a wage setting system in a facility. Twenty-five factories in China, Vietnam, Cambodia, Malaysia and Indonesia participated in this exercise in 2010.

PUMA is currently reviewing the results of the assessment. While this review is ongoing with the actual suppliers involved, PUMA decided to link its previous work on improving HR management systems (HRMS) and improving productivity in the factories with the specific intention to improve these wage dimensions. By elevating the prevalent

status of factory staff responsible for mandatory provision of labor rights to a true HR officer or department, and fostering stronger links between compliance and production, these actors would be better able to understand and then adapt the dimensions of fair wages internally. Sixty-five factories and five brands participated in the HRMS pilot projects in China and Vietnam that started in 2006. The next phase of the project is being redesigned to more strongly link to wage, productivity and industrial relations systems to be tested in one of the countries included in the Asia Floor Wage Campaign.

PUMA recognizes that the approach to implement fair compensation for workers must be managed in a cross-functional manner in order to mitigate impacts - not just within the enterprise but also within the community around it. As such, LEAN manufacturing and other quality projects with Strategic Suppliers would be linked with HRMS and related initiatives. An internal PUMA.Safe task force was established in 2011 to manage these linkages.

PUMA continues to work with all its key stakeholders to define more effective approaches, combining existing initiatives with innovative ideas. PUMA aims to continue working with other industry players as well as a multi-stakeholder approach is needed to ensure sustainable achievements in this area.

ENVIRONMENTAL MANAGEMENT

In 2011, we initiated a number of projects to pave the way towards achieving our environmental and sustainability targets in 2015 laid out in our Sustainability Scorecard. These projects also aimed at smoothing out weaknesses in our data collection process, particularly in terms of environmental performance data from our suppliers.

→ We set up a specialized PUMA.Safe Ecology Team focusing solely on environmental aspects. This team is comprised of four fulltime employees dedicated to environmental data collection and management within PUMA and our suppliers, chemicals management and product lifecycle thinking.

→ Our PUMA Sustainability Advisory Board - comprising six external experts in the fields of social accountability, biodiversity, climate change, waste, external auditing and sustainable consumption and production - held its first meeting in November 2010 and two further meetings in 2011.

→ Our innovative PUMA Environmental Profit & Loss Account helped us identify where the most important environmental impacts lie for PUMA and where we have to direct our initiatives to have the best impact.

→ The inclusion of key Tier 1 suppliers into our environmental management software, Enablon, helped us to gain a better overview on the direct environmental impacts and Key Performance Indicators (KPIs) of our strategic partner suppliers on a global scale.

→ Projects for main suppliers in China and Vietnam to raise awareness, identify gaps and build capacity to better manage resource (i.e. water, energy, etc.) use and environmental impact, including a public-private partnership with the DEG, German Development Agency, and various local and regional subject matter expert organizations.

→ The release of a supplier reporting manual and physical training sessions for suppliers from China, Vietnam, Cambodia,

India, Indonesia and Malaysia better defined and explained our environmental data collection to our manufacturing partners.

→ The establishment of an Executive Sustainability Report compiled by three dedicated Sustainability Managers covering all three product divisions at PUMA linked our suppliers performance with production of 'more sustainable' products.

→ For our offices worldwide, we introduced a Sustainability Charter, to be filled in and displayed by each country's main office to highlight the sustainability efforts implemented at each site.

→ An 'end of life' study conducted by the Bifa Institute as well as our newly formed partnership with EPEA Umweltforschung spearheaded the development of re-use

and recycling concepts for our products, starting from design for recycling and ending at concrete plans for physical recycling of PUMA goods at original PUMA suppliers for selected products.

→ Our acceptance of the Greenpeace Detox campaign ([> www.greenpeace.org/detox](http://www.greenpeace.org/detox)) and our active role to form an industry collaboration and roadmap toward zero discharge of hazardous chemicals helped us to refocus our chemicals management approach and lead us to formally accept the precautionary principle and include it into our environmental and chemicals policies.

→ In an effort to promote industry collaboration, we joined the Sustainable Apparel Coalition and started the development of dedicated environmental audits (in addition to our existing PUMA.Safe audit programs environmental section) for supplier sites with particularly high risk on environmental pollution.

T.19 1, 2, 3, 4, 5	E-KPI PER STAFF	OFFICES/ EMPLOYEE	OFFICES/ m ²	STORES/ EMPLOYEE	STORES/ m ²	WARE- HOUSES/ EMPLOYEE	WARE- HOUSES/ m ²
	CATEGORY						

2009

Energy consumption (kWh)	5,345	147	7,226	249.3	16,286	56.1
Water (m³)	11.7	0.94	12.5	0.87	24.6	0.5
Waste (kg)	179	4.9	733	25.3	2,799	9.6
Paper (kg)	69	1.2	36	0.63	73	0.2

2010

Energy consumption (kWh)	5,612	163	10,238	281	14,775	61
Water (m³)	11.5	0.8	11.7	0.8	21.1	0,5
Waste (kg)	146	4.2	939	25.7	2,273	9.4
Paper (kg)	56	1	30	0.4	42	0.2

2011

Net Energy consumption⁴(kWh)	5,465	151.5	9,126	276.2	13,638	65.6
Water (m³)	11	0.3	10.6	0.3	13.4	0.1
Waste (kg)	178	4.9	978	25	2355	11.3
Paper (kg)	59	1.6	25	0.6	35	0.2

1. Figures include PUMA owned or operated offices, warehouses and stores. Outsourced warehouses and franchised stores are excluded.
2. Includes paper consumption for office usage in offices, warehouses and stores, excludes cardboard and paper bags consumption.
3. Data includes extrapolations or estimations where no real data could be provided.
4. Excludes onsite generated and consumed energy as well as energy produced onsite and sold to the grid.
5. Store data on water, waste and paper is based on data collection in sample stores in 15 countries. To achieve total consumption figures, the data received from the sample stores was extrapolated.

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Our collection of environmental key performance indicators started in 2005. While this collection was first carried out using simplified tools, we aligned in 2008 with our major shareholder and French Luxury group PPR and upgraded our collection tool to a more user-friendly system, Enablon.

In 2010 we reported for the first time on PUMA's wider ecological footprint namely the total CO₂ emissions, energy, water and waste.

Here you can find an overview of the relative energy, water, waste and paper figures for PUMA offices, stores, warehouses for PUMA entities worldwide (Table 19), total figures for the company (Table 20), as well as CO₂ emissions (Table 21).

Table 19: Environmental Key Performance Indicators for PUMA owned and operated entities globally

T.20 TOTAL ENVIRONMENTAL KEY PERFORMANCE DATA FOR PUMA OWNED AND OPERATED ENTITIES

Total E-KPI figures^{1,2,3,4} for PUMA offices, stores, warehouses as well as owned footwear production in Argentina⁵ for PUMA entities worldwide

E-KPI Data	2010			2011			2010			2011		
	Total	Total / Employee	Total/m ²	Total	Deviation / %	Total / Employee	Total	Deviation / %	Total /m ²	Total	Deviation / %	Total /m ²
Energy consumption*(kWh)	75,922,511	8,007.5	156	74,935,232	-1	7171	75,922,511	-10	159	74,935,232	2	156
Water (m³)	116,532	12.3	0.24	113,366	-3	11.3	116,532	-8	0.24	113,366	0	0.24
Waste (kg)	6,458,148	681.1	13.2	6,245,663	-3	624	6,458,148	-8	13	6,245,663	-2	13.2
Paper (kg)	379,258	40.01	0.47	394,352	4	39	379,258	-3	0.8	394,352	70	0.47

1. Figures include PUMA owned or operated offices, warehouses and stores. Outsourced warehouses and franchised stores are excluded.

2. Includes paper consumption for office usage in offices, warehouses and stores, excludes cardboard and paper bags consumption.

3. Data includes extrapolations or estimations where no real data could be provided.

4. Excludes on-site generated and consumed energy as well as energy produced on site and sold to the grid.

5. All other production is outsourced to independent supplier factories, some warehouse operations are outsourced to independent logistic providers, franchised stores are excluded.

6. Store data on water, waste and paper is based on data collection in sample stores in 15 countries. To achieve total consumption figures, the data received from the sample stores was extrapolated.

Table 20: Total Environmental Key Performance Data for PUMA owned and operated entities

T.21

PUMA CO₂ EMISSIONS BY SCOPECO₂ emissions^{1,2,3,4} for PUMA owned and operated entities as well as transportation of goods⁵

CO ₂ Data		Total	Total/ employee	Total	Deviation /%	Total / employee	Deviation / %
2010			2011				
SCOPE 1	1. Direct CO ₂ Emissions Fossil Fuels (t)	2,275	0.24	2,062	-9	0.20	-18
	2. Direct CO ₂ Emissions Business Travel Road (t) ⁶	4,701	0.50	4,554	-3	0.44	-12
	Total Scope 1	6,976	0.74	6,616	-5	0.63	-14
SCOPE 2	Indirect CO ₂ Emissions Electricity & Steam (t) ⁷	27,758	2.93	2,3743	-14	2.27	-22
	Total Scope 2	27,758	2.93	2,3743	-14	2.27	-22
SCOPE 3	1. CO ₂ Emissions from Business Travel train transportation (t)	79	0.01	97	24	0.01	12
	1. CO ₂ Emissions from Business Travel air transportation (t)	8,553	0.90	10,976	28	1.05	16
	2. CO ₂ Emissions from B2B transport of goods (t) ⁵	44,182		47,809			
	Total reported Scope 3	52,814		58,882			
	Total	87,548		89,241			

Table 21: PUMA CO₂ Emissions by Scope

1. Figures include PUMA owned or operated offices, warehouses and stores. Outsourced warehouses and franchised stores are excluded.
2. Data includes extrapolations or estimations where no real data could be provided.
3. Excludes onsite generated and consumed energy as well as energy produced onsite and sold to the grid.
4. Includes own production sites in Argentina. All other production is outsourced to independent supplier factories, some warehouse operation are outsourced to independent logistic providers, franchised stores are excluded.
5. B2B transport of goods figure 2010 not comparable as calculated with a different method and different emission factors, further entities were also added in 2011. For more details please refer to the B2B Transport of Goods Emission section of this report.
6. For 2011, country-specific emission factors were used for part of the data, while for 2010 an average emission factor of 187gr CO₂/km was used. Rental Car usage and privately owned car usage for business also partly included.
7. For 2011, electricity from renewable energy was counted with zero emissions.

EXPLANATION ON DATA QUALITY AND COMPARABILITY:

The environmental data for PUMA owned and operated entities covers hundreds of sites in 46 countries. The calculation of the KPIs is based on calculated, extrapolated and estimated figures and the emission factors of French Environment Agency ADEME.

Sometimes global average figures were used if no more specific data was available. In certain countries typically several and sometimes up to 90 stores (excluding franchised stores) are in operation. Warehousing activities are either run by PUMA or completely outsourced and thus do not fall under the PUMA reporting scope.

While we are relatively confident about the data collection procedures for our main offices where we have been tracking E-KPIs since 2005, some smaller offices but even more so the hundreds of stores worldwide still find it challenging to collect precise data on environmental performance.

In addition, each year new stores are opened while others are closed down meaning that the number and location of

the physical sites considered in the data collection changes over time. For example, the logistic operations in Japan were included in the 2010 data consolidation, but excluded in 2011 due to the fact that the warehouse is operated by an external third party.

Adding to this complexity is the fact that many stores are operated in shopping malls where it is hard and sometimes impossible to collect firsthand data on energy, water and waste figures since those services are provided and managed by the malls. In these cases extrapolations or estimations are used.

Therefore, we are working with extrapolations and sometimes also estimations for those entities, where meaningful data could not be collected at the respective closing date for the year. (For the estima-

tions, we use the global average values per FTE (specific to offices, stores and warehouse) of the previous year in case no other reference value can be obtained.)

To overcome some of the challenges related to our stores and get more reliable data for the KPIs water, waste and paper, this year we introduced a new process to collect store level data. Choosing 15 countries representing over 70% of all PUMA retail employees, we sent out a store specific excel sheet for those KPIs, asking the country subsidiaries to collect real data based only on in store measurements and/or invoices for selected sample stores. All 15 countries responded positively and provided respective data sets. This data was then validated by local Finance Management as well as the PUMA.Safe department, excluding implausible data sets where necessary and replacing those by global average figures for 2010. We then extrapolated the results based on average per FTE figures for the 15 countries and all PUMA retail stores globally.

For the data collection 2011, we added the possibility to report on the use of purchased renewable electricity, for which

we defined a simplified CO₂ emission factor of zero.

We also added an option for the reporting of average emission factors for company cars on country level, thus seeing a more differentiated picture when it comes to emissions from our PUMA car fleet. Where no specific emission factor is available, we use an average emission factor of 187gr CO₂/km.

The above-mentioned challenges and changes limit the comparability of our E-KPI data over time. Nevertheless, we are still confident that the accuracy and comparability of our E-KPI data has improved over time. For example, we moved to site level reporting for offices during the 2011 reporting campaign. For our stores, site level reporting was realized for selected sample stores as explained above. We will consider site level reporting for all PUMA stores within the next reporting cycle.

F.20 ENERGY¹ - PUMA OFFICES, AVERAGE MWH PER EMPLOYEE

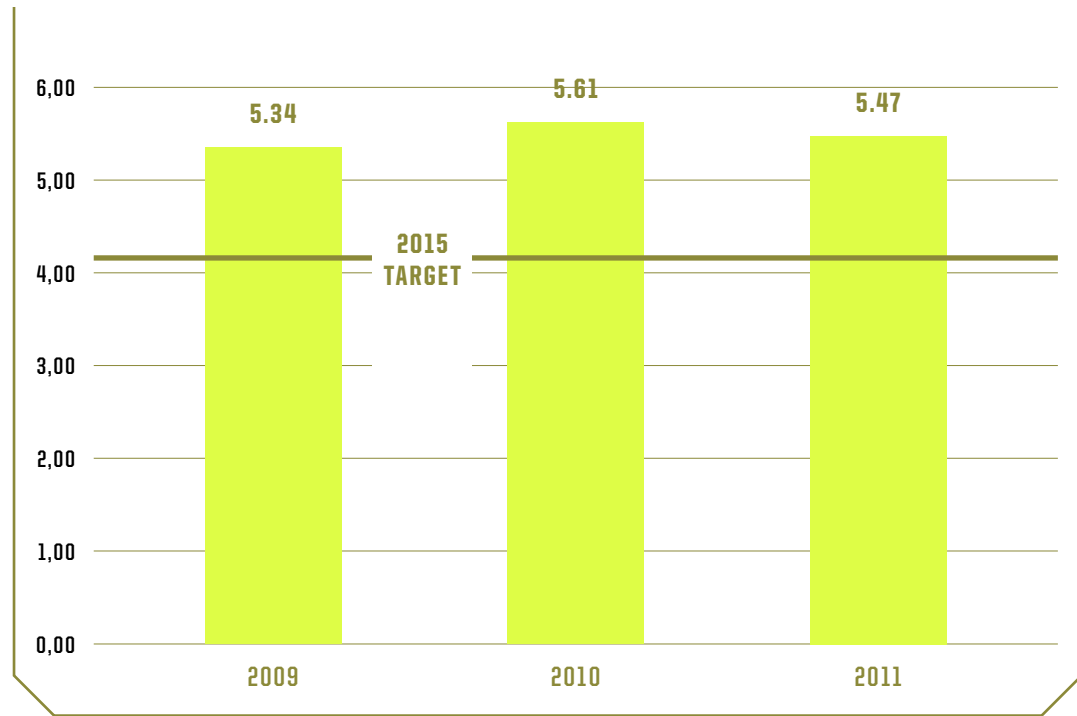


Figure 20: Average energy consumption per year in PUMA offices worldwide

ENERGY CONSUMPTION

Historically, we have measured the energy consumption of our own entities in kwh/FTE, with a particular focus on the PUMA offices worldwide. The PUMA Sustainability Scorecard 2015 sets a target of 25% energy reduction between 2010 and 2015. We have decided to base the reduction calculation not only on a per-staff equivalent for offices, but also trace the per-square meter consumption for PUMA offices, warehouses and stores (excluding external warehouses

1. Excludes on-site generated and consumed energy as well as energy produced and sold to the grid.

& franchised stores). On a square meter basis, the consumption for offices 2011 was 7% lower than 2010.

In an effort to contribute to renewable energy creation, PUMA operates photovoltaic power plants at its main offices in the USA and Germany.

2011 has seen a relative reduction in energy use in PUMA offices from 5.61 to 5.47 MWh per employee. The reduction can be attributed to various sustainability projects at some of our major offices worldwide such as our Hong Kong Asia Pacific office which removed over 100 excessive light bulbs, installed energy efficient light bulbs, installed timers on electrical equipment, installed energy-saving software onto computers and promoted energy saving through the use of visual aids around the office.

WATER CONSUMPTION

PUMA entities do not consume any significant amounts of water for industrial purposes. The majority of water consumed is used for sanitary purposes and gardening water. Over the past two years we have seen a slight year-on-year reduction with an average consumption of 11.0 m³ per employee in 2011. This reduction can be attributed to the worldwide awareness rising within PUMA offices. Water consumption at stores and warehouses is between 11 and 13 m³/FTE. Particularly data collection from PUMA stores remains challenging. Many stores rely on central sanitary facilities, particularly within shopping malls and hence have limited influence on their water

footprint. Where own toilets are provided, the consumption fluctuates with the amount of consumers visiting the stores.

Reduction of water consumption remains a challenge and more efforts need to be undertaken to reach the 2015 target.

Our recent **E P&L** has revealed that an insignificant amount the total water used in PUMA's entire value chain can be attributed to PUMA operations.

Despite this, we have installed state-of-the-art water-saving technology at our PUMA-Vision Headquarters. Rainwater is collected and used for sanitary facilities, urinals are run with a dry system that is only flushed periodically. Other offices such as the PUMA Village in Vietnam have installed water meters during the year 2011 to better track consumption.

We are still committed to our original goal of reducing water consumption by 25% until 2015. However, based on the above-mentioned almost insignificant amounts of water used in our own entities - which are also mainly based in regions with low water scarcity risks such as the US East Coast, Central Europe and Vietnam - we will shift our focus to where water savings have a much greater impact, namely at our fabric suppliers, tanneries as well as cotton suppliers worldwide.

This approach means we will have to extend our data collection for production data and partner with our Tier 3 and 4 suppliers to achieve reliable data while generating significant savings.

F.21 WATER - PUMA OFFICES, AVERAGE m³ PER EMPLOYEE

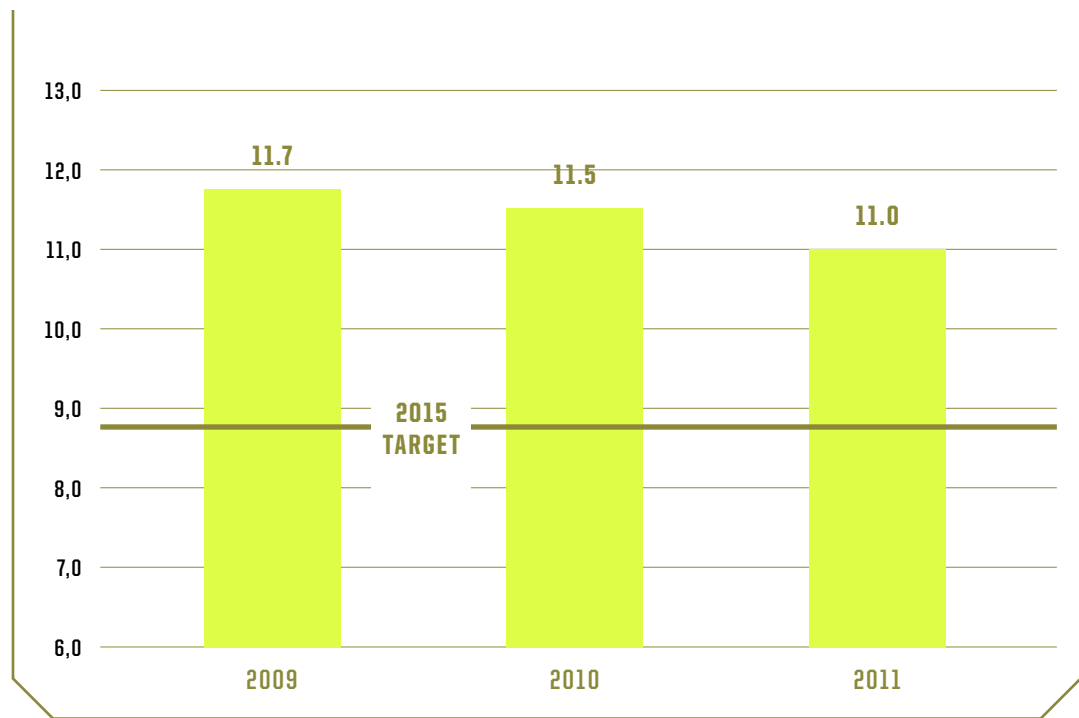


Figure 21: Average water consumption per year in PUMA Offices worldwide

F.22 WASTE - PUMA OFFICES, AVERAGE kg PER EMPLOYEE

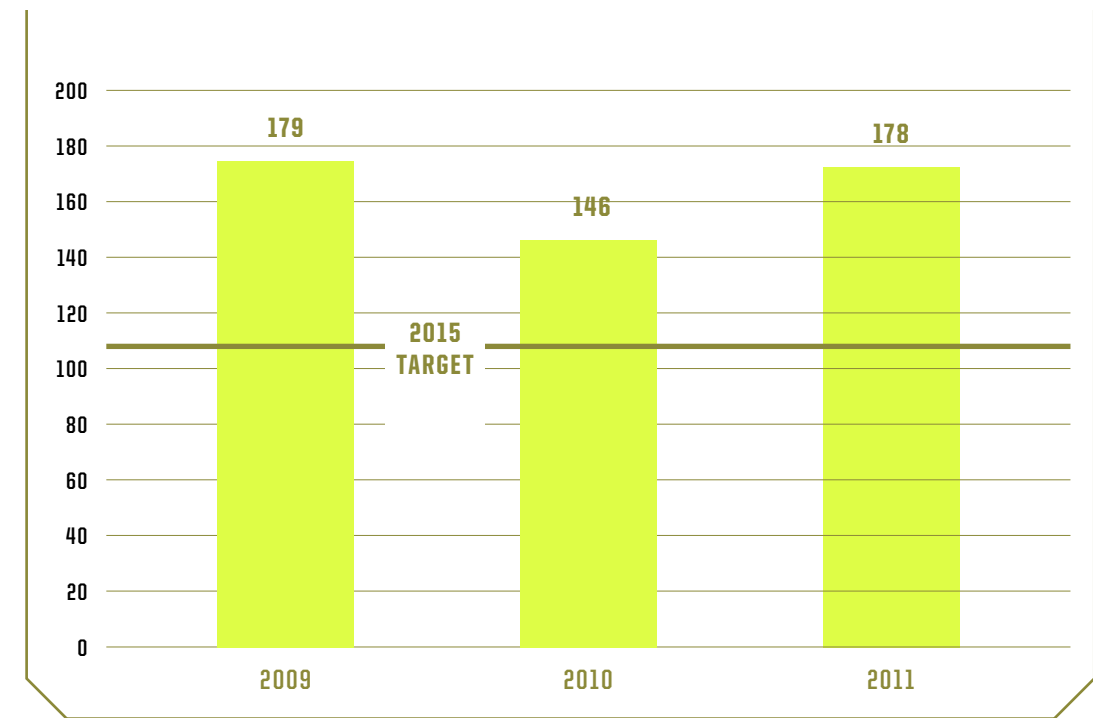


Figure 22: Average waste creation per year in PUMA offices worldwide

As a first step in this direction, we already started using Cotton Made in Africa in 2008. CmiA cotton is largely rain-fed and cultivated without artificial irrigation. We have also banned the use of cotton from Uzbekistan, a country known for growing cotton in large monocultures that rely heavily on irrigation. A further step is the development of a joint dye-house audit protocol within the Greenpeace Detox Industry Alliance. We already started auditing dye-houses as part of our normal compliance routine, but the applica-

tion of a specific dye-house audit protocol will ensure a much more in-depth analysis of the water usage, the water-saving techniques applied and the existing waste water treatment technology. We have set a target for all main tanneries delivering to PUMA suppliers to join the Leather Working Group (LWG) and undergo LWG certification. LWG certification includes thorough and tannery specific environmental audits as well as installing state-of-the-art waste-water treatment equipment.

WASTE AND RECYCLING

Next to energy, CO₂ and water, waste is another important element of our Sustainability Scorecard 2015. Again, waste from our own operations is only a minor part compared to our main indirect waste creation through the production process of PUMA goods. The main input material that turns into waste for our offices, stores and warehouses is paper and cardboard. Between 2010 and 2011 we witness an increase in waste of just over 32kg per employee at

office level. This can partly be attributed to one entity unable to divide their office and logistics operations. Despite the increase in waste creation per employee from offices, the overall waste creation from all PUMA entities is decreasing as shown in Table 20 above. In PUMA warehouses and stores we reuse cardboard boxes wherever possible. First trials with reusable transportation boxes from our central German warehouse to two stores within a 100km range have proven

successful and we are currently evaluating how this system could be implemented on a larger scale.

The implementation of our new footwear packaging concept, the 'Clever Little Bag,' further adds to the avoidance of cardboard waste in our stores as it saves 60% of cardboard compared to the conventional PUMA shoe box.

Overall, we recycle approximately one-third of the waste from our own entities on a global scale, with an increasing trend.

Looking at our overall footprint, the majority of waste is generated within our supply chain and, not to forget, also at the end of our product life when consumers discard PUMA products.

For both upstream (suppliers) and downstream (end of life), we initiated projects in 2011 to improve our overall performance on waste and reduce the associated impact. On the supplier side, we constantly motivate and challenge our manufacturing partners to accurately measure their waste creation and find ways to reduce the waste created through higher material efficiency, re-use of off-cuts and other scrap material or recycling of any waste that cannot be avoided or re-used.

On the product side, we commissioned a study by the Bifa Institute on how to best treat our existing products at the end of the normal product life. Not satisfied with the results, we started a companywide project on design for recycling. Focusing on the principle of **Cradle to Cradle®**, we partnered with EPEA Umweltforschung and several

PUMA suppliers to intensify our research and development for products which can either decompose harmlessly into nature or can be recycled after their product life.

On the other side of the product-recycling concept, we started using recycled materials for the manufacturing of our products. One example in our footwear range is the PUMA Re-Suede, which is composed of recycled material in the upper part. Our apparel division also introduced recycled polyester in numerous products.

The ultimate goal within the waste and recycling part of our work will be to achieve closed material cycles within our own entities but more importantly within our products and packaging systems.

We acknowledge that with multiple materials used in most PUMA products today and the majority of shoes and clothing in general still ending up in household waste, we are still far away from this goal. But we believe that it is mandatory for us to start acting on our producer responsibility and implement the first steps in this direction.

PAPER CONSUMPTION

From using primarily email as a communication tool, to refraining from unnecessary printing, continuing with preset duplex printing on centralized printer stations to using digital systems for corporate communications, catalogs and even this Annual and Sustainability Report, we follow a vision of a paperless company. However, with a consumption of approximately 59kg of paper per year and FTE for our offices this vision may

F.23

PAPER¹ - PUMA OFFICES, AVERAGE kg PER EMPLOYEE

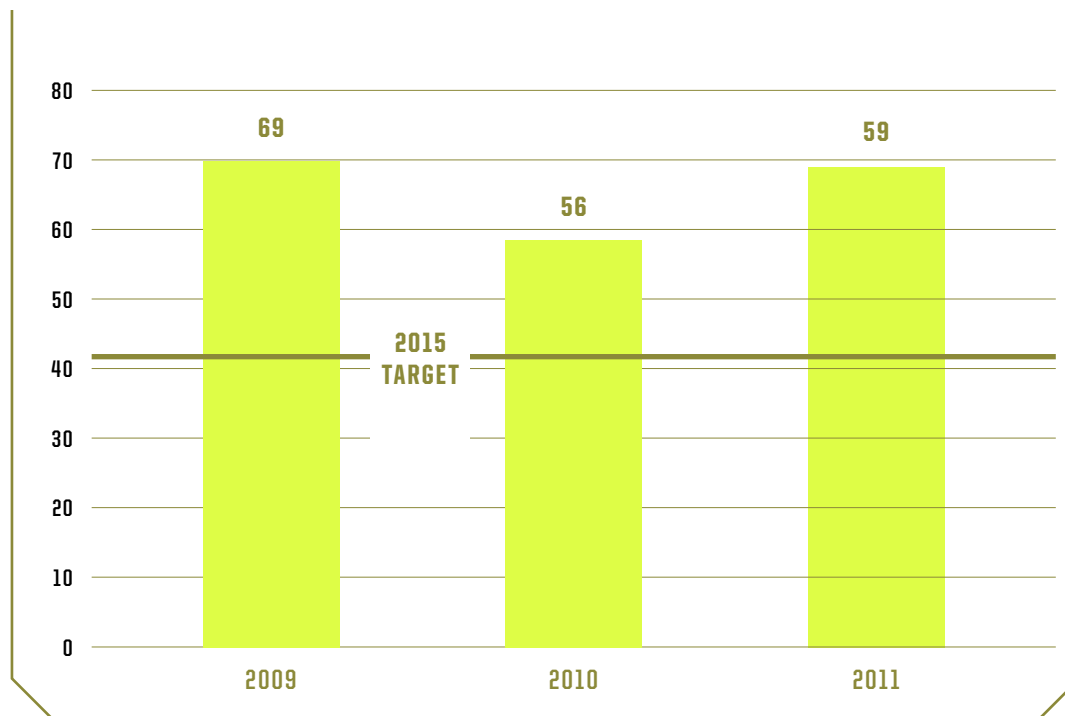


Figure 23: Average paper consumption per year in PUMA offices worldwide

still be some way ahead of us.

CARBON EMISSIONS

Most if not all relevant carbon emissions of PUMA's own activities are caused by energy consumption such as the burning of natural gas for heating offices and warehouses, fuel consumption through PUMA employees traveling by car (Scope 1 Emissions) and the consumption of electricity and steam for own entities such as offices, stores and warehouses (Scope 2 Emissions).

Greenhouse gases from employee business travels (rail and flights) and transportation of goods are recorded under our Scope 3 emissions and can be found in Table 21.

1. Includes direct and indirect office paper usage, excludes cardboard usage.

SCOPE 1 AND 2 EMISSIONS FOR THE LAST THREE YEARS AND OFFSETS FOR THE LAST TWO YEARS

T.22 CO ₂ EMISSIONS AND OFFSETS		2009	2010	2011
Scope 1	Direct Emissions from Fossil Fuels (t)	2,509	2,275	2,062
	Emissions from Employee Road Travel (t) ¹	3,961	4,701	4,554*
Scope 2	Indirect Emissions from Electricity and Steam (t) ²	24,388	27,758	23,743
Total (t)		30,858	34,734	30,359
Offset (t)		40,000	35,000	tbd

1. Also includes some emissions from rental cars and personal cars for business usage.
2. Purchased renewable energy is recorded with a simplified emission factor of zero.

Table 22: PUMA Scope 1 and 2 CO₂ emissions and offsets

As part of PUMA’s efforts to minimize our impact on the environment, we have been offsetting Scope 1 and Scope 2 emissions since 2010 (covering the 2009 and 2010 emissions respectively). After acquiring and retiring 40,000 tons of Carbon Credits in 2010 through two African projects, our offset in 2011 was carried out in cooperation with Wildlife Works, a nature conservation company which not only saves carbon emissions by conserving ecologically valuable land in Kenya, but also engages with PUMA in the production of apparel products in the

same rural Kenyan area to create qualified job opportunities for the local population. Via our French parent company, PPR, we acquired and retired almost 35,000 tons of CO₂ Carbon Credits in 2011 from Wildlife Works (covering the 2010 emissions). In an effort to not only offset but also, perhaps more importantly, to minimize our carbon emissions, electricity for all major German PUMA operations is generated from renewable resources. (Further PUMA subsidiaries using renewable electricity are PUMA Australia, PUMA Benelux and PUMA

United Kingdom.) In total, we were able to cover around 10% of our total electricity consumption from renewable resources.

In addition, we agreed with German railway company Deutsche Bahn to purchase only Carbon Neutral rail tickets for our German staff - approximately 10% of the total PUMA staff - and started tracing the average emission factors for the PUMA car fleet worldwide. With an average emission factor of 138 gr/km, the German PUMA car fleet was awarded a green rating in 2011 by the NGO ‘Deutsche Umwelthilfe.’

Going one step further, we offered a free commuter ticket for the local public transport system to our head office staff in Germany for the first time in 2011.

PUMA North America entered into an agreement with parcel service UPS to send all parcels by using a carbon-neutral parcel service product.

In a joint project between PUMA North America and Premier Power Renewable Energy Inc., our outsourced Logistic Center used by PUMA North America installed a large scale photovoltaic power plant on the roof of the logistic center used for PUMA goods.

BUSINESS TO BUSINESS (B2B) CO₂ EMISSIONS FROM TRANSPORTATION OF GOODS

On a global scale, we were able to calculate our carbon footprint from the transportation of goods (B2B) more precisely than in the past by applying more specific emission factors.

For 2011, the emission parameters were adjusted by type of goods for roadfreight. For railfreight and seafreight, the geographical locations determine the emission factors while the length of routes has been considered for airfreight. Based on the unchanged methodology in 2010 for data collection in 2011, the above emission factors are weighted average emission factors for rail, sea and airfreight.

For **roadfreight**, the products (footwear, apparel and accessories) are in comparison less heavy and require more space in trucks. Therefore, the assumptions of mass occupancy rate and empty return rate are more severe. Using the averages from the Institute for Energy and Environmental Research of Heidelberg (IFEU) which has run a complete study in this field, PUMA uses the emission factor 135.3 gr CO₂/t.km.

To improve the accuracy of transport reporting for **railfreight**, a differentiation was made regarding the geographical area of travel activity based on emission factors of ADEME and GHG Protocol. Thus different emission factors are used per country resulting in the above weighted emission factor. Specific emission factors for railfreight differ significantly because of the electricity mix

T.23 PUMA EMISSION FACTORS 2010-2011

TRANSPORT MODE	2010 old factors		2010 new factors		2011 new factors	
Roadfreight	87.4	g CO ₂ /t.km	135.3	g CO ₂ /t.km	135.3	g CO ₂ /t.km
Railfreight	18.3	g CO ₂ /t.km	24.7	g CO ₂ /t.km	25.1	g CO ₂ /t.km
Seafreight	100.0	kg CO ₂ /teu.day				
Seafreight	8.9	g CO ₂ /t.km				
Seafreight			70.6	g CO ₂ /TEU.km	70.8	g CO ₂ /TEU.km
Riverfreight	33.7	g CO ₂ /t.km	34.0	g CO ₂ /t.km	34.0	g CO ₂ /t.km
Airfreight	1,070.0	g CO ₂ /t.km	618.0	g CO ₂ /t.km	619.4	g CO ₂ /t.km

Table 23: Old versus new emission factors used for the calculation of CO₂ emissions for transportation of PUMA goods

or variation of electric and diesel-hauled trains in different countries, as well as the length and weight of the trains. For **seafreight**, PUMA uses different maritime routes and thus different emission factors are used by route. The effects of slow steaming for **seafreight** transports are particularly noticeable on the Multi-Trade and Europe-Asia routes, which are relevant for PUMA. Usage of an emission factor per TEU and day, or tons and kilometers, no longer covers the practice of slow steaming as fuel consumption is decreasing. Therefore, PUMA applied maritime route emission factors as above indicated weighted emission factors for 2010 and 2011.

Based on the above, the **riverfreight** emission factor remains nearly unchanged as there are only minor changes for emission factor calculation. For **airfreight**, a difference is made between short/medium hauls and long hauls in order to improve the precision of transport reporting this year. The limit between the two kinds of trips is defined to stand at 3,000 km for a one-way trip, a weighted emission factor is used. Fuel consumption for Airfreight transportation is particular high during takeoff and landing, so emissions are relatively higher for short-/medium haul, <3,000 km distance, than for long-haul distances. As PUMA uses different types of haulage, a breakdown by type of flight has

been integrated as a weighted factor for 2010 and 2011. In order to measure the effects of carbon reduction activities against 2011, the implementation of the new emission factors were combined with a review of the transportation emissions of 2010. These measures led to a calculated reduction in total emissions from 66,532 tons by 33% to 44,182 tons to be reported for 2010. The PUMA entities COBRA and Dobotex were additionally included in restatement of 2010 while Brandon reported in 2011 for the first time. For 2011, roadfreight emissions increased by 18% because the worldwide road tonnage increased by 10% while also the aver-

age transport distance increased by 7%, advantaged by sales activities where this transport mode was the favorable one. The railfreight transport tonnage increased by 7% and led to 597 tons CO₂ together with the more country-specific emission factors. As this transport mode is also used for inland transportation purposes, it is affected by the container volume that increased in 2011. The transport distances remained stable in 2011. The intensified purchasing activities influenced the number of TEUs (twenty foot equivalent unit) in seafreight transportation, which increased by 10% while CO₂ emissions increased by 13% compared to

T.24 CO₂ EMISSIONS FROM TRANSPORTATION OF PUMA GOODS

CO ₂ COMPARISON	2010 new	2011 new	Dev.	Dev.%
Roadfreight (tons)	6,194	7,330	1,136	18.3
Railfreight (tons)	546	597	51	9.3
Seafreight (tons)	21,585	24,312	2,727	12.6
Riverfreight (tons)	0	0	0	0,0
Airfreight (tons)	15,857	16,569	712	4.5
Total (tons)	44,182	48,808	4,626	10.5

1. As a new calculation methodology and emission factors were implemented for 2011, the old figure reported in 2010 is no longer comparable.
2. Figure restated for comparability reasons due to new emission factors used and extended scope covering two additional entities.

Table 24: CO₂ emissions from transportation of PUMA goods

2010. Transport distances increased by 2%, because of e.g. changes to other sourcing countries with a longer transport distance to destination ports.

The transport mode riverfreight is not yet used by PUMA entities worldwide so that there are no CO₂ reporting figures to report for 2011.

Airfreight is the transport mode PUMA used predominantly in case of any production

postponements. For 2011, the CO₂ emissions increased by 5%, resp. 712 tons to 16,569 tons. The average airfreight distance increased by 4% due to different sourcing country activities. PUMA will continue its efforts for a further reduction of the worldwide airfreight volume in 2012.

The tons of CO₂ emissions per ton of transported goods are indicated in the following table:

T.25 RELATIVE CO ₂ EMISSIONS PER TON OF TRANSPORTED GOODS				
TON CO ₂ PER TON TRANSPORTED	2010	2011	Dev.	Dev.%
Roadfreight (tons)	0.059	0.064	0.005	8.5
Railfreight (tons)	0.024	0.025	0.001	4.2
Seafreight (tons)	0.284	0.292	0.008	2.8
Riverfreight (tons)	0.000	0.000	0.000	0.0
Airfreight (tons)	5.462	5.684	0.222	4.1
Total (tons)	0.215	0.217	0.002	0.9

1. As a new calculation methodology and emission factors were implemented for 2011, the old figure reported in 2010 is no longer comparable.
 2. Figure for 2010 restated for comparability reasons due to new emission factors used and extended scope covering two additional entities.

Table 25: Relative CO₂ emissions per ton of transported goods

Focused on the goal of a reduction of CO₂ emissions by 25% until 2015 based on the 2010 figures, we are constantly working with our logistic service providers to increase

transport efficiency, avoid expensive and carbon intensive airfreight wherever possible and thus reduce the carbon footprint from the transportation of goods.

PRODUCTION RELATED ENVIRONMENTAL DATA

Similar to 2010, the large majority of PUMA production has been outsourced to independent supplier factories. At PUMA we take our responsibility to create a more sustainable world seriously and a big part of this lies in the creation of our products across our supply chain. It is for this reason that we collect Environmental Key Performance Indicators (E-KPIs) from all of our main suppliers and have been doing so since 2007.

Our factories are unique; they all produce different products, have different onsite processes and are located all across the world. This is why in 2011 PUMA rolled out a new environmental data collection system, Enablon. The new system has greatly improved the environmental data collection process although it still remains a challenging task. The data presented below represents the key E-KPIs from main suppliers across the world for each division as collected on a bi-annual basis via Enablon.

T.26 INDICATOR ^{1,2,3}	UNIT	FOOTWEAR		APPAREL			ACCESSORIES/BAGS	
		2011	Range 2011	Garment 2011	Range 2011	Vertical Value 2011	2011	Range 2011
Energy / pr or pc	kWh	1.50	0.8-2.8	0.6	0.29-1.86	7.95	0.5	0.19-0.66
CO ₂ / pr or pc	kg	0.9	0.41-1.78	0.3	0.12-0.75	1.41	0.3	0.16-0.46
Water / pr or pc	l	32	10-68.3	15	4.38-38.74	58.39	27	14-43
Waste / pr or pc	g	176	105-364	42	14-78.16	131.39	27	15-58

1. The data collection covers the following percentage of total products for each division - 91% of total Footwear products, 65% of total Apparel Products and 56% of total Accessories products.
 2. Data sets with a variance of 3 or more compared to the weighted average were excluded to improve data consistency.
 3. In 2011 Vertical suppliers were separated due to their higher environmental impact. Vertical suppliers are those that have on-site processes from spinning, fabric making (including dyeing) to the final product assembly.

Table 26: PUMA Supplier E-KPIs 2011

In total, 56 suppliers are included in the above analysis compared to 34 in 2010. Suppliers were asked to participate in Enablon based on their strategic status for PUMA, their production volume and their location. The increase in the supplier sample is in line with PUMA's priority to show a greater transparency of environmental reporting within the supply chain along with other projects such as promoting the publication of supplier level sustainability reports (<http://safe.puma.com/us/en/2011/11/2010-supplier-sustainability-reports/>).

This year's environmental reporting has had some significant changes and differences in scope and boundary compared with 2010. It is for the below reasons that the 2010 data and the 2011 data cannot be explicitly compared. The 2011 changes are:

→ Consumption from dormitories has been excluded wherever segregation is possible. In some instances this is not possible due to metering issues in which case dormitories are included.

→ The 2011 average value has now been weighted according to PUMA production which means that the averages better reflect the true impact of PUMA products in shared facilities.

→ The number of suppliers reported upon has increased significantly from 34 to 56 between 2010 and 2011.

→ The new environmental data collection system, Enablon, is more understood and defined than the previous system.

→ 46 suppliers around the world received a specialized training by the PUMA.Safe Ecology team on E-KPI reporting.

→ Dedicated Sustainability Project Manager within Sourcing to follow up and support individual factories.

→ Introduction of a two-layered validation process by PUMA (by Sourcing and PUMA.Safe).

→ The consumption of diesel and gasoline by own transport fleet is only used in the calculation of CO₂. As the fuel is not used for energy generation the energy contained within the fuel was excluded from the energy/ pair. In 2010, we could not separate gasoline & diesel between energy generation and transport. The emission factors have been updated according to guidance from our parent company, PPR.

→ A few select suppliers have changed their operating locations and have new sites.

→ Suppliers have improved onsite monitoring and the collection of invoices.

→ Suppliers better report according to the parameters/ boundaries of the indicators (i.e., now report total waste including domestic rather than just fabric waste).

FOOTWEAR:

The environmental reporting within Footwear covers 18 global suppliers that produce 91% of total shipped volume ranging from sandals to sports shoes to thigh-high rubber boots. The rubber boot energy consumption (6.36 kWh/pair) was not used for calculating the average due to the difference in its manufacturing set-up and shoe construction compared to typical PUMA footwear products. In 2011 we witnessed a campaign to decentralize power control equipment and saw the installation of more energy efficient lighting systems within our suppliers. This year also saw the monitoring of production and domestic impacts separately and the recording of non-piped water sources (such as bore holes). This helps to better identify comprehensive consumption, root causes of inefficiencies and create appropriate action plans in line with the 2015 targets. Waste creation, which is often only estimated by waste disposal providers, will remain a priority for monitoring improvement within 2012. There will also be a focus on communicating best practices in 2012 that highlight examples of achieving set reduction targets.

APPAREL:

2011 has been another milestone for Sustainability strategies and targets among PUMA partners in the textile Supply Chain. One of the major achievements is the E-KPI data collection for energy and water consumption, waste production and CO₂ emissions with a global coverage of 30 factories

(28 Garment & 2 Vertical) in 12 different countries in Asia, Europe and South America. Vertical suppliers are those that have onsite processes from spinning, fabric-making (including dyeing) to the final product assembly. The participating factories, which account for 78% of shipped products of PUMA Apparel, have further improved data collection processes and established responsibilities within their own organizations. In order to ensure standardized reporting, factories have received not only kick-off trainings, but also intensive support throughout the data collection period with individual trainings on site, Q&A sessions and online/cc-meetings to clarify process-specific questions and overcome individual challenges.

The consumption data from vertical set-ups including final product assembly and garment-making processes were evaluated and reported separately in 2011 for the first time. Vertical suppliers often have additional processes on site such as dyeing, which therefore increases their total water consumption and makes them unsuitable for comparison against other non-vertical set-ups.

In order to continue the reduction of E-KPIs and move forward towards the PUMA sustainability targets for 2015, the Sustainability Factory Program has been initiated which is comprised of step-by-step action plans, one-to-one kickoff meetings with factory management, transparent communication on target-setting and expectations, onsite visits for status evaluation, follow-up

on project planning, information-sharing of best practices and case studies. As a result some suppliers have developed their own sustainability missions and strategies and have taken the first major steps towards becoming more sustainable.

Energy efficiency projects and water-saving activities have been implemented across our supply chain. For example, Milteks Tekstil, a key Turkish supplier who started their own water turbine to generate renewable electricity for its Georgia manufacturing facility and Impahla Clothing, located in South Africa who laid the foundation for the installation of photovoltaic power generation which will be completed in early 2012. In 2012 the focus will be mainly on the



SOLAR POWER STATION for generating electricity on the roof of PUMA supplier factory Impahla Clothing, Cape Town South Africa

broader implementation of best practices and benchmark projects. Also, opportunities towards renewable energy will be explored. Waste must be analyzed in detail to find customized solutions for the different waste streams within local environments. Overall, Apparel factories are continuously encouraged to further develop their production processes towards environmentally friendly practices in order to become a PUMA partner within a more sustainable sourcing market.

ACCESSORIES:

The 2011 Enablon campaign saw 15 factories report their E-KPIs within the Accessories division. These key suppliers account for approximately 80% of the total Accessory volume shipped.

2011 saw more suppliers committing to PUMA's sustainability approach by reporting on their E-KPIs and beginning to develop a strategy to meet the associated 25% reduction targets set out in the PUMA Sustainability Scorecard.

As the Accessories division is responsible for sourcing a large variety of products from shin guards to belts and bags, it becomes challenging to compare factories side by side or create a meaningful divisional average. It is for this reason that the same boundary has been applied as in 2010 – to report on our bag suppliers only, of which 56% approximately of PUMA's total Accessories production is covered within this report.

The sample of suppliers included in Enablon has increased by 50% to include some of our newer bag suppliers. Two suppliers are new to the reporting of their E-KPIs and two suppliers are now reporting on new facilities due to product allocation changes. In the next year these suppliers will be invited to join energy efficient projects and trainings to improve their environmental performance by identifying actual resource consumption opportunities within their facilities.

Furthermore, the Enablon system is now more detailed, so their consumption is now more transparent. Some of the measured suppliers were not able to separate the dormitory consumption from the production consumption and therefore were only able to report at a total site level. In 2012 we are working with our suppliers to ensure that this degree of separation is possible for the next reporting cycle.

2011 has seen the take-up of commitment to PUMA's sustainability targets by the suppliers installing water curtains, solar water heaters, energy efficient machinery, air-conditioning and lighting, wastewater treatment plants, waste sorting facilities, machinery for water bonding PU processes, and more. All strategic partners reported their initiatives in their own GRI Sustainability reports and will continue to do so in 2012. For 2012 we have planned to go forward and dive deep into the E-KPI's data collection with the targets to enlarge the number of suppliers reporting their production-related environmental data and the improvement of the data quality. Better resource

management, increased efficiency on usage of natural resources and alternative green energy solution will be continuously and actively pushed forward as well. As a start, the results from this first year of E-KPIs collection will definitely help to target and direct the development of specific projects and potential implementations.

External expert organizations carried out capacity-building initiatives for our suppliers in Vietnam and China - our two largest sourcing countries – that focused on energy efficiency, compliance with environmental regulation and other resource efficiency topics.

A dedicated and growing team at PUMA will continue to work with our suppliers on improving the accuracy of the E-KPIs and supporting them in achieving the targets set out in the Sustainability Scorecard.

CHEMICALS MANAGEMENT AND JOINT ROADMAP TOWARDS ZERO DISCHARGE OF HAZARDOUS CHEMICALS

As part of our PUMA.Safe Handbook for Environmental Standards [http://safe.puma.com/us/en/wp-content/uploads/2011-01-Handbook_environmental_final.pdf], we have banned certain hazardous chemicals from our products for more than 10 years. These standards – laid out in our PUMA Restricted Substances List – were challenged in 2011 by Greenpeace and their Detox Campaign, which demanded to phase out certain chemicals altogether from our production processes rather than just limiting their concentration in the final PUMA product.

PUMA was then the first brand worldwide to accept the Greenpeace demands and formally commit to eliminating hazardous substances from our supply chain completely by 2020. For more information, please refer to the joint industry roadmap and PUMA roadma and PUMA roadmap. [http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/2011/pumaroadmap.pdf].

VOC

PUMA has been monitoring the VOC index on a monthly basis since 2002 against our target of 25 g/ pair.

VOC data was collected from all active **Tier 1** Footwear suppliers in the countries China, Vietnam, Indonesia and Cambodia. It covered 56% of all active **Tier 1** Footwear suppliers. The data represented the usage of

VOC chemicals in different shoe production departments that includes cutting, sole preparation, stitching and final product assembly.

Our global VOC tracking system indicates that in 2011 the VOC per pair of shoes amounts to 37g VOC/ pair. The limitations on achieving the set targets are partly due to the use of glue, which is consumed in performance products.

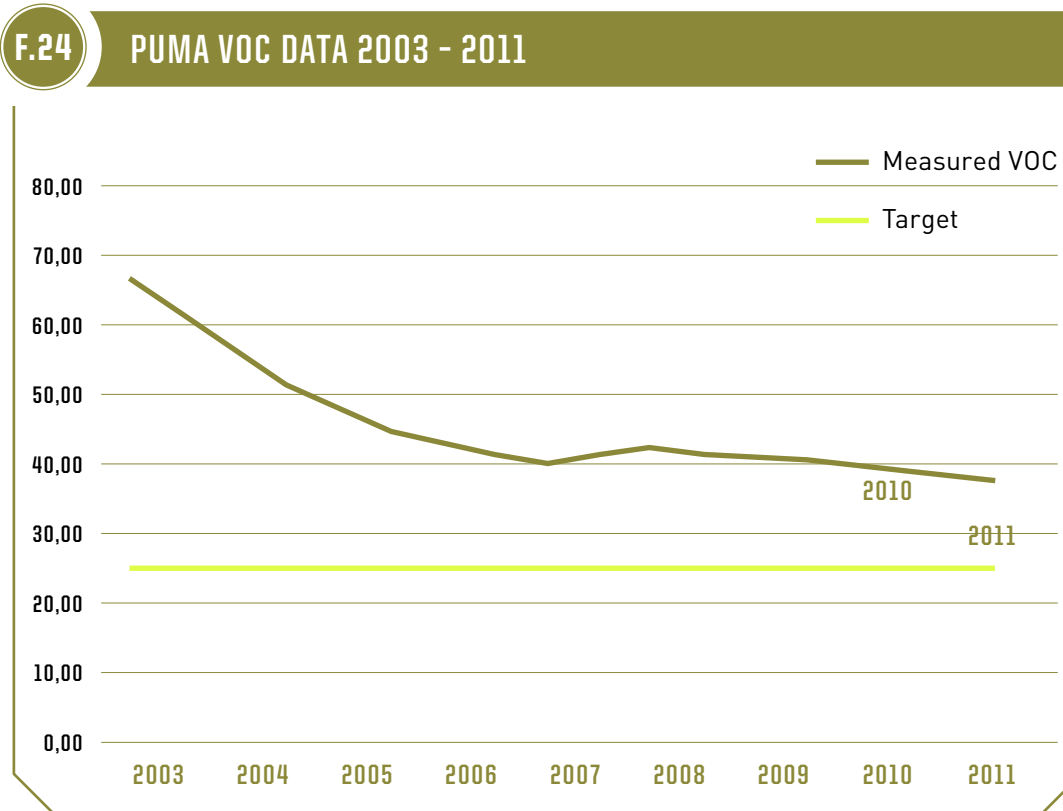


Figure 24: Average VOC consumption per pair of PUMA shoes

2011 TARGET ASSESSMENT

Based on the new targets set with the publication of the PUMA Sustainability Scorecard 2015, the following assessment can be made:

1. CORPORATE CO₂ FIGURES

Both the direct and the indirect CO₂ emissions from PUMA entities show a clear reduction trend in line with our target of reducing overall CO₂ emissions by 25% between 2010 and 2015. This trend can partly be attributed to projects realized by our global entities as described in the previous chapters. Another part of the reported reduction is based on more specific emission factors used in 2011. To better reflect our efforts of saving CO₂ emissions, renewable electricity purchased was counted this year with a specific emission factor of zero and car fleet emissions were partly calculated with specific emissions factors rather than using a global average.

In order to achieve further reductions going forward it will be essential to move more sites to creating or purchasing their own renewable energy as well as to identify and realize further energy saving potentials at our largest sites.

For transport-related CO₂ emissions the large reduction reported compared to the figure reported in 2010 is caused by a change in the calculation method, which improves the precision of our CO₂ reporting. On a comparable and relative basis (emissions per ton of transported goods), the emissions remained stable between 2010 and 2011.

2. CORPORATE E-KPI FIGURES

Out of all total E-KPI figures reported for PUMA, energy (-1%), water and waste (-4%) show a minor reduction trend, while paper consumption slightly increased by 4%. However, based on PUMA's 'Back on the Attack' plan to increase revenue significantly until 2015, the E-KPI targets of the sustainability scorecard will be measured not in absolute but in relative terms. Relative per employee water consumption and waste was reduced by 8% per FTE, while energy consumption was reduced by 10%, and paper usage by 3 percent.

The relative figures can be interpreted in two main ways:

→ **In line with our reduction targets, energy, waste and water consumption shows a clear reduction based per staff. The linkage of managerial financial incentive programs to sustainability performance introduced at the beginning of 2011 may already show an effect in the savings reported.**

→ **We will further investigate this trend in order to identify how savings were achieved and whether insecurities in the estimation procedures may have led to an overstatement of the savings made.**

→ **Paper consumption did not hit the 5% reduction target, despite a slight decrease per FTE. Considerably lower figures in the retail category are based on changes in the recording of indirect paper consumption for catalogues, which were accounted for at office level this year, consequently resulting in a higher value for offices. We will need to strengthen our efforts to save paper to balance the planned 2011 reduction in the remaining years until 2015.**

→ **Overall, insecurities on data quality, particularly for our stores worldwide, need to be addressed in order to ensure all savings reported are based on real improvements on the ground.**

3. SUPPLIER E-KPI FIGURES

With the movement of the data collection to a new platform, the data collection process could be streamlined and made more sophisticated.

On the other hand, the new figures achieved in 2011 differ significantly from the figures calculated in 2010. This is particularly the case with Apparel and Accessories figures, where for single E-KPI values a deviation of over 50% was observed.

This is due to the fact that the number of factories considered for the reporting was largely increased between 2010 and 2011 and more detailed information was captured for 2011. We will therefore use the year 2012 to confirm or improve the methodology used for the data collection 2011 and to decide on whether to keep the 2010 data baseline for our targets 2015 or rather move the baseline year to our 2011 data.

4. SUSTAINABLE PRODUCTS

The Apparel figure of 16% for products made from more sustainable materials shows that our Apparel division is on track for the target of 50% more sustainable products until 2015. For the next year, our challenge will be to achieve similar percentages for our Accessories and Footwear divisions, which have already made good progress with using more sustainable materials but due to the complexity of the products offered need more development time to realize double-digit rates.



PUMA.Peace

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CHAPTER:

4

'peace starts with me' FILMS

PUMA.Peace commissioned seven inaugural 'peace starts with me' films that have been gifted to the world, copyright free. These films encompass a diverse range of styles including 35mm live action, experimental animation and fine art. Conceived as 30 to 90 second films to facilitate online as well as live screenings, the works are tools for peace based on the idea that 'peace starts with me.' They are a part of the PUMA.Peace initiative, which is an array of programs that foster a more peaceful world than the one we live in today.

The 'peace starts with me' films premiered at the World Peace Festival (August 26-28) in Berlin, where they were watched by thousands of festival attendees. They went on to be screened at the One Young World summit (September 1-4) in Zurich, where 1,200 young world leaders and 11,200 followers either watched or heard about the films and at the PUMA offices worldwide on

World Peace Day (September 21). They were viewed 28,182 times in 2011 on YouTube.com and Vimeo.com since being posted on August 19th. Millions of viewers saw the films when they were broadcast on Channel 4 Television (UK). The films were also screened at the Bass Museum of Art (Miami, USA) and the Centro de la Imagen (Santo Domingo, Dominican Republic). In 2012 the films will be screened at the Imperial War Museum (London, UK) and the Puerto Rico Museum of Contemporary Art (Puerto Rico) among others.

3,000 accompanying catalogs were distributed to partnering cultural venues and PUMA offices in 11 countries on 5 continents. 125,000 press releases were sent out to filmmakers, arts magazines, cinemas, universities and international film festivals.



'peace starts with me' films
being screened at
One Young World, Zurich,
Switzerland.

[> click here](#)



ONE YOUNG WORLD

PUMA.Peace sponsored 13 delegates to attend **One Young World**, the premier global forum on youth leadership with speakers such as Archbishop Desmond Tutu and Muhammad Yunus. Attendees were selected both internally from PUMA and externally based on a rigorous commitment to the 4Keys of being Fair, Honest, Positive and Creative. This program continues PUMA's commitment to fostering peace through the PUMA.Peace initiative.



A PUMA/adidas Peace Day Game
being played in Dubai, United Arab Emirates.



PUMA/ADIDAS PEACE DAY GAMES

The PUMA/adidas Peace Day Games are a series of sporting matches taking place on World Peace Day (September 21st) between PUMA and adidas to bridge differences and show the power of peace. These games have been played since 2009, when PUMA and adidas ended a six-decade-long feud with a handshake and a goodwill football game. The PUMA/adidas Peace Day Games 2011 took place in Tokyo, Subang Jaya (Malaysia), Dubai and San Diego.





PUMA.Creative

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CHAPTER:

5

PUMA.CREATIVE DOCUMENTARY FILM PROGRAM

Expanding on PUMA's commitment to building a more peaceful and a more creative world, PUMA.Creative in 2010 began a long-term strategic partnership with **Channel 4 BRITDOC Foundation** to create a series of six awards and programs. The PUMA.Creative Film Program provides financial support, creative counsel and industry recognition to international documentary filmmakers whose creative storytelling highlights social justice, peace or environmental issues. This support and recognition has been instrumental in the development and success of key documentary films to influence public and corporate opinion.

Approximately 1,500 filmmakers from over 80 countries applied for a PUMA.Creative Catalyst Award or PUMA.Creative Mobility Award in 2011.

In 2011, the PUMA.Creative Film Program web pages > www.britdoc.org/puma received upwards of 60,000 individual page views, originating from over 120 countries, with a direct and indirect following of over 5.5 million people on Facebook.

PUMA.CREATIVE AWARDS

PUMA.CREATIVE CATALYST AWARDS

The PUMA.Creative Catalyst Award is an award of up to €5,000 that provides resources to film makers in the early stages of a documentary film and encourages the richest representation of voices by offering support to global documentary filmmakers without easy access to broadcasters and film markets. This award puts into action PUMA's commitment to supporting films and filmmakers with powerful, society-changing stories, whether established or emerging.

42 PUMA.CREATIVE CATALYST AWARDS WERE GRANTED TO FILMMAKERS FROM 22 COUNTRIES IN 2011.

The importance of this award is demonstrated by the success of past recipients, such as 'Dragonslayer', which had its UK premiere at the BFI London Film Festival, and 'Ping Pong', which has been accepted at important film festivals internationally.

No	PROJECT	FILMMAKER	PROJECT	FILMMAKER	
1	A Spell to Ward Off the Darkness	Ben Russell und Ben Rivers	22	Look at My India	Pramod Mathur
2	African Ninja	Banker White	23	Ntsika: The Pillar	Alette Schoon
3	Alliance School	Paul Taylor	24	Odin's Raven Magic	Nick Fenton
4	Alt Orgs - Sustaining the Human	Patricia Murphy	25	One Meal at a Time	Alessandra Populin
5	Armenia Wants a Piece of the North Pole... and the South Pole, too!	Vardan Hovhannisyán	26	One People Documentary Project	Zachary Harding and Justine Henzell
6	Beyond The Wave	Kyoko Miyake	27	Ping Pong	Hugh Hartford
7	Bidesia in Bambai	Surabhi Sharma	28	Rollaball	Eddie Edwards
8	Black Out	Eva Weber	29	Shadow Girl	Maria Teresa Larrain
9	Cal Summits	Luis Ilizarbe	30	Shattered Pieces of Peace	Nonhlanhla Dlamini
10	Charlie PELE	F. Simiyu Barasa	31	Speed Sisters	Geoffrey Smith
11	Croaked	Lucy Cooke	32	Taste of Revolution	Philippe Gasnier
12	Dragonslayer	Tristan Patterson	33	Teenage	Matt Wolf
13	Femme à la Camera	Performance Evaluation	34	The Devil's Lair	Riaan Hendricks
14	Haiti, Billions for a Refoundation	Raoul Peck	35	THE E-TEAM	Katy Chevigny and Ross Kauffman
15	Ham Without Borders	Danielle Shcleif	36	The Island of Derek Walcott	Ida Does
16	Heralds from the Big World	Tatyana Soboleva	37	The Last Song	Katia Paradis
17	I Ride 4 Kevin	Lucy Walker	38	Untitled Haiti Olympic Team Documentary	Sam Branson
18	I, Afrikaner	Annalet Steenkamp	39	Untitled Ramin Bahrani Gold Documentary	Ramin Bahrani
19	Kasai	Claude Haffner	40	We Are Many	Amir Amirani
20	Laureates	Kenneth Gyang	41	What's Going On?	Penny Woolcock
21	Logs of War	Anjali Nayar	42	White Volta	Timothy Edzeani Doh

2011 PUMA.Creative Catalyst Awards

PUMA.CREATIVE CATALYST PROGRAM

The PUMA.Creative Catalyst Program is an on-the-ground outreach and educational workshop scheme that compliments and supports the PUMA.Creative Catalyst Awards. This year, PUMA.Creative, in partnership with Channel 4 BRITDOC Foundation, held workshops at the Durban International Film Festival in Durban, South Africa, with local and international documentary filmmakers, counseling them on the processes of film funding, production and distribution.

PUMA.CREATIVE MOBILITY AWARDS

The PUMA.Creative Mobility Award enables artists, photographers, dancers, filmmakers, writers and art professionals to travel internationally for the purposes of doing research, starting or completing a project or participating in an event crucial to their field or project. PUMA supports the travel of creative individuals because our most pressing environmental and social issues require creative global solutions that are facilitated by intercultural exchange and action.

57 PUMA.Creative Mobility Awards were distributed through the PUMA.Creative Film Program, Creative Africa Network and Creative Caribbean Network.

A PUMA.Creative Mobility Award allowed Alison Klayman to travel to Beijing in September 2011 to film and investigate the

No	ARTIST	TYPE	ARTIST	TYPE	
1	Andrew Putter	Creative Africa Network (CAN)	30	Harry Owen	Creative Caribbean Network (CCN)
2	Barthélémy Togu	Creative Africa Network (CAN)	31	Jean Baptiste Guyto	Creative Caribbean Network (CCN)
3	Brian Jones	Creative Africa Network (CAN)	32	Jhon Narvaez	Creative Caribbean Network (CCN)
4	EL Loko	Creative Africa Network (CAN)	33	Leah Gordon	Creative Caribbean Network (CCN)
5	Ernest Duku	Creative Africa Network (CAN)	34	Michael Mooleedhar	Creative Caribbean Network (CCN)
6	Godfried Donkor	Creative Africa Network (CAN)	35	Nile Saulter	Creative Caribbean Network (CCN)
7	Hasan Essop	Creative Africa Network (CAN)	36	Noemi Cruz	Creative Caribbean Network (CCN)
8	Hentie van der Merwe	Creative Africa Network (CAN)	37	Patricia Mohammed	Creative Caribbean Network (CCN)
9	Husain Essop	Creative Africa Network (CAN)	38	Pim La Parra	Creative Caribbean Network (CCN)
10	Mamela Njamza	Creative Africa Network (CAN)	39	Rozanne Vereen	Creative Caribbean Network (CCN)
11	Martin Schonberg	Creative Africa Network (CAN)	40	Sara Hermann	Creative Caribbean Network (CCN)
12	Musa Hlatshwayo	Creative Africa Network (CAN)	41	Sarah Manley	Creative Caribbean Network (CCN)
13	Ntombi Gasa	Creative Africa Network (CAN)	42	Stefanie Lopez	Creative Caribbean Network (CCN)
14	Owanto (Yvette Berger)	Creative Africa Network (CAN)	43	Thomas Noreille	Creative Caribbean Network (CCN)
15	Saïdou Dicko	Creative Africa Network (CAN)	44	Alison Klayman	PUMA.Creative Film Programme
16	Strijdom van der Merwe	Creative Africa Network (CAN)	45	Annalet Steenkamp	PUMA.Creative Film Programme
17	Bill Porter	Creative Art Network	46	Felix Wakibia	PUMA.Creative Film Programme
18	Kayleigh Gibbons	Creative Art Network	47	Howard Gertler	PUMA.Creative Film Programme
19	Max Hattler	Creative Art Network	48	James Smith-Rewse	PUMA.Creative Film Programme
20	Noriko Okaku	Creative Art Network	49	John Baker	PUMA.Creative Film Programme
21	Sara Loeve Dadadottir	Creative Art Network	50	Joshua Sandoval	PUMA.Creative Film Programme
22	Tom Gran	Creative Art Network	51	Lauren Groenewald	PUMA.Creative Film Programme
23	Brooke Minto	Creative Art Network	52	Leah Mahan	PUMA.Creative Film Programme
24	Alexander Farquharson	Creative Caribbean Network (CCN)	53	Nonhlanhla Dlamini	PUMA.Creative Film Programme
25	Alfredo Pacheco	Creative Caribbean Network (CCN)	54	Peggy Mbiyu	PUMA.Creative Film Programme
26	André Eugène	Creative Caribbean Network (CCN)	55	Sakhile Dlamini	PUMA.Creative Film Programme
27	Francesca Hawkins	Creative Caribbean Network (CCN)	56	Tristan Patterson	PUMA.Creative Film Programme
28	Gareth Cobran	Creative Caribbean Network (CCN)	57	William Anderson	PUMA.Creative Film Programme
29	Gregory McPhail	Creative Caribbean Network (CCN)			

political controversy around international art star Ai Weiwei, resulting in the film 'Ai Weiwei: Never Sorry'. Haitian visual artist André Eugène used his PUMA.Creative Mobility Award to represent his country at the 2011 Venice Biennale. This was Haiti's first national pavilion at the Venice Biennale, which is the world's premiere contemporary art event, and PUMA.Creative is proud to have also supported Haiti's presence there.

PUMA.CREATIVE IMPACT AWARDS

The PUMA.Creative Impact Award is a new annual award that identifies and honors the documentary film that has made the most significant and positive social or environmental impact. This €50,000 award is the first of its kind in the world and was presented to 'The End of the Line' on October 11th, 2011 at a gala hosted by news anchor Jon Snow at the Mandarin Oriental in London. The winning film was decided upon by the 2011 PUMA.Creative Impact Award Jury, which was led by Her Majesty Queen Noor of Jordan, and included Morgan Spurlock (Academy Award-nominated Director of 'Super Size Me'), Orlando Bagwell (Director of the JustFilms initiative at the Ford Foundation), Loretta Minghella OBE and Emmanuel Jal (musician and activist). The three-dimensional award was designed and produced by New World School of the Arts (NWSA) students through a PUMA.Creative professionalization program.

At PUMA we believe that we have a responsibility and opportunity to contribute to a better world and a better future, yet positive

change requires action. By recognizing the documentary film that has made the most impact, PUMA can further propel a film that is already making a difference to have a larger positive effect on our society.

The very best news and media outlets reported on the event including the BBC, Current TV, The Telegraph, Variety Magazine, CNBC, Creative Front, Huffington Post, Fox Network, ID magazine online, Screen International and others. High-level press coverage has allowed the impact of the award to be further amplified, reaching a larger, global audience—spreading the message of both the PUMA.Creative Impact Award and the important environmental message of 'The End of the Line.'

A Special Jury Commendation was also presented to 'Burma VJ: Reporting from a Closed Country' for its social impact. As part of the commendation, a €25,000 prize was awarded to the filmmaker and producer. 'Burma VJ' follows a group of fearless reporters during the 2007 Burmese uprisings and the ensuing police crack-down.

PUMA.CREATIVE AMBASSADOR AWARD

The PUMA.Creative Ambassadors are advocates and experts representing the worlds of film, the arts, academia, social change and journalism. Individuals who have become internationally recognized for their contributions in their fields, Isaac Julien, Nandipha Mntambo and Penny Siopus, who joined us in 2011, are asked to represent our cutting-edge initiatives.



At the PUMA.Creative Impact Awards, from left to right, Djimon Hounsou, Kimora Lee Simmons Hounsou, Rupert Murray, Claire Lewis, Jochen Zeitz, Her Majesty Queen Noor of Jordan, George Duffield, Christopher Hird and Charles Clover.

CREATIVE ART NETWORK

The **Creative Art Network** is both a live and a virtual platform with global reach, connecting the creative world within and outside the continents or regions of Africa, the Caribbean and South America giving visibility to the talents working in architecture, dance, design, fashion, film, fine art, literature, music, new media, performing arts and photography. PUMA initiated the Creative Art Network and it continues our conviction that immense creative talent exists throughout the world and has the power to make the world a safer, more peaceful and more creative place. We are excited to help facilitate this.

Both the Creative Africa Network (CAN) and Creative Caribbean Network (CCN) have fast established themselves as the primary go to place for cultural information in their regions, with 3,260 artists as contributing members on the Creative Africa Network and 1,209 artists as contributing members on the Creative Caribbean Network. The Creative South America Network (CSAN) is now live with membership and content development in process and will formally launch in the first quarter of 2012.



9 of the African National football team players with their corresponding **Creative Africa Network** artist.

The Creative Asia Network is beginning development and will roll out in the third quarter of 2012.

4 PUMA.Creative Mobility Awards were provided to foremost film directors and scholars, via the Creative Caribbean Network (CCN), to present and discuss their work at the Caribbean Studies Association 36th Annual Conference in Curacao. This annual conference is the Caribbean's leading forum for the study of the region.

On November 7th, PUMA revealed the 2012 technical football kits for PUMA's ten partnered African National football teams. The kits were designed by ten Creative Africa Network (CAN) artists from their corresponding nations, using inspiration from the visual and cultural motifs of their country to develop the jerseys. This collaboration was accompanied by the month-long exhibition, **'Interpretations of Africa: Football, Art and Design'** at the Design Museum in London, which showcased the artists' design process to 9,856 visitors. Press coverage included BBC, Sky Sports, The Guardian, The Independent, Mail Online and many others. PUMA.Creative, in partnership with the Institute of International Visual Arts (Iniva), presented a panel discussion at the Design Museum, London on November 8th with the artists participating in the 'Interpretations of Africa: Football, Art and Design' exhibition. PUMA's partnership with Iniva on this event, an organization dedicated to providing a platform for a diverse range of voices to contribute to and be heard in the visual arts, was an excellent fit with PUMA's belief

in the talent of the ten Creative Africa Network (CAN) artists. David A. Bailey, a writer and curator on African diaspora art, moderated this discussion, which engaged issues of identity and language as well as the experience of designing PUMA's ten partnered African National football team kits. The discussion was recorded and will be available in digital format to the public.



African National football team jerseys on display at the Design Museum, London, with **Samba Fall's Senegalese Kit** in the forefront.



NAMIBIA

designed by
van der Merwe



SOUTH AFRICA

designed by
Hasan and Husain Essop



CAMEROON

designed by
Barthélémy Toguo



MARMO SAVES OUR SEAS

'Marmo Saves Our Seas' being read to local school children in Cape Town, South Africa

This year PUMA.Creative published **'Marmo Saves Our Seas'**, a children's book that uses the platform of the Volvo Ocean Race to educate youth about ocean preservation. Available in seven languages, it debuted in Alicante, Spain. **'Marmo Saves Our Seas'** expands PUMA's continued efforts to educate the public about the importance of marine issues, habitats and sea creatures. This project was used by the regional marketing team in Cape Town, South Africa in events at the Two Oceans Aquarium and the V&A Waterfront where children heard about Marmo and learned about ocean preservation.

HOME OCEANS

A new cut of the film HOME by Yann Arthus Bertrand entitled **'HOME OCEANS'** was created for the Volvo Ocean Race and is available in seven languages for use by all port cities and by regional marketing teams. Like the **'Marmo Saves Our Seas'** children's book but reaching an adult audience, **'HOME OCEANS'** is a tool used to educate the public about the oceans, the challenges they face and

what they can do about it. **'HOME OCEANS'** screened at the South African Museum and the V&A Waterfront Amphitheatre, both in Cape Town, South Africa, and concurrent to the Volvo Ocean Race's stop in the city. Approximately 1400 museum visitors and the majority of the 1,828,600 visitors that pass through V&A Waterfront each month were exposed to this film.

VOLUNTEERISM

Demonstrating PUMA's belief in volunteerism, PUMAVision director Mark Coetzee spent his vacation mentoring New World School of the Arts (NWSA) students in Berlin, Germany. NWSA is a public University in Miami, USA that PUMA.Creative partners with in running a design professionalization program for local students, and which regularly engages with the Creative Caribbean

Network and PUMA.Creative's partnering institution, The Bass Museum of Art (Miami, USA). The three-dimensional award for the 2011 PUMA.Creative Impact Award was designed and produced by NWSA students through this professionalization program, which prepares students for a successful career as future designers while providing PUMA with innovative design solutions.

INDEPENDENT ASSURANCE REPORT

TO PUMA SE, HERZOGENAURACH

We have been engaged to perform a limited assurance engagement on corporate responsibility (CR) information presented in the chapters 'PUMAVision', 'PUMA.Safe', 'PUMA.Peace' and 'PUMA.Creative' of the annual report 2011 of PUMA SE, Herzogenaurach, for the financial year 2011 (the „Annual Report“).

MANAGEMENT'S RESPONSIBILITY

The management board of PUMA SE is responsible for the preparation of the chapters 'PUMAVision', 'PUMA.Safe', 'PUMA.Peace' and 'PUMA.Creative' of the Annual Report in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 3 (pp. 7-17) of the Global Reporting Initiative (GRI):

- **Materiality,**
- **Stakeholder Inclusiveness,**
- **Sustainability Context,**
- **Completeness,**
- **Balance,**
- **Clarity,**
- **Accuracy,**
- **Timeliness,**
- **Comparability and**
- **Reliability.**

This responsibility includes the selection and application of appropriate methods to prepare the chapters 'PUMAVision', 'PUMA.Safe', 'PUMA.Peace' and 'PUMA.Creative' of the Annual Report and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implemen-

ting and maintaining systems and processes relevant for the preparation of the chapters 'PUMAVision', 'PUMA.Safe', 'PUMA.Peace' and 'PUMA.Creative' of the Annual Report.

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a conclusion based on our work performed as to whether any matters have come to our attention that cause us to believe that the CR information for the financial year 2011 presented in the above mentioned chapters of the Annual Report have not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 3 of the GRI. We also have been engaged to make recommendations for the further development of the CR management and reporting based on the results of our limited assurance engage-

ment.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement, under consideration of materiality, to express our conclusion with limited assurance.

In a limited assurance engagement the evidencegathering procedures are more limited than for a reasonable assurance engagement (for example, an audit of financial statements in accordance with section 317 HGB (Handelsgesetzbuch: German Commercial Code)), and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend on the practitioner's judgement. Within the scope of our work we performed among others the following procedures:

- Inspection of documents regarding the CR strategy, the CR program, the CR management and stakeholder dialog;
- Participation in the annual stakeholder dialog in Banz, November 21 to 23, 2011;
- Inquiries of personnel located in the central functions responsible for the preparation of the chapters 'PUMAVision', 'PUMA.Safe', 'PUMA.Peace' and 'PUMA.Creative' regarding the processes used to gather and consolidate CR information and related control procedures;
- Inspection of the documentation of systems and processes used for gathering, analysing and aggregating CR data as well as retracing on a sample basis;
- Site visit as part of the inspection of processes used for gathering, analysing and aggregating CR data:
 - in the corporate headquarters as well as
 - PUMA North America Inc. in Westford, MA (U.S.A.);
- Telephone inquiries with personnel located in UK, Japan, Canada and Russia responsible for the collection ('National Eco Champions') and validation ('Validator 1') of environmental data regarding gathering, analyzing and aggregating selected environmental indicators for UK, Japan, Canada and Russia;
- Substantive testing on selected informa-

tion on a sample basis, among others by the inspection of internal documents, contracts, reports of external service providers and invoices as well as by the analysis of reports generated from IT systems;

CONCLUSION

Based on our limited assurance engagement nothing has come to our attention that causes us to believe that the CR information presented in the chapters 'PUMAVision', 'PUMA.Safe', 'PUMA.Peace' and 'PUMA.Creative' of the annual report 2011 of PUMA SE, Herzogenaurach, for the financial year 2011 has not been prepared, in all material respects, in accordance with the criteria of the Sustainability Reporting Guidelines Vol. 3 (pp. 7-17) of the GRI.

EMPHASIS OF MATTER - RECOMMENDATIONS

Without qualifying our conclusion, we make the following recommendations for the further development of CR management and CR reporting:

- Further implementation of corporate policies and procedures regarding the data collection and validation procedures as well as documentation requirements to further improve data quality;
- Further implementation of standardized procedures to allow timely data gathering and validation ('fast close procedures').

Frankfurt am Main, March 22, 2012

**PRICEWATERHOUSECOOPERS
AKTIENGESELLSCHAFT
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT**

MICHAEL WERNER

PPA.HEINKE RICHTER





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CHAPTER:

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BRAND STRATEGY

PUMA takes its inspiration from the worlds of Sport and Lifestyle. We breathe life into sports, we bring sports to life, and we create a sport fashion fusion that inspires and delights. No sports without the influence from Lifestyle and no Lifestyle without the influence from sports.

WE SHARPEN OUR UNIQUE POSITIONING IN PERFORMANCE AND LIFESTYLE.

We will remain the joyful Sportlifestyle brand that mixes the influences from both worlds of Sports and Lifestyle. At the same time we continue to sharpen our positioning on both ends – Performance and Lifestyle – to be more competitive in an increasingly differentiated marketplace.

On our path to becoming the most desirable and sustainable Sportlifestyle company in the world, we saw the need to refocus our

strategy by increasing the differentiation between our Performance and Lifestyle categories through more distinct product and marketing initiatives creating consumer demand through uniqueness and innovation. Our Performance proposition features thrilling athletes, electrifying teams and exciting technical innovations while our vision of Lifestyle is driven by cultural relevance, urban style leadership and cutting-edge design innovation.

Performance is about athletes, engineering and technology. We strengthened and expanded our sports asset portfolio to increase PUMA's credibility as a Performance brand through signing top athletes and teams in the last year. Besides that we continue to invest into the development of new technologies that allow your body to perform better.

Within Lifestyle we continue to sharpen our lifestyle products through disruptive design innovation that is influenced by sports, culture and fashion. We take the inspiration from some of the most reputable fashion designers in the world such as Hussein Chalayan, Alexander McQueen and Mihara Yasuhiro.

With our sustainability initiatives we want to work towards a better world and reduce our footprint on the planet through design and process innovation.

WE WANT TO REVOLUTIONIZE OUR INDUSTRY.

We want to think outside the box, so that someday we will sell products that either can decompose harmlessly into nature or can be recycled after their product life.

Engagement, Efficiency and Relevance have become the watch words in our re-focused

marketing strategy to re-connect with our consumers.

WE DEVELOP 'PUMA 2.0.'

We focus on finding opportunities for true engagement beyond the traditional media channels. We want to leverage the power of new media in the digital and mobile space, connecting in more efficient and measurable ways. With a strong and growing Facebook fan base of more than 6 million, we belong to the most active brands on that platform globally.

WE LIKE!

TEAMSPORT



„BAFANA BAFANA“
has ambitious plans for the
future - with PUMA as a strong
partner at their side.



This man not only dresses well - **PHIL JONES** is one of the greatest talents of English football.

What do Sergio 'Kun' Agüero of Manchester City, Radamel Falcao of Atlético Madrid, Cesc Fàbregas of FC Barcelona and Manchester City midfielder Yaya Touré have in common? Apart from being star footballers, they all joined the PUMA family in 2011.

The strengthening of our asset portfolio in Sport Performance has been an essential factor in building PUMA's brand desirability. The PUMA newcomers - who will feature as central figures in PUMA's global marketing programs in the coming years - join a host of international PUMA assets including star players such as Nemanja Vidic, Samuel Eto'o and Mario Gomez as well as Marco Reus and Phil Jones - two of the hottest talents of German and English football.

In Germany - one of our most important football markets - PUMA signed a new partnership contract with top Bundesliga team Borussia Dortmund, champions of the 2010/2011 season. Like PUMA, Borussia Dortmund perfectly embodies the mix of sport and lifestyle emphasizing our brand values of joy, enthusiasm and passion, which makes this partnership a perfect match. Starting next July, this new partnership enables PUMA to continue developing innovative football product, merchandising and marketing concepts.

And we did not leave it at that. We further expanded our strong portfolio of already 11 African football teams by another one, signing the South African Football Association beyond the 2018 FIFA World Cup. Endorsing the teams of Ghana, Ivory Coast, Cam-

eroon, Algeria, Senegal, Togo, Burkina Faso, Gabon, Equatorial Guinea, Malawi, Namibia and now South Africa underlines our strong commitment to the African continent and African football.

„MY NEW PARTNERSHIP WITH PUMA IS ANOTHER STEP TOWARDS ACHIEVING MY DREAMS.“

SERGIO 'KUN' AGÜERO



And this is not just about football. This is also about African art. For ten of these teams, we fused sports and art by having renowned artists from the respective countries design the national football kits of their teams. The kits were unveiled at a star-studded event at the Design Museum →



1



2



3

DESIGN INNOVATION BY CELEBRATING AFRICAN CULTURE

in London in November, which was complemented by a month-long exhibition showcasing the artists' design inspirations. In the run up to the 2012 Orange Africa Cup of Nations, the event was the perfect platform for PUMA to demonstrate the brand's design innovation by celebrating African culture.

And of course, we once again proved last year that our proposition as a Sport Performance company features highly competitive technical innovation. Pushing the boundaries of product performance and innovative

design, our PUMA football boots perfectly meet the requirements of our world-class players. We are set to introduce the new blue colorway of our v1.11 football boot, which is worn by PUMA speed players including Sergio Agüero, Samuel Eto'o, Yaya Touré, Radamel Falcao and Steven Pienaar. Continuing with the PUMA Speed theme, the v1.11 boot incorporates premium lightweight technologies that enable all kinds of movements while supporting the player's speed to the maximum. Our new PowerCat 1.12 football boot will be sported by Cesc Fàbregas, Nemanja Vidic and Gianluigi Buffon and features the new PUMA 3D DUO Power Shooting Technology, applied to the inside of the boot. ←

1. Cesc Fàbregas relies on his PUMA Power Cat when controlling the FC Barcelona midfield.
2. The PUMA v1.11 boots perfectly support Falcao's fast sprints and dribblings.
3. When wearing PUMA's Ivory Coast kit, Yaya Touré switches to attacking.

RUNNING

Will he do it again?

During the London 2012 Olympic Games the world will hold its breath and be watching PUMA brand ambassador and the world's fastest man Usain Bolt to see if he can push the boundaries of his sport with new world records again. PUMA, like many Bolt enthusiasts, believes the best is yet to come... →



Fully concentrating on the Olympics: Even **USAIN BOLT** needs a breather once in a while.

PUMA AND CEDELLA MARLEY TEAM UP FOR THE OLYMPICS 2012

encouraged product trial for the Faas collection and continued to drive brand visibility in these markets. The winners from each event attended a finale in Daegu where a final Faas competition was hosted and the market winners met with Usain Bolt.

At the World Championships in Korea our athletes once again stole the show. Spearheaded by Bolt, Jamaica proved again to be the fastest country in the world with victories in the men's 100, 200 and 4 x 100 meters relay as well as the women's 200 meters, finishing 4th world's best country overall on the medal table and placing table across all the events. Other teams outfitted by PUMA were Grenada, Uganda, Norway, Sweden, Denmark, Czech Republic and Botswana.

And this was just a taste of what is to come in London 2012. With Cedella Marley, fashion designer and daughter of Jamaican reggae icon Bob Marley designing the Jamaican Track and Field team's Olympic, podium and ceremony wear, PUMA will bring its unique fusion of joy and performance to the Games while Usain Bolt and the Jamaican Track & Field team are set to once again redefine their sport... ←

Building momentum towards London 2012, we were striding our way through 2011 with a fun, innovative and technologically advanced range of running shoes – the PUMA Faas Collection. Grounded in performance and featuring our exclusive biomechanical design technology BioRide™, the Faas footwear range provides a naturally responsive ride and thus helps runners get into their own rhythm for increased speed and performance.

We wanted our consumers to see for themselves what Faas is like! Using the PUMA Speed Trap – an activation program around Bolt's Diamond League appearances in Prague, Paris and Rome as well as in six countries in the Asian/Pacific region – we



1
2



3



1. Usain Bolt in Daegu.
2. Training for Olympia: Usain Bolt is looking forward to sprinting in London.
3. The perfect Jamaican fit: Cedella Marley designs PUMA's Olympics collection for the Jamaican team.

MOTORSPORT



The path to success continues:
PUMA and Ferrari extended their
long-term partnership in 2011.

We are the sportlifestyle brand with the longest heritage in motorsport

The PUMA Motorsport category has again geared up! In 2011, we announced our new partnership with the MERCEDES AMG PETRONAS F1-Team and extended our existing agreement with Ferrari, reaffirming our position as the Sportlifestyle brand with the longest heritage in Motorsport.

SCHUMACHER SPORTS PUMA

The partnership with Ferrari has become one of the most commercially valuable licensing relationships for both PUMA and Ferrari. We will continue to supply Scuderia Ferrari, which finished third in the Constructors' Championships of the 2011 season, with the latest technological innovations in team and race wear. This enables Fernando Alonso and Felipe Massa to compete in one of the lightest and safest race suits in Formula One. The Kraftek SF is our new and revolutionary Motorsport performance shoe and is regarded to be the epitome of minimalism and functionality of footwear for the race professional.

Two more drivers in PUMA race wear are destined for great things in the seasons to come: Michael Schumacher and Nico Rosberg of the MERCEDES AMG PETRONAS F1-Team, which is the continuation of Mercedes-Benz's rich heritage in Motorsport. Since January 2012, PUMA has been the official team partner and exclusive licensing partner for footwear, apparel and accessories. And on the two wheels we are not lagging behind either! The Ducati MotoGP Team – our most important 2-wheel partnership – entered the 2011 season with nine-time World Champion Valentino Rossi and with Nicky Hayden, one of the most popular riders of the series. Despite changes in MotoGP's engine rules, Ducati has consistently proven itself and placed third in last season's Team and Constructors' Championships. We continue to provide our latest innovations of fireproof racewear for the team's drivers and all technical pit personnel. We are keen to capitalize on the Ducati exposure with our younger consumers throughout this year's racing season. ←



FERRARI



PUMA KRAFTEK SF

The PUMA Kraftek SF meets the requirements of passionate race drivers.



SCUDERIA FERRARI

A must for every Ferrari aficionado: the team shirt of Scuderia Ferrari.



GOLF

By integrating Cobra Golf into the group, we have become a credible player in the Golf industry with a 360 degree product offering of footwear, apparel and accessories.



1
2

3
4

Our string of success on international courses continues!

1. Sixteen-year old Lexi Thompson is the youngest player who has ever won an LPGA or PGA Tour tournament
2. We are setting trends in Women's golf wear
3. PUMA brings color onto international golf courses
4. Rickie Fowler claimed his first title as a golf professional when he won the Kolon Korea Open

Nationwide Tour player, Jonas Blixt, finished 5th on the money list earning him his 2012 PGA Tour Card, Ian Poulter won the Volvo Match Play Championship, Anna Nordqvist played on the winning European team of the Solheim Cup and Rickie Fowler earned his first professional win in the Kolon Korea Open. We don't mind continuing like this!

ENJOY THE GAME

2011 marked the first time COBRA released a series of products under COBRA PUMA GOLF and with our game enjoyment positioning. New product launches included the Trusty Rusty wedge, the only wedge that rusts for superior feel, control and spin, and the ZL Encore Driver played by Ian Poulter which is the first driver in the market offered in two cosmetics. Based on the immense amount of positive feedback from media, key accounts and consumers, 2012 is set up to be another big year for COBRA PUMA GOLF continuing to boost our mark in the game.

TRENDY ACCESSORIES

COBRA PUMA GOLF entered into a license agreement with premier accessories design and development company The Wheat Group to launch custom assembly. The Wheat Group has designed a new collection of accessories for both COBRA and PUMA Golf including performance gloves, headwear, umbrellas, belts, staff bags, cart bags and other small accessories. ←



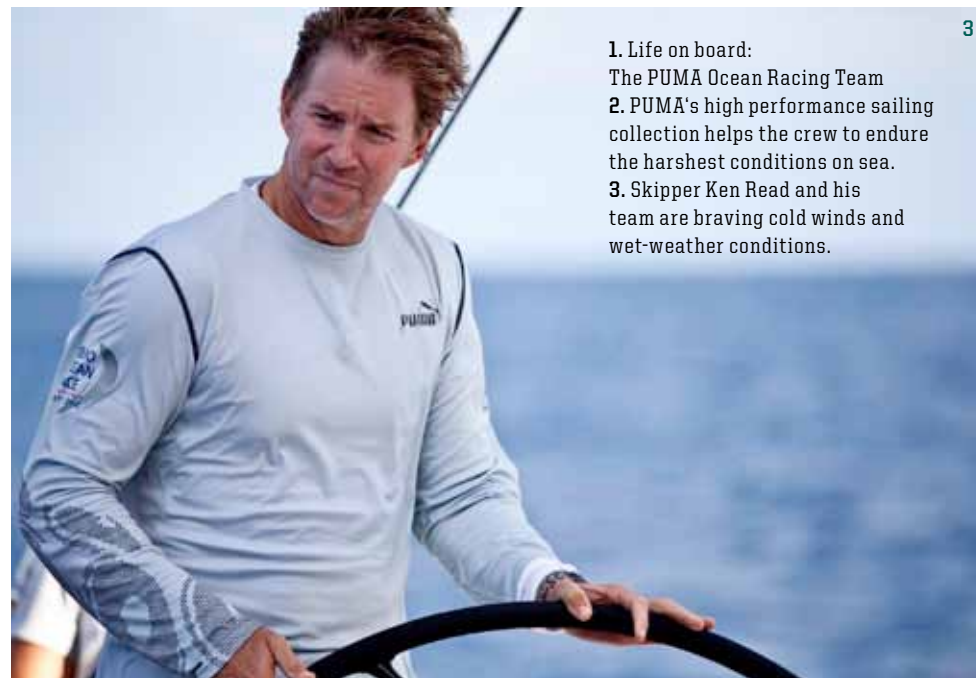
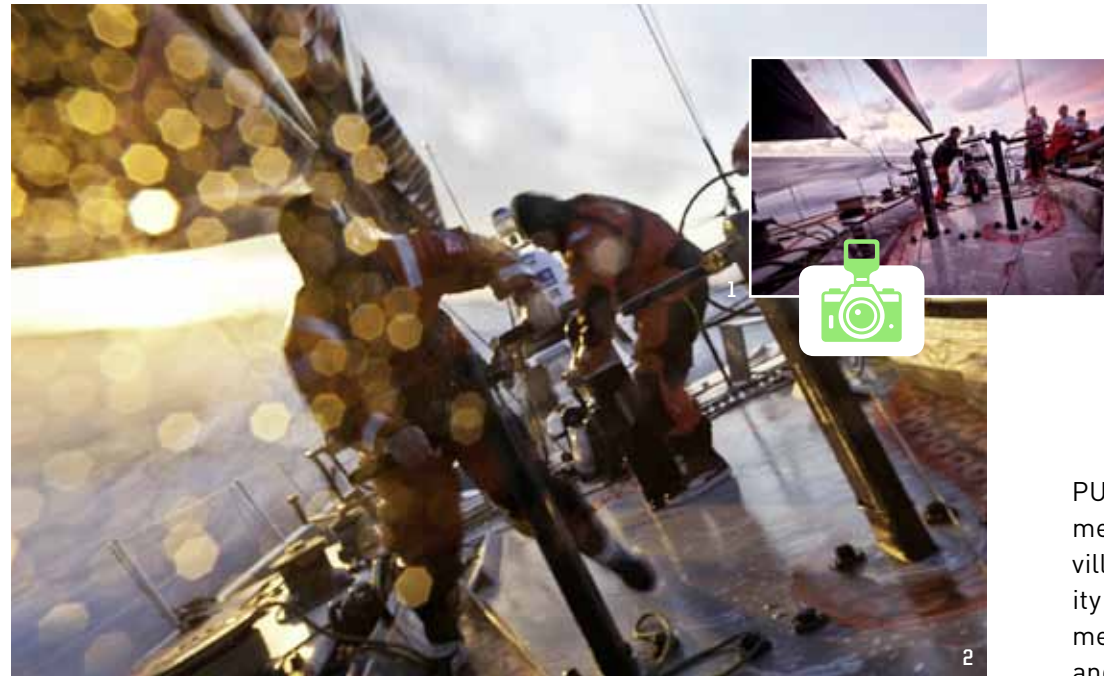
With its sailing yacht
MAR MOSTRO PUMA is fighting for the
winning title of the Volvo Ocean Race.

SAILING

The Monster is loose ... on the world's most treacherous seas!

PUMA's Monster of the Sea, our sailing yacht Mar Mostro, has set out to compete against five other teams in the Volvo Ocean Race 2011-2012. After the success of finishing the last Volvo Ocean Race second, skipper Ken Read embarked with the PUMA Ocean Racing Team powered by BERG once more on the 39,000 nautical mile journey in November. The race will take them from Alicante to Cape Town, Abu Dhabi, Sanya (China), Auckland, Itajaí (Brazil), Miami, Lisbon, Lorient (France) to finally cross the finish line in Galway (Ireland) in July 2012.

The Volvo Ocean Race is an exceptional test of sailing prowess and human endeavor widely known as the 'Everest of Sailing.' To meet the challenging requirements at sea, PUMA's sailing performance collections have been evolved and feature exceptionally rugged and durable garments. The products are tested in the field, proving to be breathable, windproof and waterproof, and are the optimum solution for life out there. PUMA is also the official supplier of Volvo Ocean Race merchandise – available in the



1. Life on board:
The PUMA Ocean Racing Team
2. PUMA's high performance sailing collection helps the crew to endure the harshest conditions on sea.
3. Skipper Ken Read and his team are braving cold winds and wet-weather conditions.

PUMA Quad, a unique retail and entertainment structure set up in each stopover race village. In keeping with PUMA's sustainability goals, a majority of the Volvo Ocean Race merchandise, PUMA Ocean Racing fan wear, and PUMA Ocean Outerwear collection is comprised of environmentally responsible products made from 100% organic cotton, 100% recycled polyester, developed with an environmentally-friendly, safe and healthy process.

In August we further expanded our sailing category with the announcement of two new partnerships. PUMA was introduced as the official sportswear partner for the America's Cup Event Authority, and as the official sportswear and technical supplier for ORACLE Racing, defender of the 34th America's Cup. PUMA is operating both the official online and pop-up fan shops in ports hosting the 34th America's Cup races, offering fan wear collections as part of both partnerships. The tees, polos and hooded jackets are made with sustainable materials and processes.



FITNESS

Join in the pack and stand out!



Women's Fitness shines in 2011



01 FITNESS LUX WORKOUT BAG

...brings style into the gym.



02 TRAINLITE XT

... intensifies the training session by compression technology in the sole.



03 TP COVER UP

... is your perfect partner for the warm-up or cool-down, furnished with a uv-resistant finish.

PUMA's Women's Fitness category grew significantly in 2011, proving that our renewed focus on the female consumer is beginning to pay off. We continued to make strong headway into this category through the evolution and launch of our fitness shoes BodyTrain and TrainLite XT that re-invigorate our consumers' everyday training session with their lightweight tech capabilities.

TRAIN YOUR BODY

BodyTrain, ideal for exercises like walking, had notable success around the globe, particularly in the Japanese market where PUMA sponsors the Miss Universe Japan competition and candidates are filmed showing off their trained legs. TrainLite XT, ideal for in the gym and cross-training exercises, piggybacked off of the success of its sister shoe BodyTrain.

In the upcoming season, our Women's Fitness Collection is geared for more social sport with designs that help our consumers join in the pack and stand out at the same time. From bold colors to crafty cut lines to amped up technologies our styles are made to boost confidence and turn heads. Now ladies, get your trainers on! ←



Our vision of Lifestyle is driven by cultural relevance, urban style leadership and cutting-edge design innovation.

LIFESTYLE



Celebrating the After Hours Athlete

Every professional athlete wears a uniform. So what about the amateur athlete? The king of foosball? The reigning champion of darts? Or any other game that can be played with a drink in hand? PUMA celebrates the after hours athlete!

Our PUMA Social collection once again symbolises how PUMA fuses Sport with Lifestyle into everyday life. Creating a new Sportlifestyle movement with a full range of apparel, footwear and accessories we continued the fun and irreverent 'PUMA Social' campaign throughout 2011: From Berlin and London to Shanghai and Tokyo, PUMA Social Clubs popped up across the world. And with our Life Scoreboard, an online and mobile application designed

to keep a running tally on anything and everything, we demonstrated life is more fun when you are keeping score. However, we did not leave it at that. 2011 saw PUMA continuing our successful partnership with the legendary US culture store Undeclared – a collaboration about pushing boundaries and refreshing one of PUMA's

most classic styles and icons, the PUMA Clyde. Once customized for basketball great 'Clyde' Frazier in 1973, the Clyde has been part of the uniform for cultural artists – DJs, b-boys, musicians and graffiti artists – and continues to be on-trend today! The global re-launch of the PUMA Clyde generated a significant sell-out globally paving the way for increased desirability with opinion leading consumers.

Another classic that we successfully re-invented was our iconic ROMA LUX shoe that we re-launched in cooperation with College inspired clothing brand Franklin & Marshall. This collaboration combines the heritage style of PUMA's ROMA LUX with the laid back Italian spirit of Franklin & Marshall. First introduced in 1960 and later re-launched as a tribute to the Italian Football team, the Roma shoe has been at the heart of PUMA's footwear collection ever since. The shoe encompasses PUMA's Sportlifestyle ethos by being the first 'all round' training shoe within the marketplace on its initial launch. The shoe subsequently gained its status as an iconic style in recent years.

For our little consumers we made childhood dreams come true: The PUMA DJ shoe combines our latest technology with inspiration from old school hip hop. Walking, running, jumping and dancing activate the sensors and trigger sounds heard through the speaker in the tongue of the sneaker. And when the little dancing feet are tired, the shoes get recharged by connecting it to a computer. Now that's fun!



PUMA Social is the perfect platform to communicate PUMA's JOY positioning online and offline to our customers and consumers.







MANAGEMENT REPORT

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CHAPTER:

7

2011 OVERVIEW

PUMA is “Back on the Attack”! During the past financial year, in line with its “Back on the Attack” growth plan, PUMA exceeded € 3 billion in sales and significantly improved profitability. Moreover, the conversion to a European Company (SE) has strengthened PUMA’s international focus and enabled it to press ahead with the strategic development of the Group.

One of PUMA’s sporting highlights in 2011 was the IAAF World Athletics Championships in South Korea, where the Jamaican team and PUMA superstar Usain Bolt turned in an impressive performance. In soccer, the PUMA sponsored Uruguayan team effortlessly won its 15th South American Continental Championship (Copa América) title. PUMA also broke new ground in 2011 by publishing the world’s first environmental income statement, once again demonstrating PUMA’s cutting edge in sustainable management.

PUMA managed to increase worldwide currency-adjusted brand sales by 11.8% to nearly €3.2 billion in the financial year 2011. At the same time, consolidated sales enjoyed double-digit growth, with curren-

cy-adjusted sales rising by 12.1% and sales in Euros, the reporting currency, increasing by 11.2% to over €3.0 billion. We have therefore not only achieved, and in some respects exceeded our targets for the financial year 2011, but are also on track to reach our long-term sales potential of €4.0 billion in 2015. Thanks to PUMA’s continuous efforts over the past year to increase operating efficiency, gross profit margin remained virtually unchanged from the previous year at 49.6%, despite higher procurement prices.

Operating income (EBIT) increased sharply from €306.8 million the previous year to €333.2 million in 2011 (an increase of 8.6%). At Group level, net earnings jumped 13.8% to €230.1 million. Earnings per share stood

at €15.36, compared with €13.45 the previous year.

PUMA continued to press ahead with its growth strategy in 2011, including the reinforcement of its market position in China through the acquisition of the remaining outstanding shares of its Chinese subsidiary on January 1, 2011. By setting up and acquiring new subsidiaries, PUMA also expanded its sales organization in the North American market.

At year-end PUMA’s share price stood at €225.00 (9.3% below the prior-year price), representing a market capitalization of around €3.4 billion.

GENERAL ECONOMIC SITUATION

According to the Kiel Institute's winter forecast for the World Economy (IfW) published on December 20, 2011, the global economic recovery has faltered in 2011.

During the first half of 2011, there was only a moderate increase in the world gross domestic product (GDP), in part because of temporary factors such as the strong rise in commodity prices and the impact of the earthquake in Japan. As these factors subsided – in the second half of the year, prices of oil and other commodities decreased, in some cases substantially, and Japan quickly overcame its production bottlenecks – global production rebounded sharply. Nevertheless, the business barometer continues to point downward. Furthermore, the debt crisis in the Euro zone is expected to persist. The IfW-indicator for global economic activity, which is based on indicators of market sentiment in 41 countries, points in the same direction. Until recently, it indicated a downward trend and suggests a low expansion

rate for the fourth quarter of 2011. All in all, following a very strong increase of 5.1% in 2010, global production rose by only 3.8% during the past year.

To a certain extent, the sporting goods industry was also affected by the global economic downturn over the past year. Nevertheless, the industry did report moderate sales growth – despite the tough market and consumer environment, and the fact that there were few major sporting events. However, increasing and/or volatile commodity prices and wages have exerted heavy pressure on earnings in many companies.

PUMA seized the opportunities that presented themselves during the past year, achieving impressive successes for the brand,

both in track events and on the soccer field. This enabled the Company to grow while significantly increasing its brand desirability. As the supplier for Usain Bolt – currently the world's fastest man – and the Jamaican team, PUMA once again highlighted its position as one of the leading running brands. In addition, PUMA further increased its brand awareness in women's soccer by supplying eight female players from the German national team as well as international stars, such as Brazilian brand ambassador Marta, with the PUMA Speed v1.11 soccer boot at the World Cup in Germany. With 16 goals, this boot was the tournament's top goal scorer. Likewise, with his PUMA soccer boots, Mario Gomez was clearly the top Bundesliga goal scorer in the 2010-11 season with 28 goals in just 32 German league matches, and he once again leads the goal-scoring chart heading into the winter break 2011/12 with 16 goals in 16 German league matches. In addition,

PUMA succeeded in enhancing its soccer portfolio in 2011 by entering into sponsorship agreements with top international players Sergio Agüero, Radamel Falcao and Cesc Fàbregas, as well as with Borussia Dortmund, the current German soccer champions.

STRATEGY

Our goal is to become the world's most desirable and sustainable sports lifestyle company.

We are pursuing this goal with our unique 'Joy' market positioning. As the brand for the young and the young-at-heart, PUMA is provocative, innovative, dynamic, venturesome, rebellious and future-oriented, and it enthralls the world of sports, sports lifestyle and sports fashion.

As the creative market leader in the sports lifestyle segment, we have both the opportunity and the responsibility to contribute to a better world for ourselves and for future generations. More specifically, we aim to reduce our environmental footprint in terms of energy, water, waste and paper by 25% by 2015. In our quest for sustainability, not only do we have a cutting edge in the sports lifestyle segment with innovations such as the 'Clever Little Bag', our environmentally

friendly packaging system, but we are also providing the global business world with new, innovative approaches to business management, such as our environmental income statement.

In October 2010, PUMA's Board of Management introduced the strategic five-year plan, dubbed **Back on the Attack**, designed to achieve our long-term sales potential of €4 billion by 2015. Our 2011 business performance demonstrated that we are implementing this strategic plan on schedule. The €3,009 million in sales posted in 2011 represented an important milestone on our way toward achieving €4 billion in sales by 2015. Besides achieving the financial targets, we were able to execute and initiate our strategic initiatives embedded in the "Back on the Attack Plan" as planned.

RESTRUCTURING:

During the financial crisis, we have proactively cut costs in order to ensure our profitability. One of the most fundamental initiatives was the restructuring of our retail business. After several years of rapid growth, we are much more focused on increasing our stores' profitability. In 2011, we opened a large number of new stores, reconfigured selected stores and closed unprofitable ones. We expect our stores' profitability to increase as a result of this consolidation. Our new "Retail 2.0" concept, which we have already successfully tested in our key markets in 2011, will now be rolled out in other countries, thereby laying the groundwork for future growth.

TRANSFORMATION:

With our sales target of €4 billion by 2015 in mind, we are working on the further development of our organization and our business model so that we can achieve even greater growth potential. One of the keys to our success in recent decades has been our local management in different regions and countries, which has allowed us to ensure that our products are optimally suited to meet the needs of specific markets. We are convinced that our strong business management, which targets local needs, is the most important component of our success and consequently we will continue to reinforce it as the basis for our future growth. Only a strong regional structure can provide the proximity to our customers that we need in order to recognize and take advantage of new market opportunities. In 2011, we launched a Company-wide transformation program designed to optimize our business model at the regional level.

BRAND HEAT:

In the last 12 months we have initiated a significant overhaul of our Brand Management structure and established a new strategy to bring simplicity, clarity and a refreshed, youthful outlook to the brand. We have begun by better defining the differentiation among our brand elements, Sport Performance, Sportlifestyle, and Sport Fashion, and are establishing clearer, consumer-focused value propositions for each of our product and marketing categories. As a result of these internal steps,

our consumer-facing communications are beginning to have a stronger tie to our product portfolio, and the organization is reshaping around a new philosophy of collaborative idea generation resulting in innovative and fresh approaches to the market. In addition, we've taken a look at the consumer landscape without any preconceptions, and defined a new global Marketing Strategy and communications philosophy. We as a team are embracing emerging channels in an effort to achieve far greater brand heat with our target audience. These fundamental shifts in both philosophy and tactical approach are resulting in step by step gains in the overall heat of the PUMA brand.

PRODUCT DESIRABILITY:

In line with our brand ambitions, we want to offer our consumers the most desirable products in the Sportslifestyle industry. We believe that our product desirability is driven by innovation in technology, design and sustainability. To further strengthen our capabilities and drive product desirability, innovation think tanks have been set up in each of our product departments. These teams are working on futuristic ideas and disruptive innovations outside of the standard Go-to-Market processes and timelines. Moreover, the enhanced focus and differentiation on our Performance and Sportslifestyle categories is increasingly reflected in our product collections to better meet the demands of our target consumer groups.

DISTRIBUTION FOCUS:

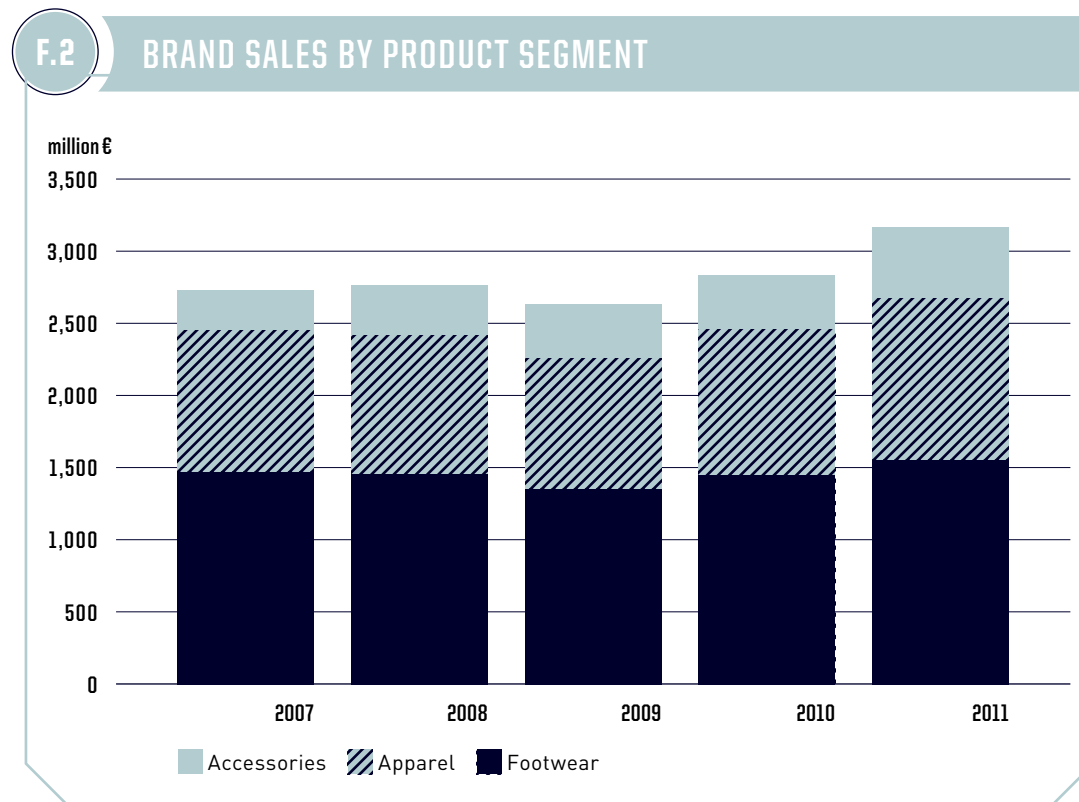
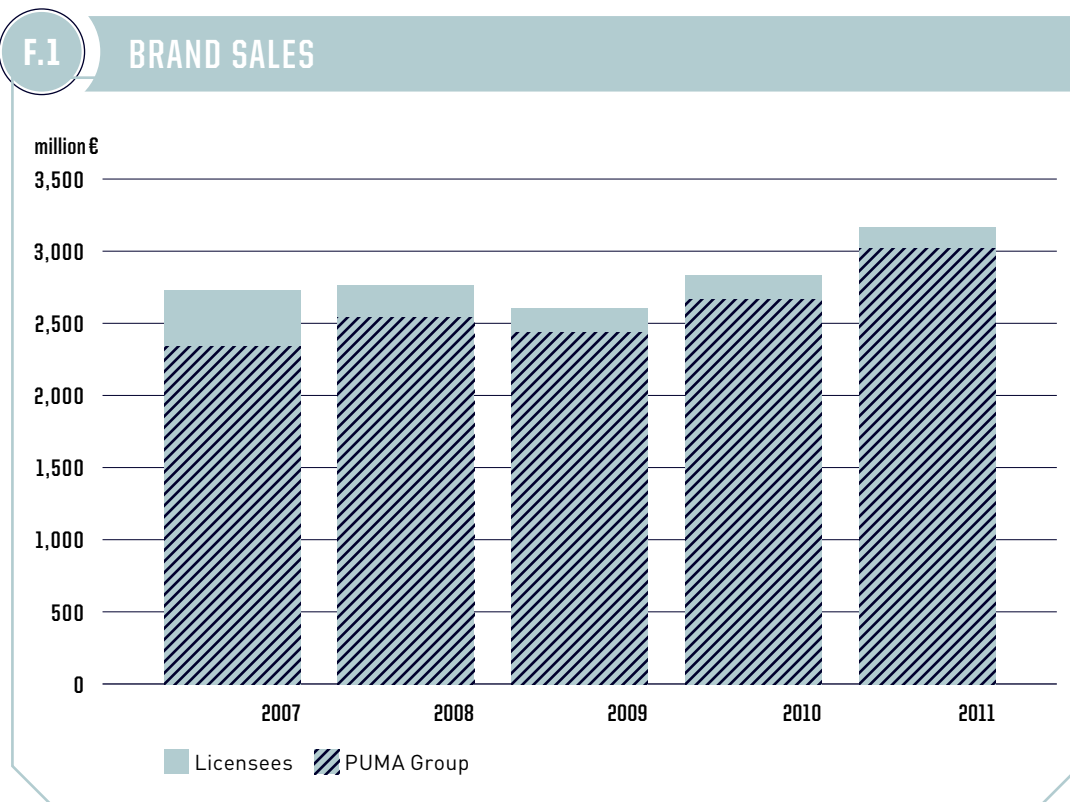
To fulfill our ambitious growth targets, we require a focused approach to our key growth drivers. Exceptional attention is therefore being paid to the top 6 mature markets as well as top 6 emerging markets, our key accounts and our Direct-to-Consumer business incl. retail and e-commerce. Our top 6 mature markets USA, Japan, France, Germany, Italy and UK are the largest contributors to our sales. Despite a challenging market environment, sales continued to grow in 2011. Amongst our strongest growth drivers in 2011 were our top 6 emerging markets Brazil, China, India, Korea, Mexico and Russia. In these markets we grew our sales at above average speed and further strengthened our market position for future growth. With these growth developments, we are on track to achieve our targeted sales mix of 38% in the top 6 mature markets, 22% in the top 6 emerging markets and 40% in the rest of world by 2015. In addition, we realigned our resources with our key growth opportunities by focusing dedicated teams to our key accounts. Our retail and e-commerce business grew in 2011 in line with our expectations. We expect continued growth in our retail and e-commerce channels, which should account for 20% of total sales by 2015.

GROWTH THROUGH ACQUISITIONS:

We intend to achieve our ambitious growth targets primarily through organic growth, and to make only very selective, strategic investments in acquisitions in order to

meaningfully enhance our portfolio. This is consistent with our acquisitions in recent years of Brandon, Dobotex, Cobra Golf and Janed. In the years to come, PUMA will focus on exploiting its group-wide synergies.

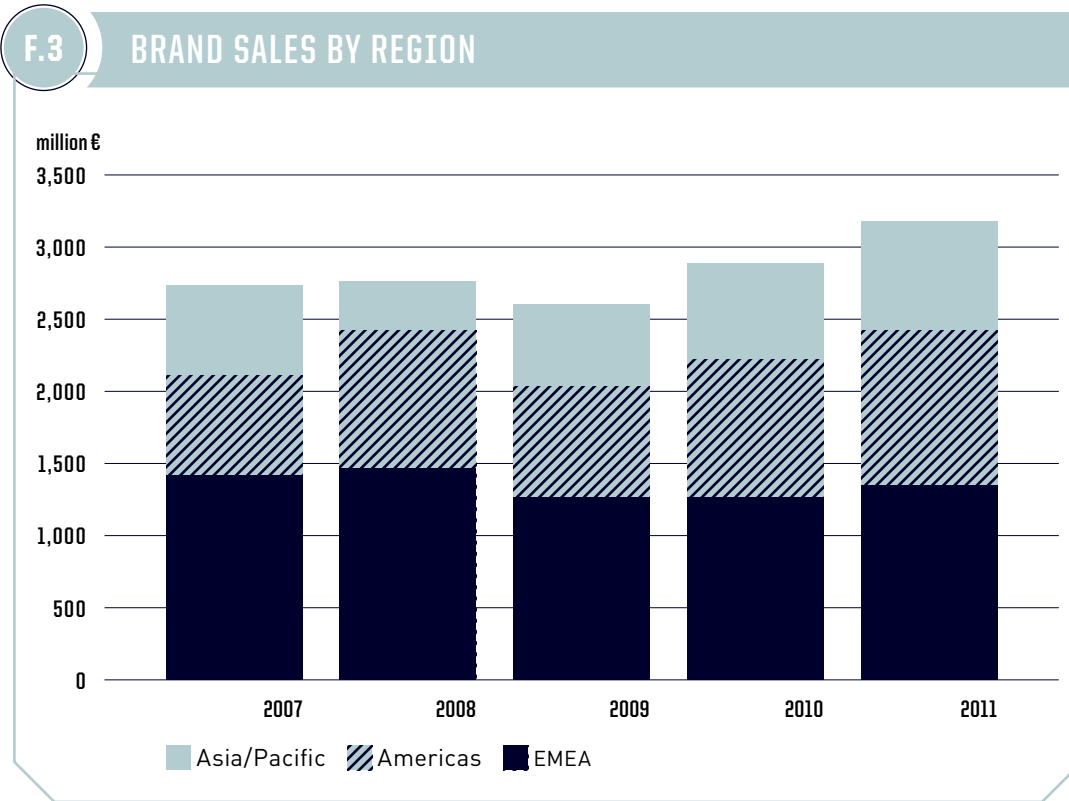
BUSINESS DEVELOPMENT SALES



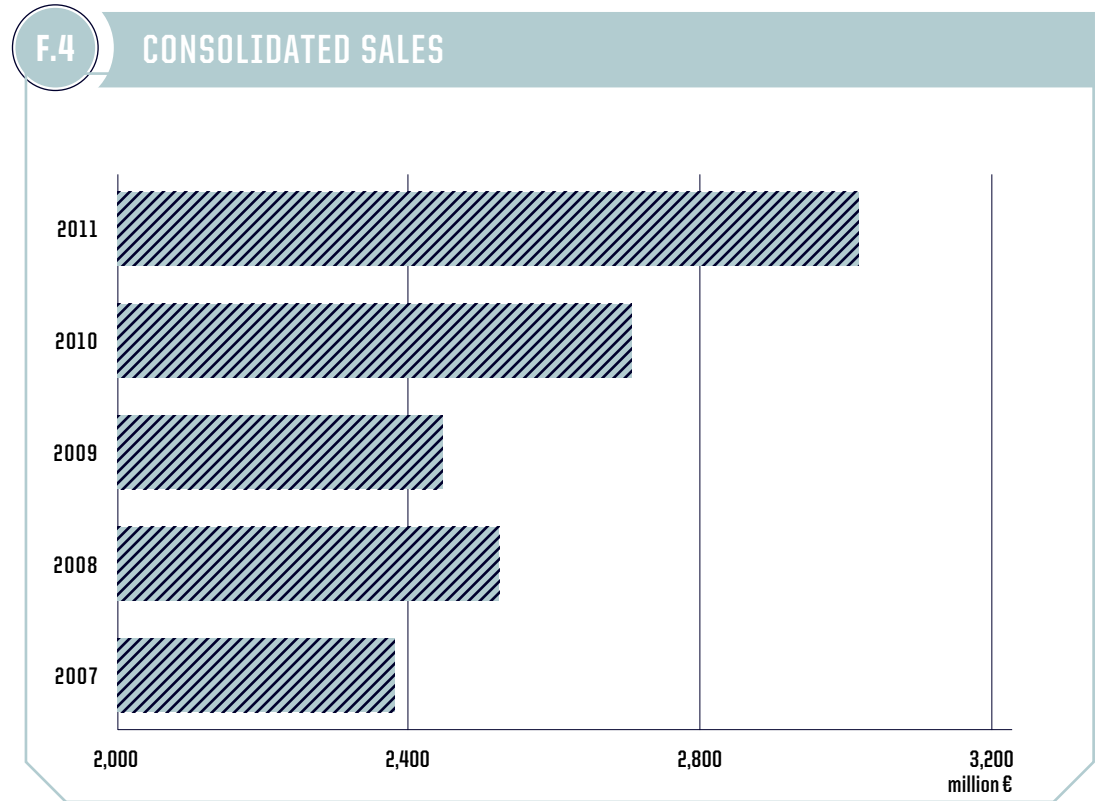
BRAND SALES

PUMA's worldwide, currency-adjusted brand sales, comprising revenues from licenses and consolidated sales increased in the financial year 2011 by 11.8% to €3,172.5 million. In the reporting currency, the euro, brandsales were 10.8% higher than in the previous year.

Currency-adjusted footwear sales rose by 10.0% to €1,565 million, while apparel sales increased by 9.5% to €1,111.9 million, Accessories jumped by 24.2% to €495.5 million. Footwear accounted for 49.3% (50.5%) of brand sales, apparel for 35.0% (35.5%) and accessories for 15.6% (13.9%).

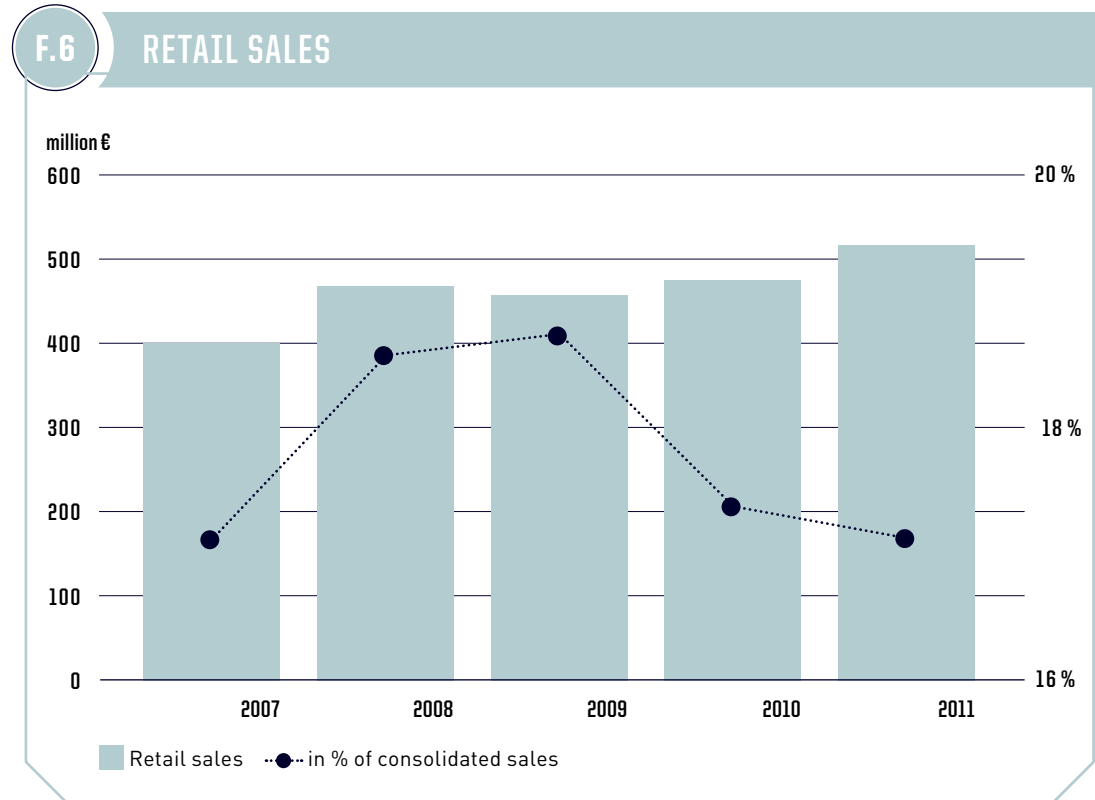
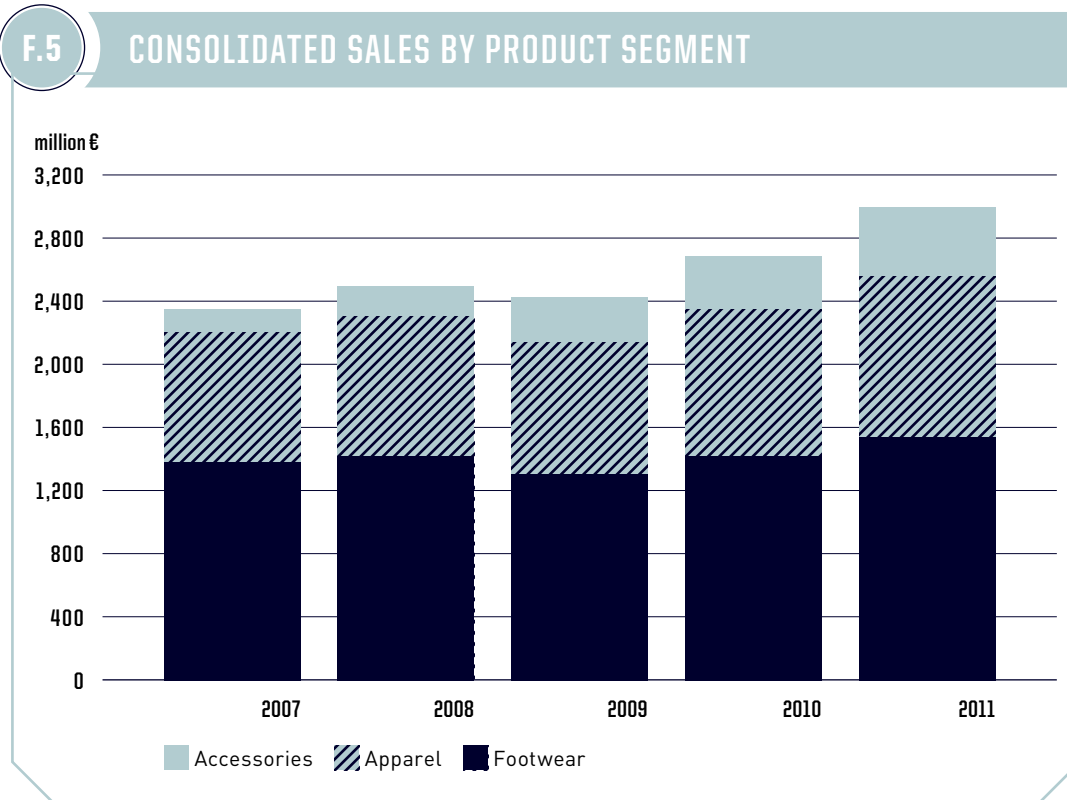


This table shows a breakdown of brand sales by region: EMEA 43.3% (44.8%), the Americas 33.1% (32.8%) and Asia/Pacific 23.6% (22.5%).



CONSOLIDATED SALES

In the financial year 2011, currency-adjusted consolidated sales rose by 12.1% to €3,009 million. In the reporting currency, the euro, consolidated sales were 11.2% higher than in the previous year. Management thus achieved its sales target, reaching the milestone of €3.0 billion in consolidated sales for the first time. The change in the group of consolidated companies in the reporting year had no material impact on sales.



FOOTWEAR In the Footwear segment, currency-adjusted sales rose by 9.9% to € 1,539.5 million, or 51.2% of consolidated sales (previous year: 52.6%).

APPAREL In the Apparel segment, currency-adjusted sales rose by 9.9% to € 1,035.6 million, or 34.4% of consolidated sales (previous year: 34.8%).

ACCESSORIES In the Accessories segment, currency-adjusted sales jumped by 27.3% to € 433.9 million, primarily due to the full-year effect of the Cobra Golf acquisition in April 2010. As a result, Accessories accounted for 14.4% of consolidated sales, up from 12.6% in the previous year.

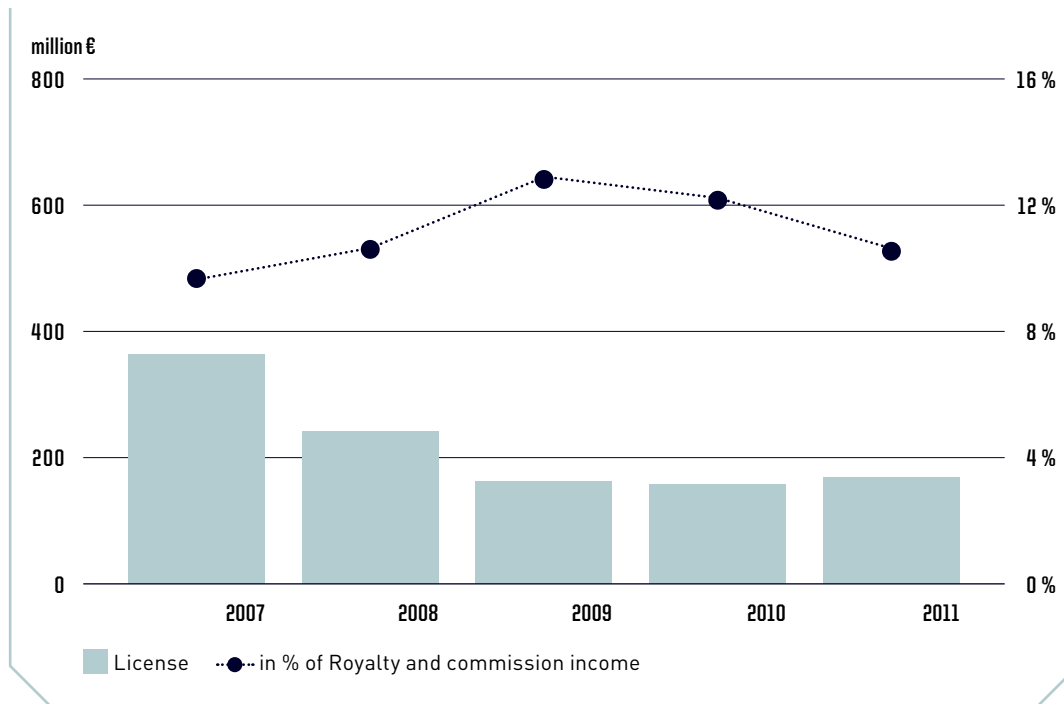
RETAIL BUSINESSES

PUMA's own retail businesses include PUMA stores, factory outlets and online sales, which guarantee local availability and a controlled sale of PUMA products. In the financial year 2011, sales from the Company's own retail businesses rose by 9.5% to € 515.0 million, equal to 17.1% of total consolidated sales. The increase in retail sales was the result of opening new stores and/or the targeted reconfiguration of existing stores.

In the future, PUMA's own retail operations will continue to be an important pillar of its business and an important component of its brand strategy, because immediate proximity to the consumer increases the speed with which products can be developed and brought to market. They also allow the Company to present innovative products in a brand-appropriate environment while creating a unique brand experience.

G.7

LICENSE SALES / LICENSE AND COMMISSION INCOME



LICENSING BUSINESS

For various product segments such as watches, fragrances and eyewear, 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 license sales increased by 7.0% in 2011 to € 163.5 million.

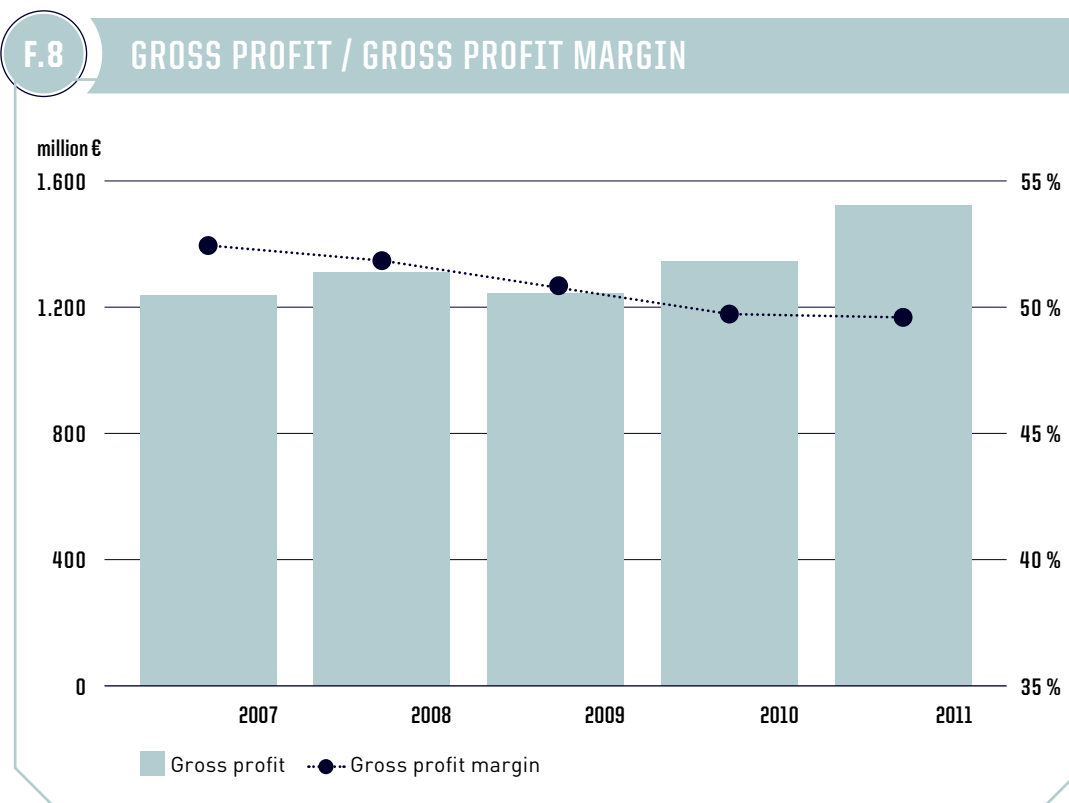
License sales included € 17.6 million of royalty and commission income (previous year: € 19.1 million). That represented 10.8% of license sales (previous year: 12.3%).

T.1 INCOME STATEMENT

	2011 € million	%	2010 € million	%	+/- %
Sales	3,009.0	100.0%	2,706.4	100.0%	11.2%
Cost of sales	-1,515.6	-50.4%	-1,361.6	-50.3%	11.3%
Gross profit	1,493.4	49.6%	1,344.8	49.7%	11.0%
Royalty and commission income	17.6	0.6%	19.1	0.7%	-8.0%
Other operating income and expenses	-1,177.8	-39.1%	-1,026.1	-37.9%	14.8%
Operating income before special items	333.2	11.1%	337.8	12.5%	-1.4%
Special items	0.0	0.0%	-31.0	-1.1%	-100.0%
Operating income (EBIT)	333.2	11.1%	306.8	11.3%	8.6%
Financial result	-12.8	-0.4%	-5.3	-0.2%	141.1%
Earnings before taxes (EBT)	320.4	10.6%	301.5	11.1%	6.3%
Taxes on income	-90.0	-3.0%	-99.3	-3.7%	-9.4%
Tax rate	28.1%		32.9%		
Net earnings attributable to non-controlling interests	-0.3	0.0%	0.0	0.0%	
Net earnings	230.1	7.6%	202.2	7.5%	13.8%
Weighted average shares outstanding (million)	14,981		15,031		-0.3%
Weighted average shares outstanding, diluted (million)	14,985		15,123		-0.9%
Earnings per share in €	15.36		13.45		14.2%
Earnings per share, diluted in €	15.36		13.37		14.9%

RESULTS OF OPERATIONS

To provide a more transparent view of business development, the chart above and the explanations below – unlike the income statement – show the special items relating to non-recurring expenses on a separate line, because the operating income prior to applying special items provides a more accurate picture of the company's profitability. There were no special items to report in the financial year 2011.

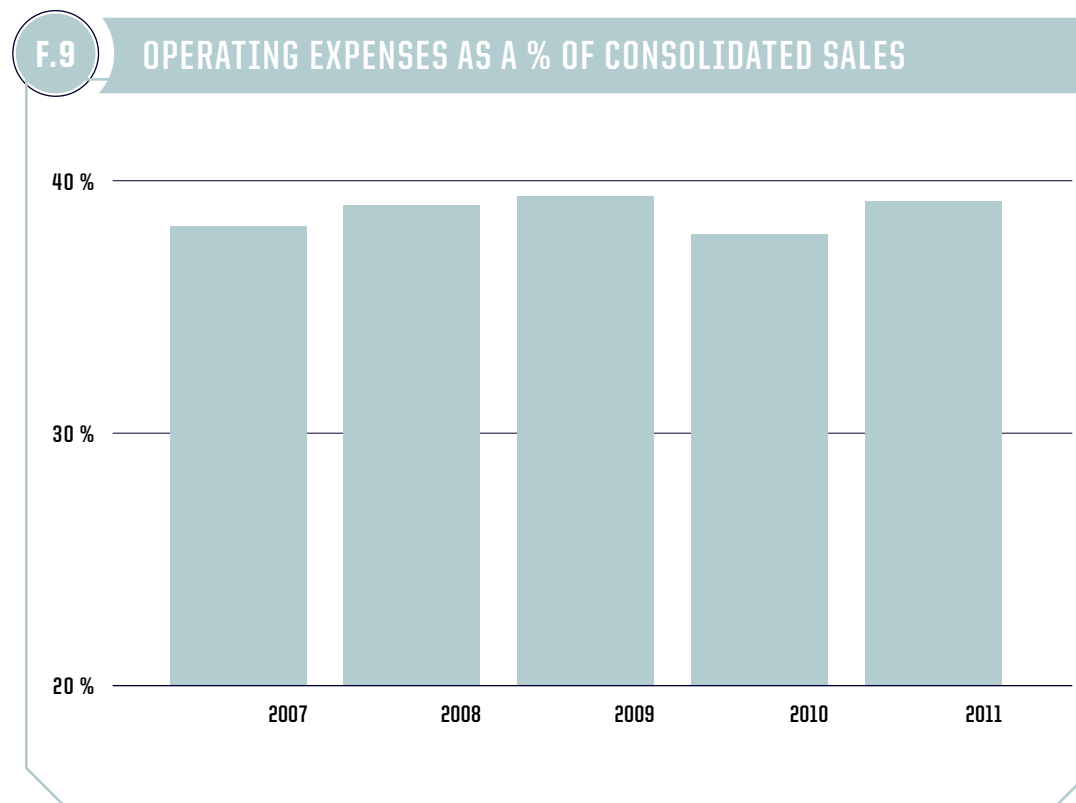


GROSS PROFIT MARGIN

Despite increasing input price pressures in the form of volatile wages and commodity prices, the Company's gross profit margin in the financial year 2011 remained high at 49.6%. In absolute terms, the gross profit margin increased by 11.0% from €1,344.8 million to €1,493.4 million. A breakdown by product segment shows that the gross profit margin was 49.1% in the Footwear segment (previous year: 48.9%) and 49.6% in the Apparel segment (down from 50.6% the previous year). In Accessories, the margin increased from 50.6% to 51.6%.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses increased by 14.8% to €1,177.8 million due to investments related to the strategic 'Back on the Attack' growth plan and to the full-year impact of the Cobra Golf takeover in April 2010. Therefore, as expected, the expense ratio increased from 37.9% in the previous year to 39.1%.



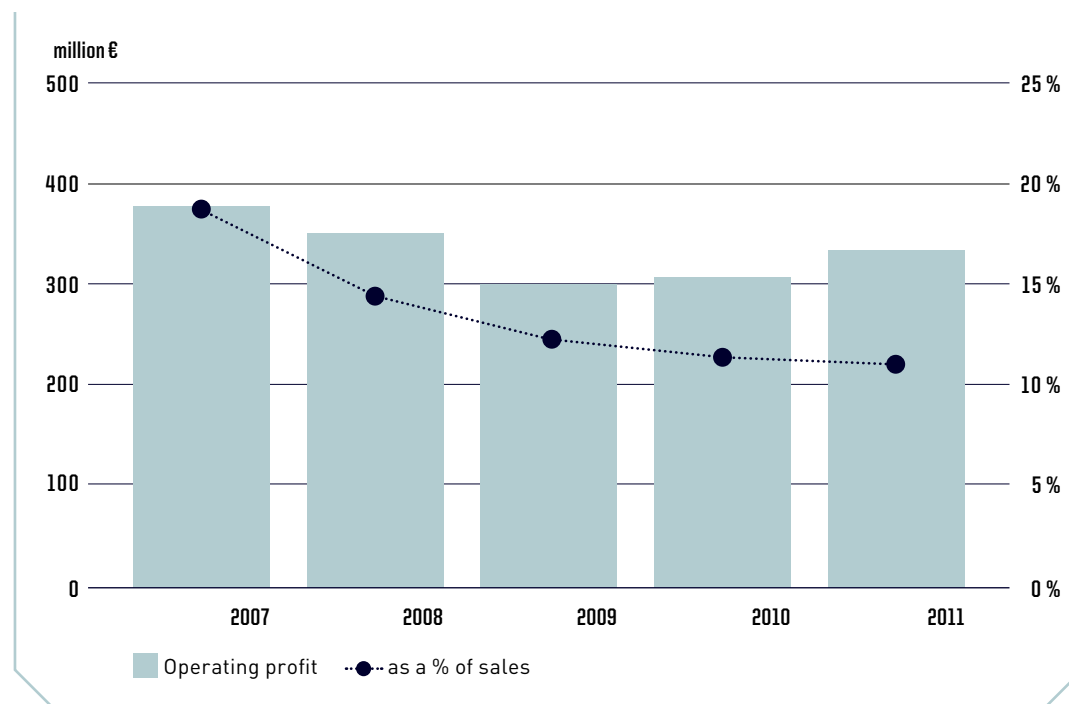
Within the selling expenses, marketing/retail expenses rose by 9.8% to €550.7 million. However, the corresponding expense ratio decreased from 18.5% to 18.3% of sales. Due to the increase in sales, other selling expenses increased by 11.0% to €387.1 million and the expense ratio remained constant at 12.9% of sales. Expenditures for product development and design increased from €63.6 million to €77.0 million and as a percentage of sales rose from 2.3% to 2.6%. Investments under the strategic growth plan and the increase in the number of employees were two of the reasons why general and administrative expenses went up by 31.8% to €195.3 million. This caused the expense ratio as a percentage of sales to rise from 5.5% to 6.5%. In addition, the Company reported other operating income of €32.2 million (previous year: €35.5 million).

Depreciation and amortization charges totaling €57.4 million (a 4.1% increase from the previous year) are included under the respective cost items.

SPECIAL ITEMS

There were no special items to report in the financial year 2011. The special items reported the previous year refer solely to non-recurring expenses relating to a subsidiary in Greece.

G.10 OPERATING INCOME



OPERATING INCOME (EBIT)

Operating income improved by 8.6%, from €306.8 million in the previous year to €333.2 million. As a percentage of sales, this was equal to an operating margin of 11.1%.

FINANCIAL RESULT

In 2011, the net loss from financing activities (financial result) totaled €12.8 million, compared with a net loss of €5.3 million in 2010.

The financial result includes interest income of €5.2 million (previous year: €4.4 million) and interest expenses of €8.4 million (previous year: €5.9 million). The financial result also includes €1.1 million in income (previous year: €1.8 million) from an associated company, Wilderness Holdings Ltd. In addition, the financial result includes expenses for long-term purchase price liabilities and accrued interest from company acquisitions totaling €2.7 million (previous year: €4.3 million), €1.1 million from pension plan valuations (previous year: €1.3 million) and €6.9 million in currency-conversion differences associated with financing activities (previous year: €0.0 million).

EARNINGS BEFORE TAXES (EBT)

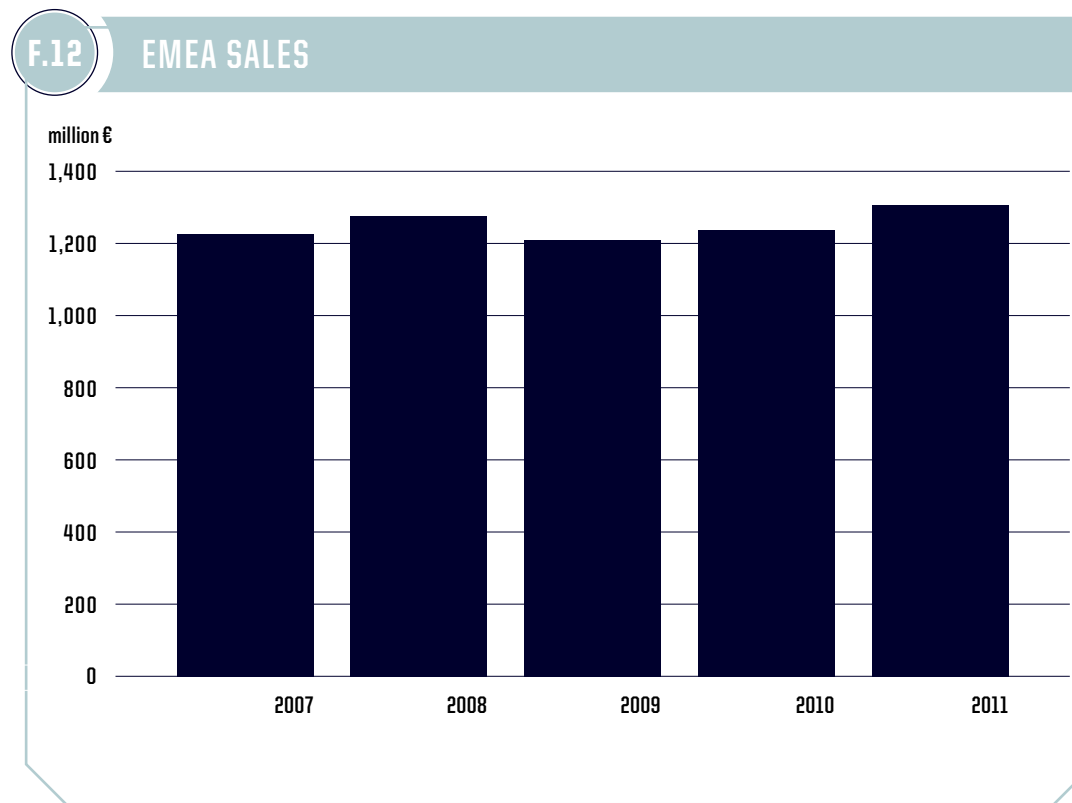
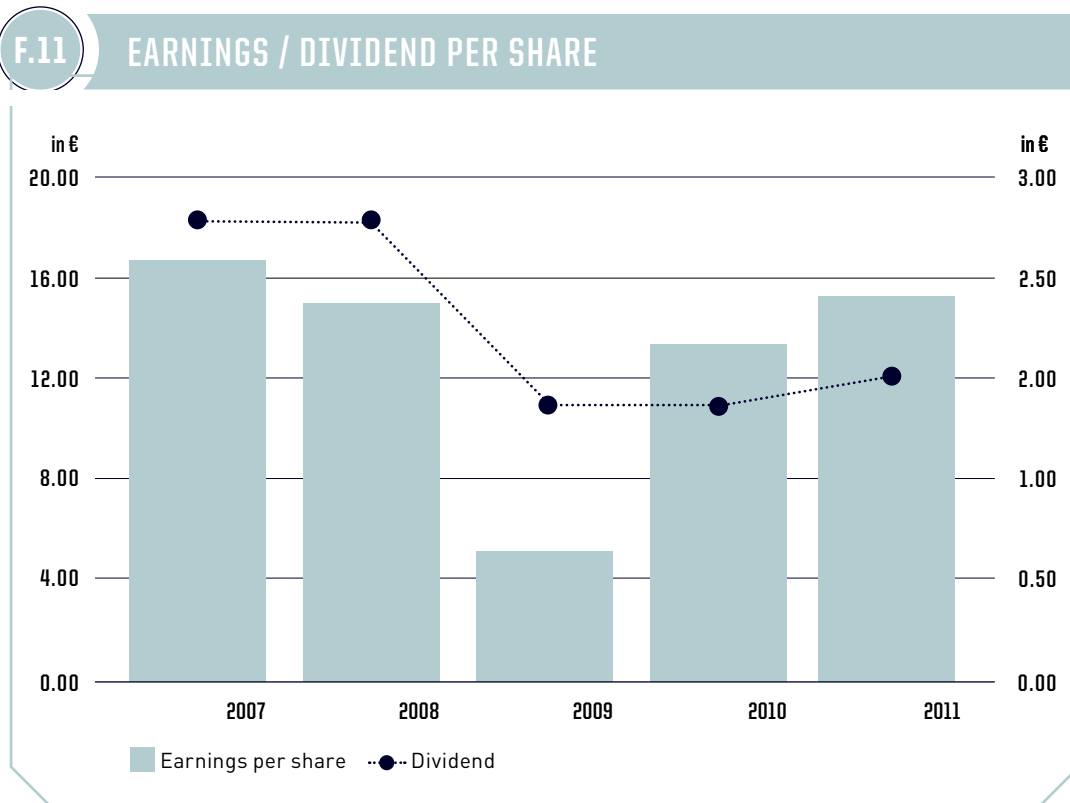
In absolute terms, earnings before taxes increased from €301.5 million in the previous year to €320.4 million.

Tax expenses dropped from €99.3 million to €90.0 million. In the financial year 2011, the tax rate was 28.1%; due to special items, the tax rate was 32.9% the previous year.

NET EARNINGS

The Company posted a double-digit (13.8%) increase in net earnings from €202.2 million in the previous year to €230.1 million in financial year 2011. The net rate of return increased slightly, from 7.5% in 2010 to 7.6% in 2011.

Earnings per share increased from €13.45 to €15.36, while diluted earnings per share increased from €13.37 to €15.36.

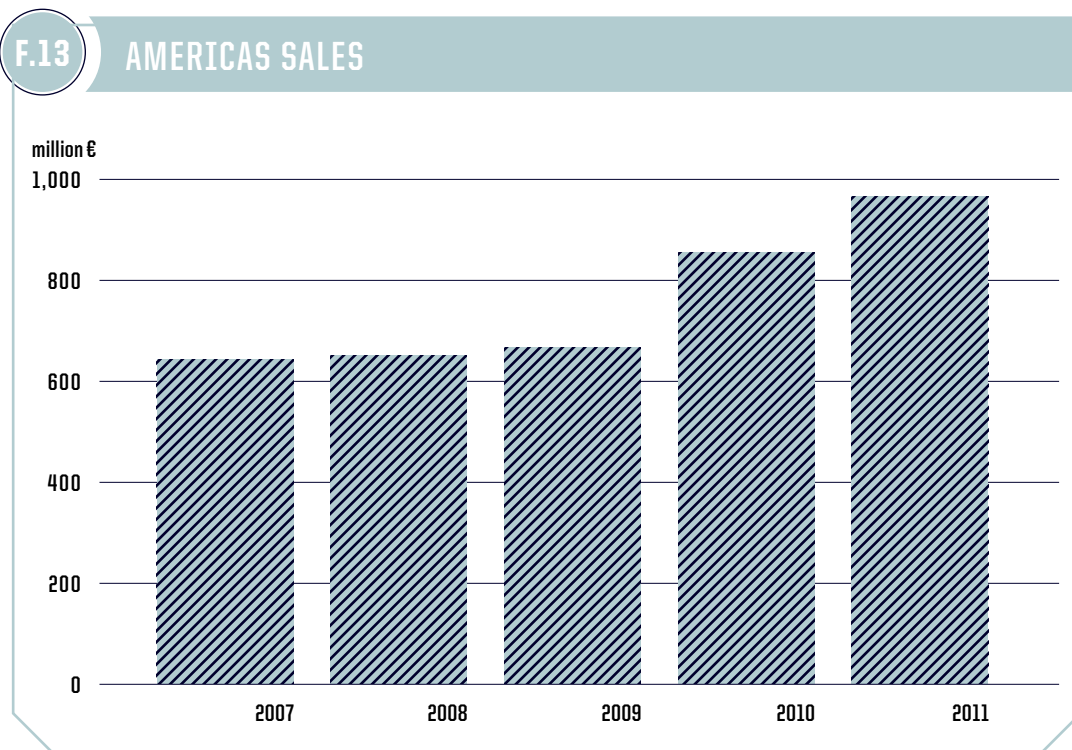


DIVIDENDS

The Managing Directors and the Administrative Board will recommend to shareholders at the Annual General Meeting on April 24, 2012 that a dividend of € 2.00 per share be distributed from PUMA SE's retained earnings for financial year 2011. As a percentage of net earnings, the payout ratio amounts to 13.0% compared to 13.3% in the prior year. The dividends will be distributed the day after the Annual General Meeting, when the resolution on the distribution is adopted.

REGIONAL PERFORMANCE

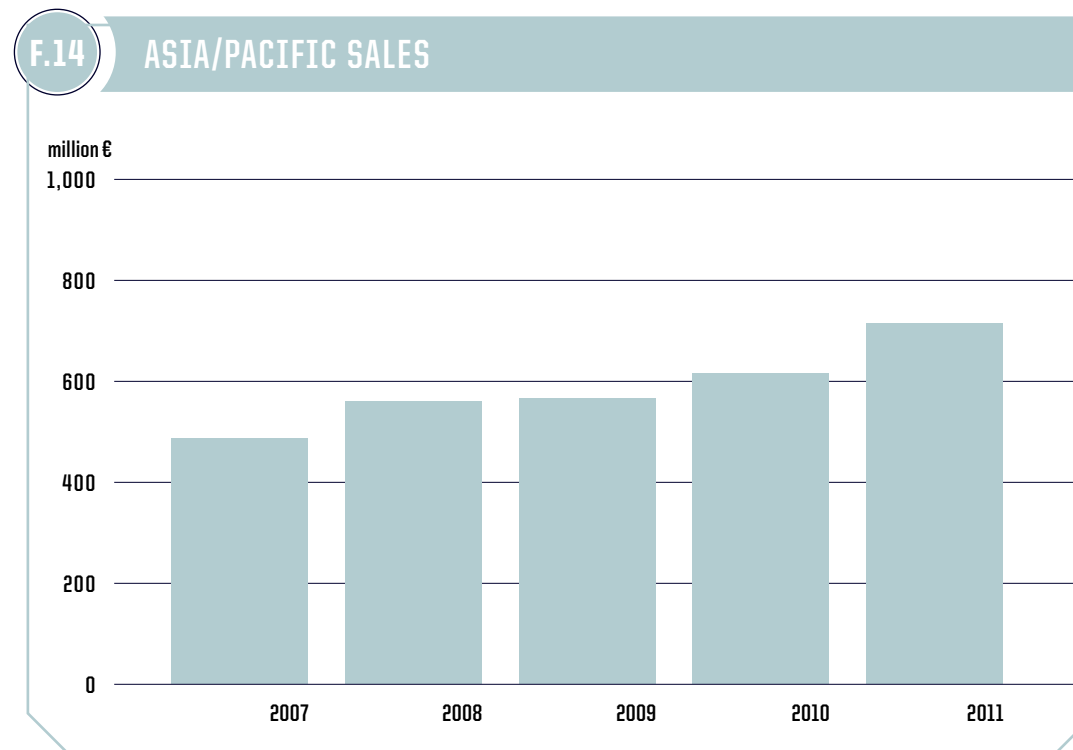
EMEA Currency-adjusted sales in the EMEA region rose by 7.7% to € 1,312 million. In the reporting currency, the euro, sales increased by 7.4%. As a percentage of consolidated sales, the EMEA region accounted for 43.6%, compared to 45.1% the previous year. A breakdown by product segment shows that currency-adjusted sales in the Footwear segment increased by 5.7%, while currency-adjusted Apparel sales increased by 4.9% and sales of Accessories jumped by 19.7%. EMEA's gross profit margin increased from 50.6% in 2010 to 50.8% in 2011.



AMERICAS In the Americas, the Company posted a currency-adjusted increase in sales of 17.7%, to €966.9 million. The majority of this sales increase was generated by the Company's Latin American operations. The Americas now, accounts for 32.1% of consolidated sales, up from 31.6%.

Currency-adjusted sales from the Footwear segment increased by 8.9%, while Apparel sales rose by as much as 28.4%. Accessories sales jumped by 73.0%, due primarily to the full-year effect of the Cobra Golf acquisition in April 2010.

The gross profit margin for the Americas increased from 46.6% in 2010 to 47.1% in 2011.



ASIA/PACIFIC Currency-adjusted sales in the Asia/Pacific region rose by 13.3% to €730.1 million. In the reporting currency, the Euro, sales were 16.1% higher than the year before. This region accounted for 24.3% of consolidated sales in 2011, compared to 23.2% in the previous year.

In the Footwear segment, currency-adjusted sales rose by 22.9%, while Apparel posted a 7.2% increase and Accessories achieved an 11.1% increase.

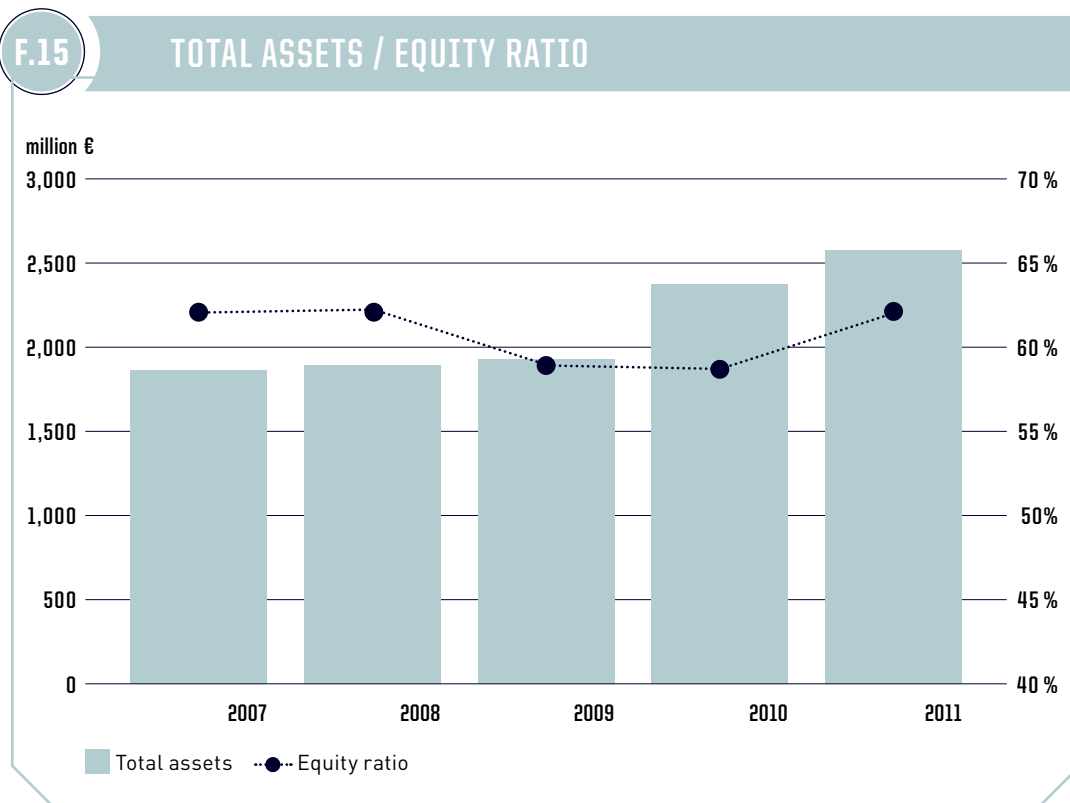
The gross profit margin declined from 52.0% to 51.0%.

NET ASSETS & FINANCIAL POSITION

T.2

STATEMENT OF FINANCIAL POSITION

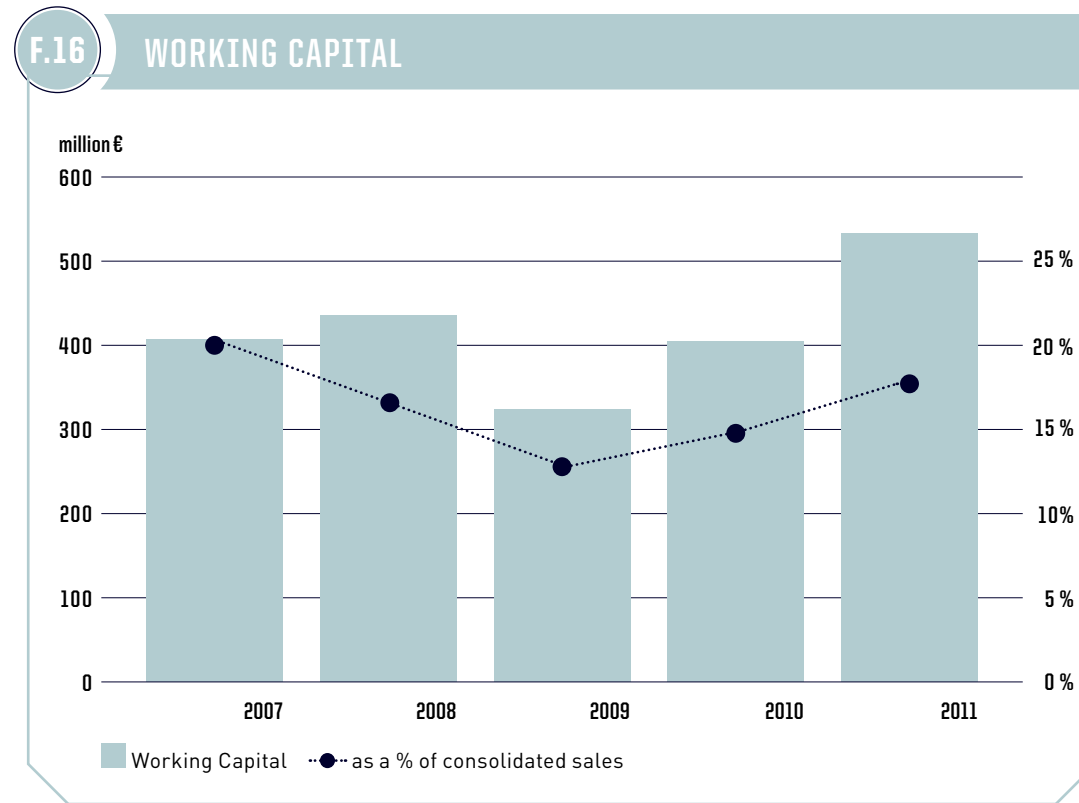
	2011		2010		
	€ million	%	€ million	%	+/- %
Cash and cash equivalents	448.2	17.4%	479.6	20.3%	-6.5%
Inventories	536.8	20.8%	439.7	18.6%	22.1%
Trade receivables	533.1	20.7%	447.0	18.9%	19.3%
Other current assets (Working Capital)	167.6	6.5%	177.6	7.5%	-5.6%
Other current assets	28.7	1.1%	3.3	0.1%	770.0%
Current assets	1,714.5	66.4%	1,547.2	65.4%	10.8%
Deferred taxes	109.1	4.2%	96.5	4.1%	13.0%
Other non-current assets	758.2	29.4%	722.9	30.5%	4.9%
Non-current assets	867.3	33.6%	819.4	34.6%	5.8%
Total assets	2,581.8	100.0%	2,366.6	100.0%	9.1%
Current bank liabilities	35.1	1.4%	42.8	1.8%	-18.0%
Trade liabilities	431.4	16.7%	344.3	14.5%	25.3%
Other current liabilities (Working Capital)	272.1	10.5%	315.5	13.3%	-13.7%
Other current liabilities	100.5	3.9%	96.4	4.1%	4.3%
Current liabilities	839.2	32.5%	799.0	33.8%	5.0%
Deferred taxes	63.6	2.5%	50.7	2.1%	25.5%
Pension provisions	29.8	1.2%	26.1	1.1%	14.2%
Other non-current liabilities	44.0	1.7%	104.4	4.4%	-57.8%
Non-current liabilities	137.5	5.3%	181.2	7.7%	-24.1%
Shareholders' equity	1,605.2	62.2%	1,386.4	58.6%	15.8%
Total liabilities and shareholders' equity	2,581.8	100.0%	2,366.6	100.0%	9.1%
Working capital	534.0		404.5		32.0%
- in % of consolidated sales	17.7%		14.9%		



EQUITY RATIO

Total assets increased by 9.1% from €2,366.6 million to €2,581.8 million as of December 31, 2011, due primarily to the increase in inventories and trade receivables.

Despite the increase in total assets, the equity ratio rose from 58.6% in the previous year to 62.2%. In absolute terms, shareholders' equity increased by 15.8% from €1,386.4 million to €1,605.2 million. PUMA thus continues to enjoy an extremely strong capital base.



WORKING CAPITAL

In the reporting year, working capital increased by 32.0% from €404.5 million to €534.0 million; as a percentage of sales, it rose from 14.9% to 17.7%.

The increase in working capital was mainly attributable to the 22.1% increase in inventories, caused by an increase of stock and also higher prices, to €536.8 million. The 19.3% increase in trade receivables to €533.1 million was mainly due to the substantial increase in sales in the fourth quarter of 2011. The increase in current assets was partially offset by the 25.3% increase in trade payables to €431.4 million.

OTHER ASSETS

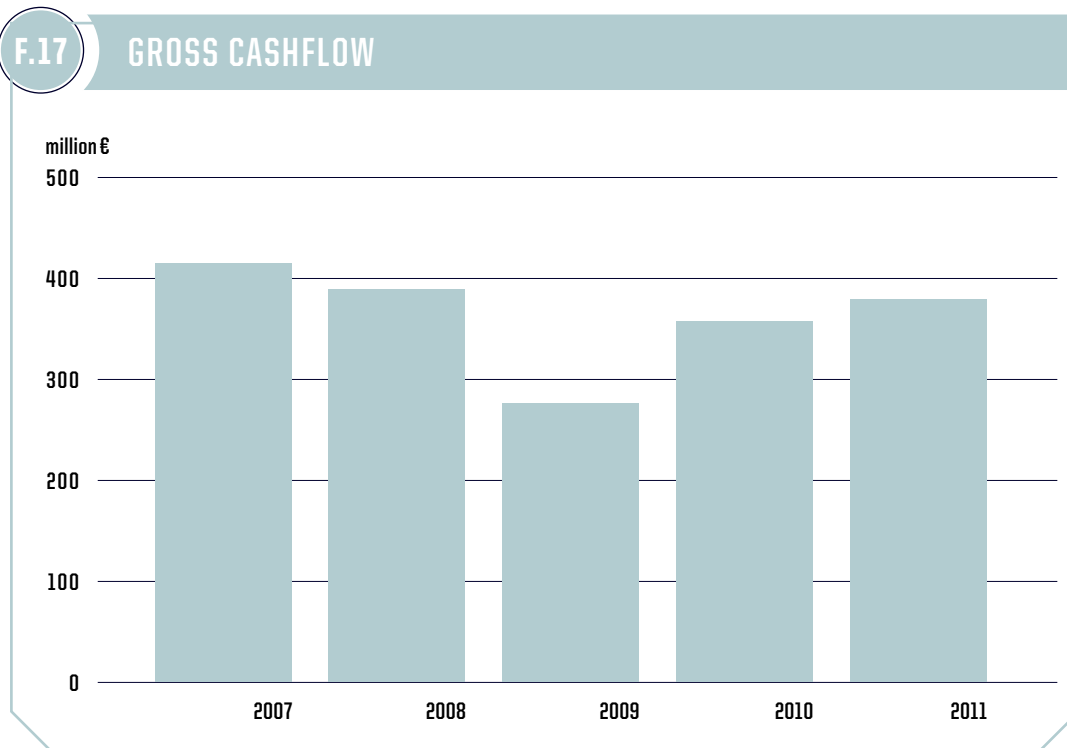
Other current assets decreased from € 177.6 million to € 167.6 million. This was attributable, among other things, to the decrease in income tax receivables. Other non-current assets, consisting mainly of intangible assets and property, plant and equipment, rose by 4.9% to € 758.2 million, reflecting in particular retrospective purchasing price adjustments and changes in exchange rates affecting goodwill and advance payments on intangible assets related to IT investments.

Other current liabilities decreased from € 315.5 million to € 272.1 million, primarily attributable to the decrease in other current provisions. The item 'Other non-current liabilities' mainly includes acquisition-related liabilities and non-current provisions. In particular, the 2011 decrease from € 104.4 to € 44.0 million resulted from a change in the maturity structure of the acquisition-related liabilities.

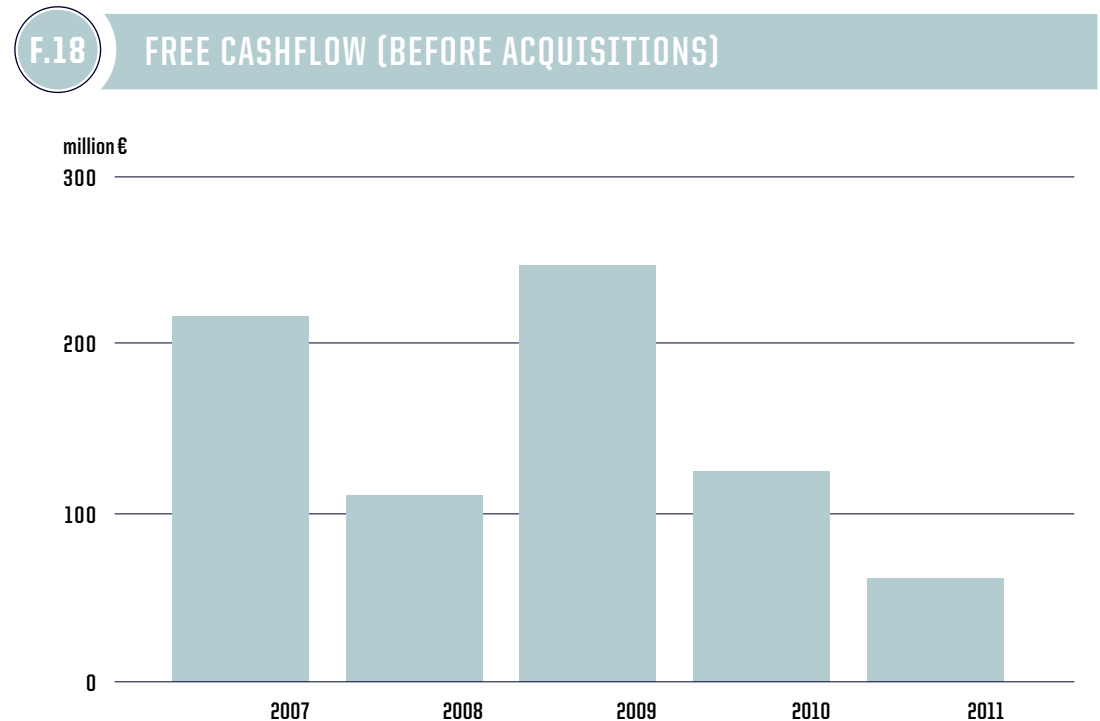
CASH FLOW

Gross cash flow increased by 6.5% to € 381.5 million in the financial year 2011, primarily due to higher earnings before taxes (EBT), which resulted from a steady gross profit margin on higher sales.

T.3	CASH FLOW STATEMENT	2011 € million	2010 € million	+/- %
	Earnings before tax (EBT)	320.4	301.5	6.3%
	Financial result and expenses and income not in the income statement	61.2	56.9	7.5%
	Gross cash flow	381.5	358.4	6.5%
	Change in current assets, net	-105.9	-97.0	9.2%
	Taxes and interest payments	-148.8	-92.0	61.8%
	Net cash from operating activities	126.8	169.4	-25.2%
	Payment for acquisitions	-44.2	-108.4	-59.2%
	Payment for investing in fixed assets	-71.1	-55.2	28.9%
	Other investing activities	5.3	11.3	-52.9%
	Net cash used in investing activities	-110.0	-152.3	-27.8%
	Free cash flow	16.8	17.1	-2.0%
	Free cash flow (before acquisition)	61.0	125.5	-51.4%
	in % of consolidated sales	2.0%	4.6%	-
	Net cash used in financing activities	-58.8	-54.2	8.6%
	Effect of exchange rates on cash and cash equivalents	10.7	31.1	-65.6%
	Change in cash and cash equivalents	-31.4	-6.0	423.2%
	Cash and cash equivalents at beginning of the financial year	479.6	485.6	-1.2%
	Cash and cash equivalents at year-end	448.2	479.6	-6.5%



The change in net working capital reflected a cash outflow of €105.9 million, compared to €97.0 in the previous year. Taxes and interest payments totaled €148.8 million in the financial year 2011, compared to €92.0 million the previous year. This item included tax payments including back taxes from tax audits, of €141.6 million, up from €86.1 million. Net cash generated by operating activities totaled €126.8 million, versus €169.4 million in the previous year. The cash outflow from investing activities decreased from €152.3 million to €110.0 million. This decline was due mainly to the Cobra Golf acquisition in 2010. This was partially offset by an increase in current investments in fixed assets from €55.2 million to €71.1 million in 2011.



The net result of cash in and outflows from current operating and investing activities is the free cash flow, which was virtually unchanged at €16.8 million (previous year: €17.1 million). Without considering payments for acquisitions, free cash flow dropped from €125.5 million to €61.0 million. As a percentage of sales, free cash flow (before acquisitions) decreased to 2.0% from 4.6% in the previous year. The cash outflow from financing activities mainly includes €26.8 million in dividend payments and €26.6 million for the purchase of treasury shares. Cash and cash equivalents decreased from €479.6 million at the beginning of the year to €448.2 million as of December 31, 2011.

VALUE MANAGEMENT

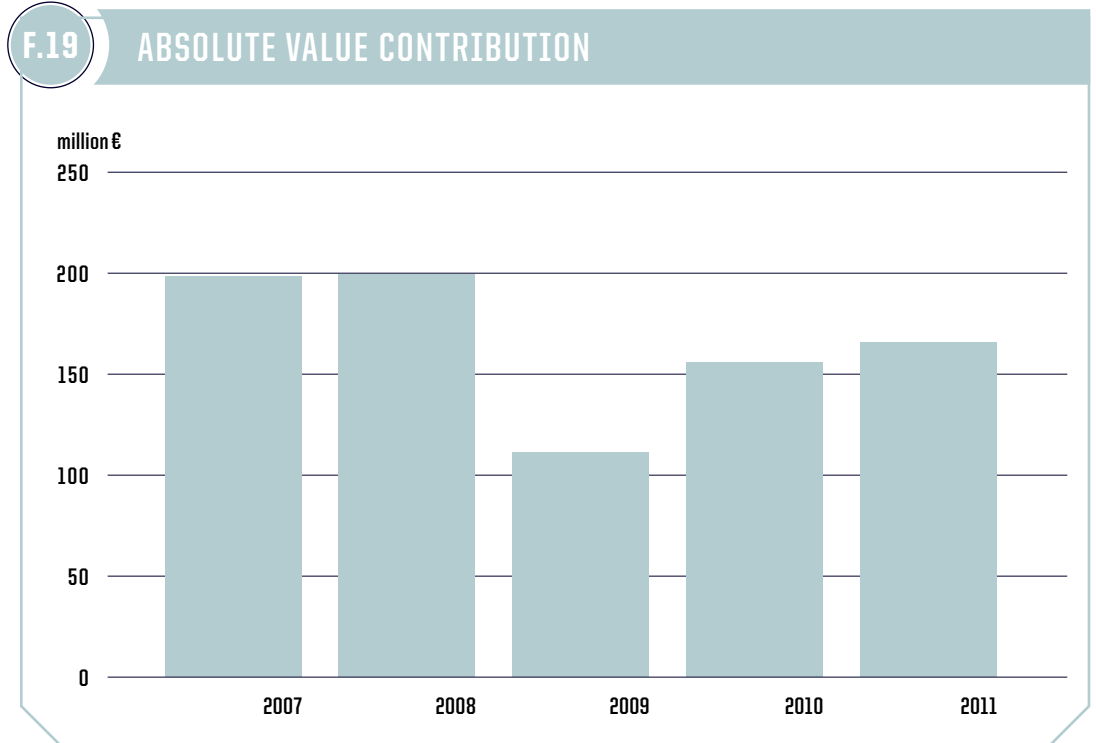
The cash flow return on investment (CFROI) is used to measure the return on equity and is the quotient of the cash flow and the cost (gross) basis of the investment.

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

The cash flow return on investment (CFROI) declined to 14.6% from 15.6% in the previous year.

The absolute value added is equal to the cost (gross) basis of the investment multiplied by the difference between the cash flow return on investment (CFROI) and the weighted-average cost of capital (WACC).

Taking into account the 6.5% WACC (previous year: 7.1%), the absolute value added increased by 6.5% from € 156.7 million to € 166.8 million.



T.4 CALCULATION OF WEIGHTED AVERAGE CAPITAL COSTS (WACC)					
	2011	2010	2009*	2008	2007
Riskfree interest rate	1.9%	3.1%	3.8%	4.0%	4.3%
Market premium	6.0%	5.0%	5.0%	5.0%	5.0%
Beta (M-DAX, 24 Months)	0.86	0.92	0.92	0.97	0.97
Cost of stockholders equity	7.0%	7.7%	8.4%	8.9%	9.1%
Riskfree interest rate	1.9%	3.1%	3.8%	4.0%	4.3%
Credit risk premium	2.5%	2.0%	3.0%	2.3%	1.3%
Tax shield	28.1%	32.9%	44.1%	29.0%	29.0%
Cost of liabilities after tax	3.2%	3.4%	3.8%	4.5%	3.9%
Calculation					
Market Capitalization	3,370.7	3,715.3	3,496.7	2,116.1	4,341.5
Share of equity	85.7%	87.8%	86.8%	79.1%	94.5%
Calculated liabilities	563.4	514.9	535.8	561.0	251.9
Share of liabilities	14.3%	12.2%	13.3%	21.0%	5.5%
WACC after tax	6.5%	7.1%	7.8%	8.0%	8.8%

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

T.5 CALCULATION OF CFROI AND CVA					
	2011 € million	2010 € million	2009* € million	2008 € million	2007 € million
Net earnings before attribution (without special items)	230.4	223.0	162.9	249.4	271.6
+ Depreciation and amortization	57.4	55.2	60.2	55.9	46.0
+ Interest expenses	12.2	11.5	11.8	10.8	10.7
Gross cash flow	300.1	289.7	235.0	316.1	328.4
Monetary assets	1,202.8	1,131.8	950.2	898.3	1,023.3
- Non interest-bearing liabilities	708.3	679.0	524.4	515.5	465.6
Net liquidity	494.6	452.8	425.8	382.8	557.7
+ Inventory	536.8	439.7	344.4	430.8	373.6
+ Fixed assets at prime cost	488.7	470.0	444.6	407.8	323.6
+ Intangible assets at prime cost	533.7	498.2	358.0	233.9	212.6
Gross investment basis	2,053.7	1,860.7	1,572.8	1,455.3	1,467.5
Cash flow Return on Investment (CFROI)	14.6%	15.6%	14.9%	21.7%	22.4%
CFROI - WACC	8.1%	8.4%	7.2%	13.7%	13.6%
Cash Value Added (CVA)	166.8	156.7	112.5	200.0	198.9

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

PRODUCT DEVELOPMENT AND DESIGN

PRODUCT PHILOSOPHY AND STRATEGY

Our product strategy flows directly from our goal of becoming the most desirable and sustainable sports lifestyle company in the world.

Our products can be broken down into three segments: Sports Performance, Sports Lifestyle and Sports Fashion. This means there are no sports products without style and no lifestyle products without the inspiration or features from the sports segment. In the Sports Performance segment, PUMA designs and develops collections for athletes from the Team Sports, Running, Training & Fitness, Golf, Outdoor, Swimming and Sailing categories. Thanks to our many years of R&D experience, we have a deep understanding of innovative technologies and processes for performance sports. For example, Faasfoam, one of our most recent major innovations, is one of the lightest and most resilient foam sole materials on the market. This material allows us to offer ultra-light running shoes for performance athletes, which at the same time reflects our minimalist design philosophy. In addition,

we offer high-tech outdoor products that were developed for our Volvo Ocean Race Team and the America's Cup Team, where they were successfully tested under the most extreme weather conditions. Here at PUMA, we are convinced that peak performance in sports should always be combined with fun and enjoyment. We therefore endeavor to set new standards with a distinctive, colorful and exciting design language. Our brand ambassador, Usain Bolt – the world's fastest man – perfectly embodies this unique positioning which blends sports, joy and a positive attitude. Moreover, we have reinforced our brand presence in the Sports Performance / Soccer segment in 2011 by signing contracts with outstanding soccer players. We are proud of the fact that top stars such as Cesc Fabregàs, Sergio Agüero and Radamel Falcao, as well as the reigning German champions, Borussia

Dortmund, now belong to the PUMA family. In the Sports Lifestyle segment, PUMA designs and develops products for the Motor Sports, Sport Heritage and Modern Lifestyle categories. Our Sports Lifestyle products draw on successful designs from our more than 60-year-long history, our partnerships with leading motor sports brands and the newest trends in the sports and street style scene, without losing sight of our passion for sports.

In the Sports Fashion segment, PUMA designs and develops sports fashion products under the Black Label. The Black Label's futuristic and innovative designs combine influences from the Sports and Lifestyle segment and transfer these to the world of fashion. The Black Label Collections are developed both in-house by our international design team and in cooperation with fashion labels such as Alexander

McQueen, Yasuhiro Mihara and Hussein Chalayan.

Naturally, we strive every year to learn from our customers and to understand their desires and needs in detail, because that's the only way we can develop relevant product designs that fully meet market expectations. At the same time, our designers and product developers in Herzogenaurach, Boston and London are constantly monitoring markets around the globe and creating their inspirations from trends in the street style or popculture category. Our current design theme, 'From London to Tokyo', is a prime example of our global approach of identifying trends and allowing us to draw inspiration from the wishes of our customers around the world. At the same time, our regional merchandise teams apply their strategic expertise to decide which products are the most relevant in which markets. This organizational culture, which is simultaneously both global and local, enables us to develop unique, desirable and relevant products for our target groups worldwide.

INNOVATION AND SUSTAINABILITY

Our entire product-development process is based on two performance indicators and core competencies: innovation and sustainability.

That's why we have established in the Footwear and Apparel segments globally oriented Innovation Teams that function as internal innovation centers and promote revolutionary product innovations. In the area of sustainability, we are pursuing the ambitious goal of significantly increasing the proportion of sustainable materials in our products and implementing sustainable production and distribution processes throughout the value chain. In the process, we follow a holistic approach and declare a product to be 'sustainable' only if at least 50% of its surface or weight is comprised of truly sustainable materials and it was manufactured by a factory that the PUMA.Safe team has rated as A or B+.

In addition to our major efforts to develop sustainable products, we are also continuing to implement sustainable packaging ideas that enable us to reduce our environmental impact and thus our environmental footprint. Through the introduction of the 'Clever Little Bag', an innovative packaging

design that replaces the conventional shoe-box, we not only reduced our CO₂ emissions considerably, but also revolutionized the shoepackaging market. Following a pilot phase and some design adjustments, we will introduce the 'Clever Little Bag' across our entire product portfolio in 2012.

Through our global design approach, our deep understanding of customer needs and industrial trends, our Innovation Teams and our continuous efforts to develop more sustainable products, we also continue to raise the bar worldwide for revolutionary design and innovative product developments.

PROCUREMENT

World Cat Ltd. is PUMA's own procurement organization and responsible for purchasing for all PUMA, Tretorn and Cobra products.

AREAS OF RESPONSIBILITY

As our procurement agent, World Cat Ltd. is responsible for guaranteeing and ensuring the entire product-procurement process for our brands. This includes selecting suitable suppliers, negotiating delivery and payment terms and supporting the PUMA Sales organization in placing orders, making changes to orders and cancelling orders with manufacturers.

In addition, World Cat Ltd. is responsible for supervising and supporting all production activities – including strict quality inspections – of our suppliers. This ensures a continually high level of product quality and compliance with environmental and social standards concerning production. Suppliers' compliance with these requirements is coordinated and monitored by PUMA.Safe, a division of World Cat Ltd., to ensure PUMA's high standards are followed throughout the entire supply chain.

World Cat Ltd. has outsourced the entire product-procurement process to independent suppliers, most of which have been business partners for many years. In return, these suppliers manage several independent local production sites. In order to optimize workflows, these suppliers have been integrated as strategic partners into the 'Strategic Supplier Concept', which involves intensive relationship management, regular performance evaluations and strategic coordination.

SUSTAINABILITY

Sustainability is an increasingly important issue for World Cat Ltd., because PUMA's long-term goal is to become not only the most desirable, but also the most sustainable Sports Lifestyle company in the world. In order to accomplish our sustainability targets by 2015, World Cat Ltd. is increasing our suppliers' awareness of sustainability, advising them on implementation of potential sustainability projects and monitoring

their results in order to achieve long-term improvements. In addition, the procurement organization is also promoting the use of more sustainable materials by effectively developing materials suppliers and is making it possible to stop price increases relating to the sustainability initiatives through transparent cost control.

PROCUREMENT MARKET

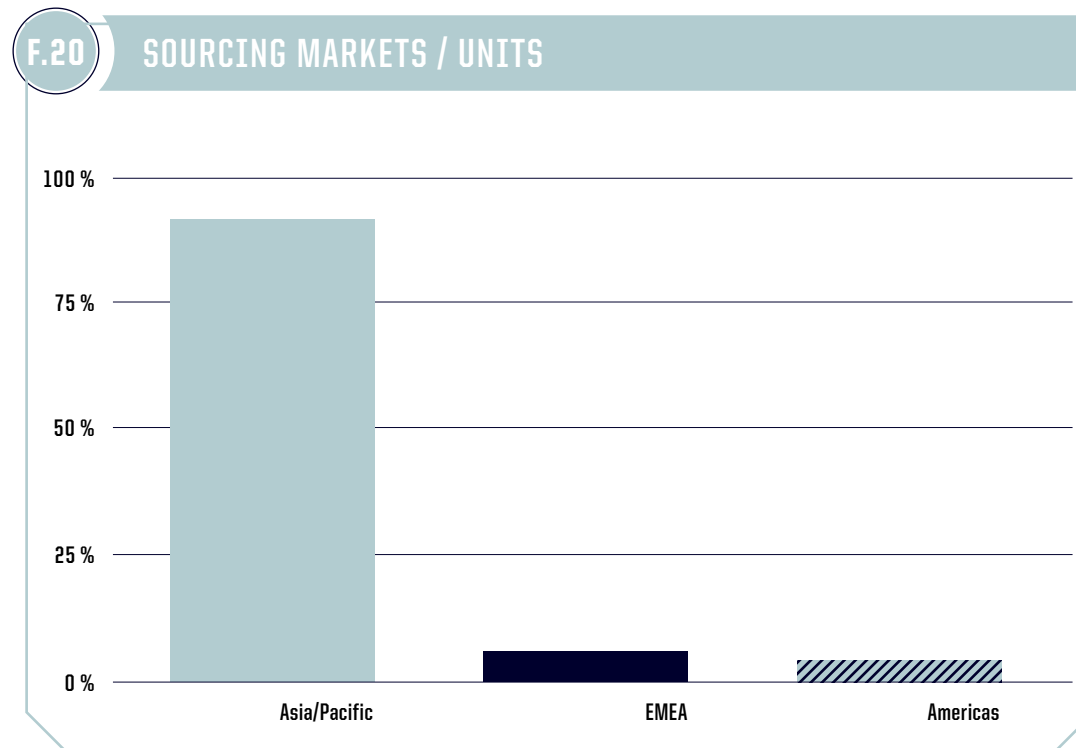
In today's increasingly volatile procurement environment, with increasing wages, fluctuating commodity prices and constantly changing foreign-exchange rates and inflation rates, the flexibility to choose suppliers and locations is critically important.

While World Cat Ltd.'s main procurement activities continue to be focused on the Asian procurement market with China (39%) and Vietnam (21%) as the biggest sources for procurement, countries such as Indonesia, Cambodia and Bangladesh are also becoming increasingly important. In order to ensure that it is well placed to react quickly and appropriately to the aforementioned macroeconomic developments, World Cat Ltd. actively follows commodity and labor market trends in the respective countries. Regional procurement is also playing an increasingly important role within PUMA's procurement organization, reflecting the Company's need to be able to better react to the differing demand and business concerns in different regions. In the South American market, in particular, where anti-dumping measures, high import tariffs and growing sales potential favor local procurement,

World Cat Ltd.'s procurement activities have expanded rapidly. Reduced turnaround times and a lower environmental impact are additional advantages to increased local, market-oriented procurement, which we have also expanded in other Latin American countries, South Africa, India and China.

In 2011, World Cat Ltd.'s global procurement network encompassed more than 150 suppliers with factories in 32 different coun-

tries.



EMPLOYEES

NUMBER OF EMPLOYEES

The annual average number of full-time employees was 10,043 in 2011, compared to 9,313 the previous year.

Overall, personnel expenses rose by 11.2% from €354.1 million to €393.8 million and the average personnel expense per employee was €39.2 thousand, compared to €38.0 thousand the previous year.

As of December 31, 2011, the number of employees was 10,836, compared to 9,697 at the end of the previous year.

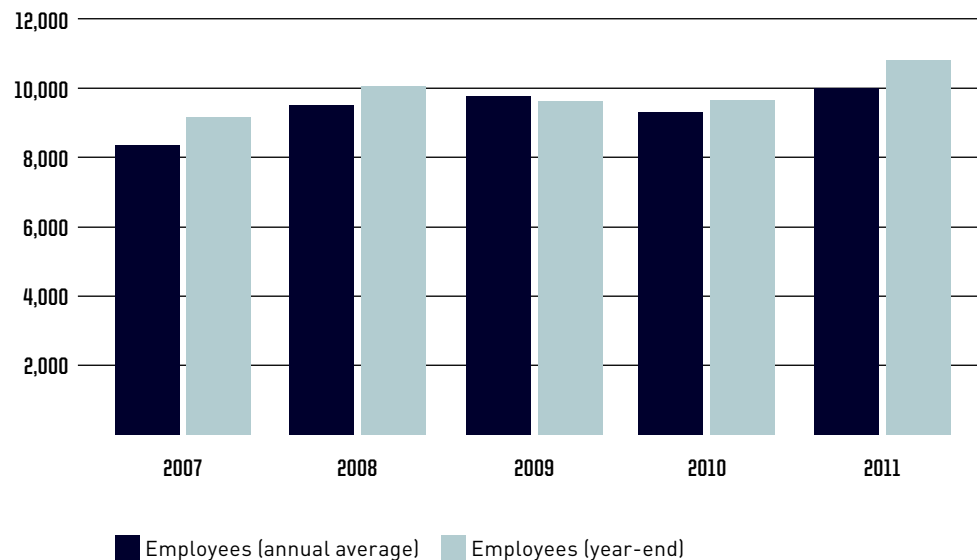
In the Marketing/Retail segment, the number of employees increased by 12.2% to

4,831 employees due to the expansion of the company's own retail portfolio.

The number of employees in Sales rose by 5.8% to 2,404. In the Product Development/Design segment, the number of employees jumped by 21.1% to 918, while the number of employees in the General and Administrative segments increased by 13.7% to 2,683.

F.21

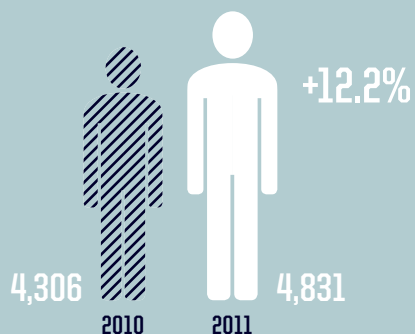
DEVELOPMENT EMPLOYEES



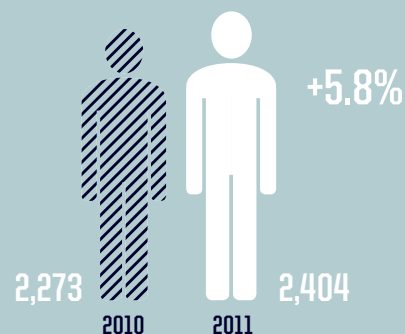
EMPLOYEES (YEAR-END)

F.22

MARKETING / RETAIL



SALES



PRODUCT DEVELOPMENT/DESIGN



ADMINISTRATION AND GENERAL UNITS



OUR EMPLOYEES ARE THE KEY TO OUR SUCCESS

One of the key factors in PUMA's long-term success is the Company's ability to attract the best, most talented employees. That is why PUMA places great importance on recruiting future employees and on training and retaining existing employees. Because our employees are highly qualified, most vacant management positions at the domestic and international level can be filled from within the PUMA Group's own ranks. This safeguards the Company's existing expertise and facilitates the transfer of know-how through knowledge-management projects. PUMA offers a working environment that includes equal opportunities, diversity and innovation and is in tune with the changing times. PUMA's compensation system includes a bonus program for all employees that considers both the individual performance of the employee and the overall performance of all employees. Employee potential is also fostered by a high degree of personal responsibility and further developed through training programs.

YOUNG TALENT

PUMA believes in attracting talent for the long term and therefore expanded entry-level opportunities for young people in 2011. Students can acquire their first practical experience at PUMA while they are still in school, as part of internship programs and while working on the graduation thesis. In addition to vocational training towards becoming either an

Industrial Business Management Assistant (Industriekaufmann), a Retail Salesperson (Einzelhandelskaufmann), a Sales Specialist (Handelsfachwirt), a qualified IT Specialist (Fachinformatiker), a Warehouse Logistics Specialist (Fachkraft für Lagerlogistik) or a Specialist Warehouse Clerk (Fachlagerist), dual-track (combined work-study) programs are also offered in cooperation with universities and vocational colleges. Every three months, students rotate between the on-campus study program and the practical semesters working in the Company. The courses of study offered range from International Business to Sports Management to Fashion Business Management. Since 2011, PUMA has been offering graduates with an international background and above-average grades the opportunity to take part in a 15-month program for trainees, which gives them exposure to various departments both at home and abroad. As of December 2011, PUMA SE had 26 apprentices, four dual-track students and six trainees.

PROMOTING AND DEVELOPING TALENT

In 2011, the newly designed training catalog was unveiled and incorporated into our People@PUMA talent management system. As part of their individual development plans, employees and their managers can choose from a wide variety of innovative training courses or contribute their own suggestions for training programs. The offered courses range from diversity to function-related training and to one-on-one coaching. Thanks to further expansion

of People@PUMA at our international locations, the uniform employee development and target-setting system is now available to more than 43% of our employees worldwide. The development of the International Leadership Program represents another major component of our global development program for executives. We have had positive feedback on the initial pilot training programs that started in Germany and the UK at the end of 2011.

CORPORATE GOVERNANCE REPORT / STATEMENT ON CORPORATE GOVERNANCE PURSUANT TO SECTION 289A HGB

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 are working closely 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)

2011 STATEMENT OF COMPLIANCE:

Pursuant to Art. 9 (1) c (ii) 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, since the last Statement of Compliance dated December 2010, and taking into consideration the particulars of PUMA SE's single-tier system, as described under item 1, PUMA SE (formerly PUMA AG) has, with the exceptions listed under item 2, been in compliance and is in compliance with the recommendations by the Government Commission on the German Corporate Governance Code (as amended May 26, 2010 and effective July 2, 2010), and where it is not in compliance, explains why not.

1. PARTICULARS OF THE SINGLE-TIER CORPORATE GOVERNANCE SYSTEM

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. 4 of the Code's Preamble. The Administrative Board manages the Company, determines the Company's basic business strategies and monitors their implementation 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 from No. 2.2.1(1) of the Code, the Administrative Board must submit the annual financial statements and the conso-

lidated financial statements to the Annual General Meeting, Section 48 (2)(2) SEAG.

→ In derogation from Nos. 2.3.1(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(1) (Development of the Company's Strategic Orientation), 6.1 (Publication of Insider Information) and 6.2 (Publication of Notifications on Voting Rights) 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(3) (Proxy Bound by Instructions), 3.7(1) (Statement on a Take-over Bid) and 3.7(2) (Conduct during a Take-

over 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 from Nos. 5.1.2(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 appointment; section 40(1)(1) SEAG.

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

2. EXEPTIONS TO THE CODE RECOMMENDATIONS

→ In derogation from 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 from No. 4.2.3(5) of the Code, 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 has not published the amount of compensation for individual members of the Board of Management and, until the authorization expires, will not publish the amount of compensation for individual Managing Directors (sections 4.2.4 and 4.2.5 of the Code). The authorization applies to the Managing Directors and they shall adhere to the authorization when they prepare the annual financial statements.

CONVERSION OF PUMA AG RUDOLF DASSLER SPORT INTO PUMA SE

In accordance with the resolution adopted on April 14, 2011 by the Annual General Meeting and the July 25, 2011 entry in the Commercial Register, PUMA AG Rudolf Dassler Sport was converted into a European Company (Societas Europaea/SE), PUMA SE.

RELEVANT DISCLOSURES OF CORPORATE GOVERNANCE PRACTICES THAT ARE APPLIED BEYOND THE REGULATORY REQUIREMENTS

Before the conversion, the Company was managed by the **Board of Management**, in

accordance with the requirements of the German Stock Corporation Act (AktG). The **Supervisory Board** monitored the Board of Management and provided advice on its management duties.

As a result of the change in legal form, the Company is now run by the **Administrative Board (single-tier system)**, which determines the Company's basic business strategies and 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 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') prescribes 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, amongst 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 see to it 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 many years of international ties 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 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 must 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. There are currently 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 BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD (BEFORE THE CONVERSION) AND OF THE ADMINISTRATIVE BOARD AND THE MANAGING DIRECTORS (AFTER THE CONVERSION) AND THE COMPOSITION AND WORKING PRACTICES OF THEIR COMMITTEES

The Rules of Procedure for the Board of Management, the Supervisory Board, the Administrative Board and the Managing Directors are available under "Company" at <http://about.puma.com>.

SUPERVISORY BOARD

In accordance with the Articles of Association, the Supervisory Board was composed of six members. Pursuant to the German Codetermination Act (Mitbestimmungsgesetz), the Supervisory Board consisted of four shareholder representatives plus two employee representatives.

The names of the Supervisory Board members are listed in the explanatory disclosures in the Notes.

Before the conversion, the Supervisory Board met four times per financial year.

To perform its duties, the Supervisory Board had established a Personnel Committee and an Audit Committee.

Both of these committees continue to exist, but are now under the Administrative Board following the conversion.

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 SE's Articles of Association (Article 7.3), adopted by the Annual General Meeting, designated the shareholder representatives to the first Administrative Board. They are Jochen Zeitz (Chairman), François-Henri Pinault, Jean-François Palus, Grégoire Amigues, Thore Ohlsson and Michel Friocourt. Under consideration of the preliminary results of the employee involvement procedure (Arbeitnehmerbeteiligungsverfahren), the following employee representatives were appointed by court order: Bernd Illig, Martin Köppel and Victor Fernandes.

Pursuant to statutory requirements (section 30(3) AktG), the members of the Administrative Board are appointed for a period up to the close of the Annual General Meeting adopting a resolution approving the actions of the Board for PUMA SE's first financial year, but in any case ending no more than three years later.

Article 7.3 of the Articles of Association notwithstanding, the term of office of each of the members of the Administrative Board ends at the close of the Annual General Meeting adopting a resolution approving the actions of the Board for the fourth finan-

cial 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 appointment of each member of the Administrative Board. Members of the Administrative Board may 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 welfare or if a member of the Administrative Board demands that a meeting be convened. The Administrative Board met once in 2011 following the conversion. The names of the members of the Administrative Board are listed in the explanatory disclosures in the Notes.

To perform its duties, the Administrative Board has established various committees, which report to it regularly on their work.

EXECUTIVE COMMITTEE

The members of the Executive Committee are Jochen Zeitz (Chairman), Michel Friocourt and Martin Köppel. 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

The members of the Personnel Committee are François-Henri Pinault (Chairman), Jochen Zeitz and Bernd Illig. Personnel Committee meetings are scheduled to coincide with meetings of the Administrative Board. 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. Issues involving the Managing Directors' compensations are decided by the entire Administrative Board, based on recommendations from the Personnel Committee.

AUDIT COMMITTEE

The Audit Committee is comprised of the following members of the Administrative Board: Thore Ohlsson (Chairman), Jean-François Palus and Bernd Illig.

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 audit of the financial statements, and especially for the required independence of the statutory auditors, issuing the audit assignment to the statutory auditors, defining the audit areas of focus, any additional services to be performed by the statutory 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 audi-

tors must be based on a corresponding recommendation by the Audit Committee. Once the statutory auditors have been appointed by the Annual General Meeting, and the audit assignment has been issued by the Administrative Board, 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, in particular material weaknesses of the internal control and risk management system relating to the accounting process. 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

The members of the Sustainability Committee are Jochen Zeitz (Chairman), François-Henri Pinault and Martin Köppel. It is responsible for promoting Puma.Creative, Puma.Safe and Puma.Peace along with the principles of creativity, sustainability and peace, and an awareness of the need to act fairly, honestly, positively and creatively in every decision made and every action taken.

NOMINATING COMMITTEE

Only shareholder representatives serving on the Administrative Board may be members of the Nominating Committee. The Administrative Board has elected François-Henri Pinault (Chairman), Jochen Zeitz and Grégoire Amigues to the Nominating Committee. The Nominating Committee is responsible for proposing suitable shareholder-candidates to the Administrative Board for its voting recommendations to the Annual General Meeting.

COMPENSATION REPORT ON THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD (UNTIL JULY 24, 2011) AND ON THE MANAGING DIRECTORS AND THE ADMINISTRATIVE BOARD (FROM JULY 25, 2011)

BOARD OF MANAGEMENT / MANAGING DIRECTORS

Compensation for members of the Board of Management, which was set by the Supervisory Board, and compensation for the Managing Directors, which is set by the Administrative Board, consists of base-pay components and performance-based components. The base-pay components comprise fixed compensation and payments in kind, while the performance-based components are divided into bonuses and long-term incentive components (stock appreciation rights). Along with the job

assignments and performance of a member of the Board of Management and/or a Managing Director, the criteria for measuring total compensation include the economic situation, long-term strategic planning and related targets, the long-term durability of the results, the Company's long-term prospects for success and international benchmark comparisons.

The base pay, which is a fixed component regardless of performance, is paid monthly as the salary. In addition, the members of the Board of Management/Managing Directors receive payments in kind, such as company

cars and insurance premiums. In principle, all members of the Board of Management/Managing Directors are equally entitled to the above benefits; they are included in the base pay.

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

The performance-related long-term incentive component of compensation (stock appreciation rights) is always set up in con-

junction with multi-year plans. The number of stock appreciation rights issued is measured as a component of total compensation, based on the fair value of the stock appreciation rights on the allotment date. A cap is provided for to cover extraordinary, unforeseen developments. Please refer to item 21 of the Notes to the Consolidated Financial Statements for details on the parameters for specific programs.

In financial year 2011, the fixed compensation for the seven members of the Board of Management and the five Managing Directors totaled €4.9 million (previous year:

€5.9 million) and the variable performance-based compensation totaled €2.6 million (previous year: €5.9 million).

After allocating the expenses to the vesting period, the expenses for new options and for options issued in previous years totaled €3.8 million (previous year: €4.7 million). Members of the Board of Management / the Managing Directors were granted a total of 129,290 options under the 2008 SOP in financial year 2011. On the grant date, the fair value was €40.15 per option.

The Company has taken out reinsurance coverage for existing pension commitments to members of the Board of Management / Managing Directors. The portion of plan assets that has already been funded by the payment of premiums for the reinsurance coverage is counted as a vested claim. A contribution of €0.4 million (previous year: €1.2 million) was made for members of the Administrative Board / Managing Directors in financial year 2011. The present value of the defined benefit commitment to Managing Directors of €0.2 million on December 31, 2011 (previous year: €5.2 million) was netted against an equivalent amount for the pledged asset value of the reinsurance coverage. The change in personnel comprising the Board of Management to those comprising the Managing Directors resulted in a shift in pension liabilities from active to former members on the balance-sheet date. Pension obligations to former members of the Board of Management totaled €9.4 million (previous year: €3.5 million) and have been recorded as liabilities under pension

provisions accordingly, provided they were not netted against asset values of an equal amount. Pension accruals totaled €0.2 million (previous year: €0.1 million).

SUPERVISORY BOARD / ADMINISTRATIVE BOARD

Pursuant to the Articles of Association, the Supervisory Board consisted of six members. In accordance with the Articles of Association, the Administrative Board shall consist of at least three members; it currently has nine members. Compensation for the Supervisory Board / Administrative Board consists of fixed compensation and performance-based compensation.

SUPERVISORY BOARD

The fixed compensation for each individual member totaled €30.0 thousand per year. The Supervisory Board Chairman received twice that amount, while the Vice-Chairman received 1.5 times that amount. Total fixed compensation amounted to €126.4 thousand on a pro rata temporis basis until July 24, 2011 (a total of €225 thousand the previous year).

Performance-based compensation totaled €20.00 for each €0.01 by which the earnings per share shown in the consolidated financial statements (basic EPS) exceeded a minimum amount of €16.00, for a maximum of €10.0 thousand per year. The Supervisory Board Chairman received twice that amount, while the Vice-Chairman received 1.5 times that amount. Because EPS did not reach the minimum amount in financial year 2011, as

in the previous year, no performance-related compensation was paid.

ADMINISTRATIVE BOARD

In accordance with the Articles of Association, each member of the Administrative Board receives fixed annual compensation of €25.0 thousand. The fixed compensation is increased by an additional fixed annual amount of €25.0 thousand for the Chairman of the Administrative Board, €12.5 thousand for the Vice-Chairman of the Administrative Board, €10.0 thousand for each committee chairman (excluding the Nominating Committee) and €5.0 thousand for each committee member (excluding the Nominating Committee). The pro rata temporis compensation for the financial year totals €122.7 thousand.

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 exceeds a minimum amount of €16.00 per share. The maximum performance-based compensation is €10.0 thousand per year. The Chairman of the Administrative Board receives twice that amount of compensation (a maximum of €20.0 thousand), while the Vice-Chairman receives 1.5 times that amount (a maximum of €15.0 thousand). Because the EPS did not reach the minimum amount in financial year 2011, no performance-related compensation was paid.

For the year of the conversion, the compensation of the Administrative Board is subject to approval by the Annual General Meeting

adopting a resolution approving the actions of the members of the Administrative Board.

RISK 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 both must be taken into account by instituting effective risk management policies.

Monitoring and minimizing risks 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. Responsibility for risk is directly assigned to operational employees; they in turn report the risks they identify by means of a “bottom-up” approach. This process ensures that risks are quickly and flexibly identified and forwarded to the Risk Management Committee (RMC). Risk managers provide information about major changes in the risk portfolio in the form of periodic and ad-hoc reports.

PUMA’s Group-wide internal audits and its comprehensive reporting and controlling system are essential components of its risk management approach. 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 promptly identify any deviations or negative developments, and to initiate any necessary countermeasures in a timely manner.

RISK AREAS

MACROECONOMIC RISKS

As an international company, PUMA is directly exposed to macroeconomic risks. Developments in the broader economy can have a direct impact on consumer behavior. For example, consumer behavior may be directly impacted by political crises, changes to the legal framework and social influences.

PUMA counters these risks through geographic diversification and a balanced product portfolio whose creativity sets it apart from the competition.

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 compelling brand communication. Brand image is extremely important: it can have a positive impact on consumer behavior, but also a negative one. For example, counterfeit products can significantly hurt consumer confidence in a brand and lead to a negative brand image.

The PUMA brand’s extremely high profile means that product counterfeiters are increasingly 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 major 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 effectively confront product piracy, 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.

PERSONNEL RISKS

The creativity, commitment and performance of its employees are crucial to the

success of any business. PUMA encourages independent thinking and acting, which are of key importance 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, the identification of key positions and talented individuals, as well as optimal 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 needed for particular functions or regions in order to meet the future requirements of its corporate strategy.

PROCUREMENT RISKS

Most products are produced in the emerging markets of Asia. Production in these countries is associated with various risks. For example, 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 years ago to optimally integrate 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 expansion of the Company's own retail outlets is also intended to ensure that PUMA products are presented exclusively in PUMA's preferred brand environment.

RETAIL

Expansion through Company-owned retail outlets also means investing to expand existing stores and opening new ones, accepting higher fixed costs compared to selling via wholesalers, and entering into long-term leases – 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 better control over distribution. In addition, PUMA-owned retail stores can deliver the PUMA brand experience directly to the end consumer.

To avoid risks and to 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 lets it detect negative trends at an early stage and take the countermeasures required to properly manage the individual stores.

ORGANIZATIONAL CHALLENGES

PUMA's decentralized virtual organization supports the Company's global orientation.

As PUMA evolves, its organizational structure is becoming 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.

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. Currency forward 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 currency forward contracts at customary market terms with reputable international financial institutions and PPR Finance SNC. As of the end of 2011, the net requirements for the 2012 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 currency forward transactions are used to hedge currency risks when converting intra-group loans denominated in foreign currencies

into the functional currencies of the Group companies.

For the presentation of market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on net income and on equity. The periodic effects are determined by applying the hypothetical changes in these risk variables to the portfolio of financial instruments as of the reporting date. The portfolio as of the reporting date is assumed to be representative for the entire year.

Currency risks as defined by IFRS 7 arise from financial instruments of a monetary nature that are denominated in a different currency from the functional currency; exchange-rate differences arising from the translation of separate financial statements into the Group currency are not taken into account. In principle, all non-functional currencies in which PUMA uses financial instruments are considered relevant risk variables.

The currency sensitivity analyses are based on the following assumptions:

Major non-derivative monetary financial instruments (cash and cash equivalents, receivables, interest-bearing liabilities, finance lease payables and non-interest-bearing liabilities) are either directly denominated in the functional currency or are converted into the functional currency through the use of currency forward contracts. Changes in exchange rates therefore generally do not have any effect on net income.

The currency forward contracts to hedge against fluctuations in payments resulting from changes in exchange rates are part of an effective cash flow hedging relationship pursuant to IAS 39. Changes in the exchange rates of the currencies underlying these transactions have an effect on the hedging reserve in equity and on the fair value of these hedge transactions.

If the USD had appreciated (depreciated) by 10% against all other currencies on December 31, 2011, the hedging reserve in equity and the fair value of the hedges would have been €57.0 million higher (lower) (December 31, 2010: €51.5 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 and operating business, PUMA is exposed to default risk, which 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 RISK

A liquidity reserve in the form of credit lines and cash and cash equivalents is maintained in order to ensure solvency and financial flexibility. Credit lines are generally made available until further notice.

CAPITAL RISK

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

RISK OF CORPORATE 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 for reporting unethical, unlawful and criminal activity was set up in 2010.

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 Stock Corporation Act (AktG). Certain disclosures and amounts are based on current estimates by management.

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.

PUMA has a group-wide reporting and controlling system that allows it to regularly and promptly detect deviations from projected figures and accounting irregularities 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 sometimes necessary to make assumptions and estimates that are based on the information available on the balance-sheet date and which will affect the amounts of the 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 the internal audits with respect to the internal control and risk management system as it relates to the accounting process. The statutory auditors attend the Administrative Board meeting held to discuss the year-end in order to report on the annual financial statements.

DISCLOSURES PURSUANT TO SECTION 315(4) OF THE GERMAN COMMERCIAL CODE (HGB)

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 147,831 treasury shares.

SECTION 315(4)(3) HGB

As already announced on August 8, 2011, SAPARDIS S.E. (formerly SAPARDIS S.A.), a wholly owned subsidiary of PPR S.A., Paris, has notified us that its share of PUMA SE voting rights exceeded the 75% threshold on August 3, 2011.

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 section 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

In a resolution adopted by the Annual General Meeting on April 20, 2010, the Company was authorized until April 19, 2015 to acquire treasury shares equal to up to 10% of its share capital. The Company is authorized to buy back treasury shares for any permissible purpose, including the ability to exercise flexible control over the Company's capital requirements.

Pursuant to Articles 4(3) and 4(4) of PUMA SE's Articles of Incorporation, the Admin-

istrative Board is authorized until April 10, 2012 to raise capital as follows:

→ By issuing up to €7.5 million worth of new shares on one or more occasions in exchange for cash contributions. Shareholders have in principle subscription rights whereby such subscription rights may be barred to avoid fractional shares (Subscribed Capital I).

and

→ By issuing up to €7.5 million worth of new shares on one or more occasions in exchange for cash contributions or contributions in kind, whereby the shareholders' subscription rights may be wholly or partially barred (Subscribed Capital II).

For more details, please refer to the relevant disclosures in the Notes to the consolidated financial statements.

OUTLOOK

GLOBAL ECONOMIC SITUATION

According to the Kiel Institute's winter forecast for the World Economy (IfW) published on December 20, 2011, the world economy was reeling from the sovereign debt crisis in the Euro zone, uncertainty over the condition of the financial industry, risks and uncertainties relating to the economic debate in the United States and the surprisingly weak dynamic in the emerging markets at the end of 2011.

Provided that the crisis of confidence does not further deteriorate, experts expect growth in production in the advanced economies over the coming year to be slow because, given that many countries still have very high budget deficits and at best high and rapidly growing debt levels as well as extremely low interest rates, the options available to economic policymakers are limited. Emerging economies are expected to see faster expansion, because in general they have room to maneuver in terms of monetary and financial policy and thus will be able to counter domestic economic downturns.

According to current forecasts, global gross domestic product ("GDP") will only increase by 3.4% in 2012 and therefore will be below the projected GDP of 3.8% for

2011 and significantly lower than the previous year's level. A somewhat stronger increase in global GDP of 4.0% is expected for 2013.

OUTLOOK

Despite the tough global economic situation, PUMA nevertheless managed to achieve its sales target of €3 billion and to increase net earnings in 2011. Having reached this milestone, the Company has successfully laid the groundwork for further implementation of its long-term strategic planning.

PUMA is very confident about financial year 2012, during which several major sporting events will be held. In particular, the UEFA European Football (Soccer) Championship in Poland and Ukraine and the Summer Olympics in London will provide an excellent platform for presenting the PUMA brand to a big audience of enthusiastic sports fans, thereby further boosting brand growth.

Management believes that PUMA will achieve increases in sales in the upper single-digit range in each of the next two years. This will involve continued investments to optimize business processes and to focus on expanding our core markets. Conse-

quently, higher operating expenses are expected and planned for in each of the next two years. Assuming only moderate increases in procurement prices, management expects to see increases in net earnings in the mid-single-digit range in financial years 2012 and 2013.

INVESTMENTS

Investments of €80 million are planned for 2012, mostly for infrastructure, in order to meet operating requirements for the planned growth in sales as well as to expand our core markets and to make selective investments in retail businesses.

In addition, current purchase price liabilities from acquisitions of business enterprises will probably result in a cash outflow of €93.6 million in 2012.

FOUNDATION FOR LONG-TERM GROWTH

As part of our "Back on the Attack" growth strategy, management has established strategic priorities until 2015. Action plans are being implemented in a targeted, value-oriented manner. Despite expected increases in salaries and commodity prices and strong competition, PUMA's strong equity ratio and high level of liquidity, as well as the actions it has taken, should continue to pay

off now and in the years to come. Management therefore believes that it has laid the foundation for the Company's positive long-term development.

RELATIONSHIPS WITH AFFILIATED COMPANIES

PUMA SE is a dependent company of SAPARDIS S.E. (formerly SAPARDIS S.A.), Paris, a wholly owned subsidiary of PPR S.A., Paris, pursuant to Section 17 of the German Stock Corporation Act (AktG). The Managing Directors have prepared a report on relationships with affiliated companies – Dependency Report – pursuant to Section 312 AktG.

The following statement was given at the end of the Managing Directors' Dependency Report: "Based on circumstances about which the Managing Directors were aware on the date on which the transactions listed in the report on relationships with affiliated companies took place, PUMA SE received appropriate consideration in every case. During the period under review, no actions that were taken or not taken were subject to a legal disclosure requirement."

OTHER EVENTS

Following the cancellation of the arbitration award by the regional court of Madrid in June 2011 concerning the legal dispute with former Spanish licensee Estudio 2000, new arbitration proceedings were opened before the end of 2011. In these proceedings, PUMA has applied for the remaining "PUMA" brand rights to be transferred to PUMA without payment and to entirely reject the claims by Estudio 2000. Accordingly, PUMA after having discussed these matters intensively with the concerned law offices, assesses the risk to being condemned to a substantial monetary payment to Estudio 2000 as remote and is convinced to prevail in the arbitration proceedings to the extent that we expect to get the Spanish "PUMA" trademarks from Estudio 2000 in the course of the proceedings without further consideration.

EVENTS AFTER THE BALANCE-SHEET DATE

As already published on May 20, 2011, in January 2012, PUMA acquired the remaining 49.9% of the shares of its Dutch licensee, Dobotex, which develops and sells socks and body wear under the PUMA brand. As of the balance-sheet date, the purchase price for the shares was already included under current liabilities from acquisitions.

There were no further events after the balance-sheet date that could have a material impact on the net assets, financial position or results of operations.

RESPONSIBILITY STATEMENT

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

Herzogenaurach, February 6, 2012

MANAGING DIRECTORS

KOCH BAUER CAROTI SEIZ BERTONE





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CHAPTER:

8

T.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION		Dec. 31, 2011 € million	Dec. 31, 2010 € million	CONSOLIDATED STATEMENT OF FINANCIAL POSITION		Dec. 31, 2011 € million	Dec. 31, 2010 € million
	Notes				Notes		
ASSETS				LIABILITIES AND SHAREHOLDERS' EQUITY			
Cash and cash equivalents	4	448.2	479.6	Current bank liabilities	14	35.1	42.8
Inventories	5	536.8	439.7	Trade payables	14	431.4	344.3
Trade receivables	6	533.1	447.0	Liabilities from income taxes	14	12.3	18.1
Income tax receivables	17	72.6	80.8	Tax provisions	17	70.3	106.9
Other current financial assets	7	44.8	25.9	Other current provisions	18	43.8	71.9
Other current assets	8	79.0	74.2	Liabilities from acquisitions	19	93.6	55.7
Current assets		1,714.5	1,547.2	Other current financial liabilities	14	56.4	58.8
Deferred taxes	9	109.1	96.5	Other current liabilities	14	96.4	100.5
Property, plant and equipment	10	234.9	236.7	Current liabilities		839.2	799.0
Intangible assets	11	452.2	423.4	Deferred taxes	9	63.6	50.7
Investments in associates	12	24.8	23.9	Pension provisions	16	29.8	26.1
Other non-current financial assets	13	18.9	17.9	Other non-current provisions	18	26.3	12.2
Other non-current assets	13	27.4	21.0	Liabilities from acquisitions	19	6.8	81.9
Non-current assets		867.3	819.4	Other non-current financial liabilities	14	0.3	6.7
				Other non-current liabilities	14	10.6	3.6
				Non-current liabilities		137.5	181.2
				Subscribed capital		38.6	38.6
				Group reserves		281.2	256.8
				Retained earnings		1,317.3	1,114.0
				Treasury stock		-32.6	-23.2
				Equity attributable to the shareholders of the parent		1,604.5	1,386.2
				Non-controlling interest		0.7	0.2
				Shareholders' equity	20	1,605.2	1,386.4
Total assets		2,581.8	2,366.6	Total liabilities and shareholders' equity		2,581.8	2,366.6

T.2

CONSOLIDATED INCOME STATEMENT

Notes

2011
€ million2010
€ million

	Notes	2011 € million	2010 € million
Sales	27	3,009.0	2,706.4
Cost of sales	27	-1,515.6	-1,361.6
Gross profit	27	1,493.4	1,344.8
Royalty and commission income		17.6	19.1
Other operating income and expenses	22	-1,177.8	-1,057.1
Operational result (EBIT)		333.2	306.8
Income from associated companies	23	1.1	1.8
Financial income	23	5.2	4.4
Financial expenses	23	-19.1	-11.5
Financial result		-12.8	-5.3
Earnings before tax (EBT)		320.4	301.5
Taxes on income	24	-90.0	-99.3
Consolidated net earnings for the year		230.4	202.2
Net earnings attributable to non-controlling interests	20	-0.3	0.0
Net earnings attributable to Equity holders of the parent (net earnings)		230.1	202.2
Earnings per share, in €	25	15.36	13.45
Earnings per share, in €, diluted	25	15.36	13.37
Weighted average shares outstanding (million)	25	14.981	15.031
Weighted average shares outstanding, diluted (million)	25	14.985	15.123

T.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	After tax 2011 € million	Tax impact 2011 € million	Before tax 2011 € million	After tax 2010 € million	Tax impact 2010 € million	Before tax 2010 € million
Net earnings before attribution	230.4		230.4	202.2		202.2
Unrecognized net actuarial gain/loss	-2.8	1.0	-3.8	-0.3	0.3	-0.6
Currency changes	6.4	-1.5	7.9	91.3	6.1	85.2
Cash flow hedge						
Release to the income statement	11.1	-5.5	16.6	13.6	-6.3	19.9
Market value for cash flow hedges	19.8	-7.0	26.8	-11.1	5.5	-16.7
Share in the other comprehensive income of at equity accounted investments	0.7		0.7	0.2		0.2
Other result	35.2	-13.0	48.2	93.6	5.6	88.0
Comprehensive income	265.6	-13.0	278.6	295.8	5.6	290.2
attributable to: Non-controlling interest	0.4		0.4	0.0		0.0
Equity holders of the parent	265.2	-13.0	278.3	295.8	5.6	290.2

T.4

CONSOLIDATED STATEMENT OF CASH FLOWS

Notes

2011
€ million2010
€ million**Operating activities**

Earnings before tax (EBT)		320.4	301.5
Adjustments for:			
Depreciation	10, 11	63.4	65.9
Non-realized currency gains/losses, net		0.3	-1.2
Income from associated companies	12	-1.1	-1.8
Financial income	23	-5.2	-4.4
Financial expenses	23	19.1	11.5
Changes from the sale of fixed assets		0.2	-2.4
Changes to pension accruals	16	-1.5	-1.5
Other cash effected expenses/incomes		-13.9	-9.2
Gross cash flow	28	381.5	358.4
Changes in receivables and other current assets	6, 7, 8	-96.7	-111.3
Changes in inventories	5	-97.2	-53.1
Changes in in trade payables and other current liabilities	14	88.0	67.4
Cash inflow from operating activities		275.6	261.4
Interest paid	23	-7.2	-5.9
Income taxes paid		-141.6	-86.1
Net cash from operating activities	28	126.8	169.4

Investing activities

	Notes	2011 € million	2010 € million
Payment for acquisitions	3	-44.2	-108.4
Purchase of property and equipment	10, 11	-71.1	-55.2
Proceeds from sale of property and equipment		2.6	8.8
Changes in other non-current assets	13	-2.5	-1.9
Interest received	23	5.2	4.4
Cash outflow from investing activities		-110.0	-152.3
Financing activities			
Changes in non-current liabilities	14	-0.3	2.8
Changes in bank liabilities	14	-5.1	-6.5
Dividend payment	20	-26.8	-27.1
Purchase of treasury stock	20	-26.6	-23.4
Cash outflow from financing activities	28	-58.8	-54.2
Exchange rate-related changes in cash flow		10.7	31.1
Change in cash and cash equivalents		-31.4	-6.0
Cash and cash equivalents at the beginning of the financial year		479.6	485.6
Cash and cash equivalents at the end of the financial year	4, 28	448.2	479.6

T.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € million

	Subscribed capital	Reserves					Retained- earnings*	Treasury stock	Equity before non-controlling interests	Non-controlling interests	Total equity
		Capital reserve	Revenue reserves	Difference from currency conversion	Cash flow Hedges	At-Equity accounted investments					
Dec. 31, 2009 adjusted *	38.6	190.6	69.5	-91.3	-13.6	939.3		1,133.2	0.1	1,133.3	
Net earnings						202.2		202.2	0.0	202.2	
Actuarial gain/loss from pension commitments						-0.3		-0.3		-0.3	
Currency changes/Other				91.3				91.5	0.0	91.5	
Release to the income statement					13.6			13.6		13.6	
Market valuation of cash flows -hedges					-11.1			-11.1		-11.1	
Total comprehensive income	0.0	0.0	0.0	91.3	2.4	201.9		295.8	0.0	295.8	
Dividend payment						-27.1		-27.1		-27.1	
Valuation from option programs		7.6						7.6		7.6	
Purchase of treasury stock							-23.4	-23.4		-23.4	
Conversion of options							0.1	0.1		0.1	
Dec. 31, 2010	38.6	198.2	69.5	0.0	-11.1	1,114.0	-23.2	1,386.2	0.2	1,386.4	
Net earnings						230.1		230.1	0.3	230.4	
Actuarial gain/loss from pension commitments			-2.8			0.0		-2.8		-2.8	
Currency changes/Other				6.4				7.0	0.1	7.0	
Release to the income statement					11.1			11.1		11.1	
Market valuation of cash flows- hedges					19.8			19.8		19.8	
Total comprehensive income	0.0	0.0	-2.8	6.4	30.9	230.1		265.2	0.4	265.6	
Dividend payment						-26.8		-26.8		-26.8	
Valuation from option programs		6.5						6.5		6.5	
Purchase of treasury stock							-26.6	-26.6		-26.6	
Conversion of options							17.3	0.0		0.0	
Changes in the group of consolidated companies		0.1						0.1	0.1	0.3	
Dec. 31, 2011	38.6	187.6	66.7	6.4	19.8	1,317.3	-32.6	1,604.5	0.7	1,605.2	

* adjusted comparable figures according to IAS 8. see paragraph 3 in the Notes to the Consolidated Financial Statements as of December 31, 2010

T.6

CHANGES IN FIXED ASSETS 2010

	Purchase costs					Accumulated depreciation / amortization					Carrying amounts			
	as of Jan. 1, 2010 € million	Currency changes and other changes	Additions/ retransfers	Changes from acquisitions	Disposals	as of Dec. 31, 2010 € million	as of Jan. 1, 2010 € million	Currency changes and other changes	Additions/ retransfers ²	Changes from acquisitions	Disposals	as of Dec. 31, 2010 € million	as of Dec. 31, 2010 € million	as of Dec. 31, 2009 € million
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	167.5	5.3	6.7		-9.3	170.2	-29.5	-0.7	-8.3		6.1	-32.4	137.8	138.0
Technical equipment and machines	11.3	0.2	-3.7		-0.4	7.4	-6.5	-0.1	2.2		0.3	-4.1	3.3	4.8
Other equipment, factory and office equipment	264.0	19.0	33.3	0.1	-30.2	286.2	-165.9	-11.5	-47.6		28.2	-196.8	89.4	98.1
Payments on account and assets under construction	1.9	0.1	4.5		-0.2	6.3	-0.0	0.0	0.0		0.0	-0.0	6.3	1.9
	444.6	24.6	40.8	0.1	-40.1	470.0	-201.9	-12.3	-53.7		34.6	-233.3	236.7	242.7
INTANGIBLE ASSETS														
Goodwill ¹	288.7	18.2	3.1	2.5	-10.9	301.6	-19.0	-0.9	0.0		0.0	-19.9	281.7	269.7
Intangible fixed assets with an indefinite useful life	0.0			106.8		106.8	0.0					0.0	106.8	0.0
Other intangible fixed assets	69.3	2.9	14.5	5.8	-2.7	89.8	-42.7	-1.7	-12.3		1.8	-54.9	34.9	26.6
	358.0	21.1	17.6	115.1	-13.6	498.2	-61.7	-2.6	-12.3		1.8	-74.8	423.4	296.3

CHANGES IN FIXED ASSETS 2011

	Purchase costs					Accumulated depreciation / amortization					Carrying amounts			
	as of Jan. 1, 2011 € million	Currency changes and other changes	Additions/ retransfers	Changes from acquisitions	Disposals	as of Dec. 31, 2011 € million	as of Jan. 1, 2011 € million	Currency changes and other changes	Additions/ retransfers ³	Changes from acquisitions	Disposals	as of Dec. 31, 2011 € million	as of Dec. 31, 2011 € million	as of Dec. 31, 2011 € million
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	170.2	1.3	1.8		-1.0	172.3	-32.4	-0.2	-6.9		0.7	-38.8	133.5	137.8
Technical equipment and machines	7.4	-0.3	2.6		0.0	9.7	-4.1	1.0	-1.3			-4.4	5.3	3.3
Other equipment, factory and office equipment	286.2	1.8	48.4		-32.3	304.1	-196.8	-1.3	-42.6		30.2	-210.5	93.6	89.4
Payments on account and assets under construction	6.3	-0.1	-2.1		-1.5	2.6	0.0					0.0	2.5	6.3
	470.0	2.7	50.7		-34.8	488.7	-233.3	-0.5	-50.8		30.9	-253.7	234.9	236.7
INTANGIBLE ASSETS														
Goodwill	301.6	4.5	11.8	1.5	-0.1	319.3	-19.9	-0.2	-0.2			-20.3	299.0	281.7
Intangible fixed assets with an indefinite useful life	106.8	3.1				109.9	0.0						109.9	106.8
Other intangible fixed assets	89.8	-2.8	21.0		-3.5	104.5	-54.9	2.8	-12.3		3.2	-61.2	43.3	34.9
	498.2	4.8	32.8	1.5	-3.6	533.7	-74.8	2.6	-12.5		3.2	-81.5	452.2	423.4

1. adjusted comparable figures according to IAS 8 as of December 31, 2009/ January 1, 2010, see chapter 3 in the Notes to the Consolidated Financial Statements as of December 31, 2010

2. including impairment for fixed assets (€ 9.6 million) and intangible assets (€ 1.2 million)

3. including impairment for fixed assets (€ 5.4 million) and intangible assets (€ 0.7 million), see chapters 10 and 11

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. With registration in the commercial register on July 25, 2011, the former PUMA Aktiengesellschaft Rudolf Dassler Sport was converted into a European stock corporation (Societas Europaea/SE). The registered office of PUMA SE is in Herzogenaurach, Federal Republic of Germany. The competent registry court is in Fürth (Bavaria).

The consolidated financial statements of PUMA SE and its subsidiaries (hereinafter shortly referred to as the "Company" 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 endorsed by the EU that are mandatory for financial years as of January 1, 2011 have been applied.

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

T.7	Standard	Title
First-time adoption in the current financial year		
IAS 24 R		Related party disclosures
Amendment IAS 32		Financial instruments: disclosures
Amendment IFRIC 14		Voluntary prepaid contributions under a minimum funding requirement
IFRIC 19		Extinguishing financial liabilities with equity instruments

Of the standards and interpretations to be newly applied as of January 1, 2011, only IAS 24 R (related party disclosures) was of relevance to PUMA SE. IAS 24 R includes a revised definition of related parties and makes it clear that information on pending contracts is also required. None of the remaining standards and interpretations to be mandatorily applied had any effect 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 Company:

T.8	Standard	Title	Date of first-time adoption*	Planned adoption
Endorsed				
	Amendment IFRS 7	Financial instruments: disclosures	07/01/2011	01/01/2012
Endorsement pending				
	Amendment IAS 1	Presentation of items of other comprehensive income	07/01/2012	01/01/2013
	Amendment IAS 12	Deferred taxes: recovery of underlying assets	01/01/2012	01/01/2012
	Amendment IAS 19	Changes regarding defined benefit plans	01/01/2013	01/01/2013
	Amendmen IFRS 1	Severe hyperinflation and removal of fixed dates	07/01/2011	01/01/2012
	IAS 27	Individual financial statements	01/01/2013	01/01/2013
	IAS 28	Holdings in associated companies	01/01/2013	01/01/2013
	IFRS 9	Financial instruments	01/01/2015	01/01/2015
	IFRS 10	Consolidated financial statements	01/01/2013	01/01/2013
	IFRS 11	Joint agreements	01/01/2013	01/01/2013
	IFRS 12	Disclosure of interest in other companies	01/01/2013	01/01/2013
	IFRS 13	Fair value measurement	01/01/2013	01/01/2013
	IFRIC 20	Stripping costs in the production phase of a mine	01/01/2013	01/01/2013

* Adjusted by EU endorsement, if applicable

No assessment can yet be undertaken with respect to the effects of the first-time application of IFRS 9, IFRS 10 and IFRS 13 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 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.

As already published on August 8, 2011, SAPARDIS S.E. (formerly SAPARDIS S.A.), a fully owned subsidiary of PPR S.A., Paris, has informed us that its percentage share of voting rights in PUMA SE exceeded the 75% threshold on August 3, 2011. Consequently, the PPR Group holds a qualified majority stake in PUMA SE. Accordingly, PUMA SE and its affiliated companies are included in the PPR consolidated financial statements. These financial statements may be obtained from PPR upon request.

2. SIGNIFICANT CONSOLIDATION, ACCOUNTING AND VALUATION PRINCIPLES

CONSOLIDATION PRINCIPLES The consolidated financial statements were prepared as of December 31, 2011, 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 the ben-

official 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 after 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 R.

With respect to the remaining controlling interests, losses attributable to non-controlling interests are allocated to the latter in an amount up to the non-controlling shareholder's capital interest provided that there is no contractual obligation to make an additional capital contribution.

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, intercompany sales and intra-group income are generally 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:

T.9	
2010	112
Formation and acquisition of companies	5
Disposal of companies	2
2011	115

The following changes occurred within the group of consolidated companies in financial year 2011:

In financial year 2011, PUMA Wheat Accessories, LLC, with its registered office in Delaware, USA, was formed and started its operations in April 2011. The company is engaged in the development and sale of PUMA brand accessories. The PUMA Group holds a 51% stake. The company has thus expanded the group of consolidated companies and is fully consolidated and the non-controlling interests are disclosed.

Effective as of August 1, 2011, PUMA acquired a 51% interest in Janed, LLC, with its registered seat in Delaware, USA. The company is engaged in the development and sale of PUMA socks and bodywear. The company has thus extended the group of consolidated companies and is fully consolidated and the non-controlling interests are disclosed.

The group of consolidated companies was further extended by the formation of companies in Spain, Peru and China. Disposals in the group of consolidated companies concern the liquidation of the inactive companies World Cat (S) Pte Ltd. in Singapore and World Cat Trading Co. Ltd. in Taiwan.

The group of consolidated companies has been adjusted accordingly. The effect of acquisitions of business enterprises on the net assets, financial position and results of operations are illustrated under Item 3 ("Business Combination") of these Notes.

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

T.10

The Group companies are allocated to regions as follows:

No	Companies	Country	City	Shareholder	Share in capital
- 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% 1)
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	Prague	indirect	100%
8.	PUMA Denmark A/S	Denmark	Skanderborg	indirect	100%
9.	PUMA Estonia OU	Estonia	Tallinn	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% 1)
16.	PUMA Vertrieb GmbH	Germany	Herzogenaurach	direct	100%
17.	PUMA Sprint GmbH	Germany	Herzogenaurach	direct	100%
18.	PUMA Avanti GmbH	Germany	Herzogenaurach	indirect	100%
19.	PUMA Mostro GmbH	Germany	Herzogenaurach	indirect	100%
20.	Premier Flug GmbH&Co. KG	Germany	Reichenschwand	direct	50%
21.	Brandon Germany GmbH	Germany	Herzogenaurach	indirect	100%
22.	Dobotex Deutschland GmbH	Germany	Düsseldorf	indirect	100% 1)
23.	PUMA UNITED KINGDOM LTD	Great Britain	Leatherhead	indirect	100%
24.	PUMA Premier Ltd	Great Britain	Leatherhead	indirect	100%
25.	Dobotex UK Ltd	Great Britain	Manchester	indirect	100% 1)
26.	Brandon Merchandising UK Ltd.	Great Britain	London	indirect	100%

27.	PUMA Hellas S.A.	Greece	Athens	direct	100% 1)
28.	PUMA Cyprus Ltd.	Cyprus	Nicosia	direct	100% 1)
29.	PUMA Hungary Kft.	Hungary	Budapest	indirect	100%
30.	Tretorn R&D Ltd.	Ireland	Dublin	indirect	100%
31.	PUMA Italia S.r.l.	Italy	Milan	indirect	100%
32.	Dobotex Italia S.r.l.	Italy	Milan	indirect	100% 1)
33.	PUMA Baltic UAB	Lithuanian	Vilnius	indirect	100%
34.	PUMA Malta Ltd	Malta	St.Julians	indirect	100%
35.	PUMA Blue Sea Ltd	Malta	St.Julians	indirect	100%
36.	PUMA Racing Ltd	Malta	St.Julians	indirect	100%
37.	PUMA Benelux B.V.	The Netherlands	Leusden	direct	100%
38.	Dobotex International BV	The Netherlands	Tilburg	direct	100% 1)
39.	Dobotex BV	The Netherlands	s-Hertogenbosch	indirect	100% 1)
40.	Dobo Logic BV	The Netherlands	Tilburg	indirect	100% 1)
41.	Dobo NexTH BV	The Netherlands	s-Hertogenbosch	indirect	100% 1)
42.	PUMA Norway AS	Norway	Oslo	indirect	100%
43.	Tretorn Norway AS	Norway	Oslo	indirect	100%
44.	Brandon AS	Norway	Oslo	indirect	100%
45.	PUMA Polska Spolka z.o.o.	Poland	Warsaw	indirect	100%
46.	PUMA Portugal Artigos Desportivos Lda.	Portugal	Miraflores	indirect	100%
47.	PUMA Sport Romania s.r.l.	Romania	Bucharest	indirect	100%
48.	PUMA-RUS GmbH	Russia	Moscow	indirect	100%
49.	PUMA Serbia DOO	Serbia	Belgrade	indirect	100%
50.	PUMA Slovakia s.r.o.	Slovakia	Bratislava	indirect	100%
51.	PUMA Ljubljana, trgovina, d.o.o	Slovenia	Ljubljana	indirect	100%
52.	PUMA SPORTS DISTRIBUTORS (PTY) LIMITED	South Africa	Cape Town	indirect	100%
53.	PUMA Sports S.A.	South Africa	Cape Town	indirect	100%
54.	PUMA Sports Spain S.L.	Spain	Barcelona	direct	100%
55.	Dobotex Spain S.L.	Spain	Barcelona	indirect	100% 1)
56.	Brandon Company AB	Sweden	Gothenburg	direct	100%
57.	Brandon AB	Sweden	Gothenburg	indirect	100%
58.	2Expressions Merchandise Svenska AB	Sweden	Gothenburg	indirect	100%
59.	Brandon Services AB	Sweden	Gothenburg	indirect	51,2%

60.	Brandon Stockholm AB	Sweden	Stockholm	indirect	100%
61.	Brandon Logistics AB	Sweden	Strömstad	indirect	100%
62.	Hunt Sport AB	Sweden	Helsingborg	indirect	100%
63.	Tretorn AB	Sweden	Helsingborg	direct	100%
64.	PUMA Nordic AB	Sweden	Helsingborg	indirect	100%
65.	Tretorn Sweden AB	Sweden	Helsingborg	indirect	100%
66.	Mount PUMA AG (Schweiz)	Switzerland	Oensingen	direct	100%
67.	PUMA Retail AG	Switzerland	Oensingen	indirect	100%
68.	PUMA Schweiz AG	Switzerland	Oensingen	indirect	100%
69.	Dobotex Switzerland AG	Switzerland	Oensingen	indirect	100% 1)
70.	PUMA Spor Giyim Sananyi ve Ticaret A.S.	Turkey	Istanbul	indirect	100%
71.	PUMA Ukraine Ltd.	Ukraine	Kiew	indirect	100%
72.	PUMA Middle East FZ LLC	United Arab Emirates	Dubai	indirect	100%
73.	PUMA UAE LLC	United Arab Emirates	Dubai	indirect	100% 1)

AMERICA

74.	Unisol S.A.	Argentina	Buenos Aires	direct	100%
75.	PUMA Sports Ltda.	Brazil	Sao Paulo	indirect	100%
76.	PUMA Canada, Inc.	Canada	Montreal	indirect	100%
77.	PUMA CHILE S.A.	Chile	Santiago	indirect	100%
78.	PUMA SERVICIOS SPA	Chile	Santiago	indirect	100%
79.	PUMA Mexico Sport S.A. de C.V.	Mexico	Mexico City	direct	100%
80.	Servicios Profesionales RDS S.A. de C.V.	Mexico	Mexico City	indirect	100%
81.	Importaciones RDS S.A. de C.V.	Mexico	Mexico City	direct	100%
82.	Distribuidora Deportiva PUMA S.A.C.	Peru	Lima	indirect	100%
83.	Distribuidora Deportiva PUMA Tacna S.A.C	Peru	Tacna	indirect	100%
84.	PUMA Sports LA S.A.	Uruguay	Montevideo	direct	100%
85.	PUMA Suede Holding, Inc.	USA	Westford	indirect	100%
86.	PUMA North America, Inc.	USA	Westford	indirect	100%
87.	SC Communication Inc.	USA	Chicago	indirect	100%
88.	Cobra Golf Inc.	USA	Carlsbad	indirect	100%
89.	PUMA Wheat Accessories, Ltd	USA	San Diego	indirect	51%
90.	Janed, LLC	USA	New York	indirect	51%

ASIA/PACIFIC

91.	PUMA Australia Pty. Ltd.	Australia	Moorabbin	indirect	100%
92.	White Diamond Australia Pty. Ltd.	Australia	Moorabbin	indirect	100%
93.	White Diamond Properties	Australia	Moorabbin	indirect	100%
94.	Kalola Pty Ltd.	Australia	Moorabbin	indirect	100%
95.	Liberty China Holding Ltd	British Virgin Islands		indirect	100%
96.	PUMA China Ltd	China	Shanghai	indirect	100%
97.	Dobotex China Ltd.	China	Shanghai	indirect	100% 1)
98.	Guangzhou World Cat Information Consulting Services Co., Ltd	China	Guangzhou	indirect	100%
99.	World Cat Ltd.	China	Hongkong	direct	100%
100.	Development Services Ltd.	China	Hongkong	indirect	100%
101.	PUMA Asia Pacific Ltd.	China	Hongkong	direct	100%
102.	PUMA Hong Kong Ltd	China	Hongkong	indirect	100%
103.	Dobotex Ltd.	China	Hongkong	indirect	100% 1)
104.	Dobo Cat Ltd.	China	Hongkong	indirect	100% 1)
105.	PUMA Sports India Pvt Ltd.	India	Bangalore	indirect	100%
106.	PUMA India Retail Pvt Ltd.	India	Bangalore	indirect	100% 1)
107.	World Cat Sourcing India Ltd.	India	Bangalore	indirect	100%
108.	PUMA JAPAN K.K.	Japan	Tokio	indirect	100%
109.	PUMA Korea Ltd.	Korea	Seoul	direct	100%
110.	Dobotex Korea Ltd.	Korea	Seoul	indirect	100% 1)
111.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Kuala Lumpur	direct	100% 1)
112.	PUMA New Zealand LTD	New Zealand	Auckland	indirect	100%
113.	PUMA Sports Singapore Pte. Ltd.	Singapore	Singapore	direct	100% 1)
114.	PUMA Taiwan Sports Ltd.	Taiwan	Taipei	indirect	100% 1)
115.	World Cat Vietnam Co. Ltd.	Vietnam	Long An Province	indirect	100%

1) Subsidiaries that are to be 100% financially allocated to the PUMA Group

CURRENCY CONVERSION

As a general rule, monetary items in foreign currencies are converted in the individual financial statements of the consolidated 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 Euro 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:

T.11	CURRENCY	REPORTING DATE EXCHANGE RATE	AVERAGE EXCHANGE RATE
	USD	1.2939	1.3918
	HKD	10.0510	10.8346
	JPY	100.2000	110.9989
	GBP	0.8353	0.8679
	CHF	1.2156	1.2335

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, the Company 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. If there is no 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 value of the derivative instruments used to hedge planned transactions are shown under other current financial assets or other current financial liabilities.

LEASING Leases are to be classified either as finance leases or operating leases in accordance with IAS 17. 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 up to 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 prorated 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 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 cancellation 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 in principle at cash value.

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 moveable 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 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 continued by PUMA.

IMPAIRMENT OF ASSETS 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 to the maximum amount of the written down cost. There is no reversal of an impairment loss for goodwill.

Impairment tests are performed using the discounted cash flow method. The determination of expected cash flows is based on corporate planning data. Expected cash flows are discounted using an interest rate in line with market conditions.

INVESTMENTS 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.

Investments in associated companies are accounted for using the equity method, i.e., the shares are initially recognized at their acquisition cost and are subsequently adjusted for the prorated 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 any 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 its acquisition cost, taking into account transaction costs and subsequently recognized at amortized cost. Non- 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 repay-

ment amount. Liabilities from finance lease agreements are recorded as of the beginning of the lease transaction at the amount of the fair value of the minimum lease amount, or at the lower present value, and are adjusted by the repayment amount of the lease installments.

As a general rule, current financial liabilities also include the proportion of long-term loans 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 projected unit credit method takes into account not only pension benefits and pension rights as accrued as of the balance sheet date, but also expected future salary and pension increases. The defined benefit obligation (DBO) is calculated by discounting expected future benefit payments 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 shown pension provision is reduced by the plan asset. Actuarial gains and losses are recorded directly in equity as of the date of their accrual. Service costs are shown in personnel costs and interest expense is shown in the financial result.

OTHER PROVISIONS In accordance with IAS 37, other provisions are recognized to account for all those risks and obligations owed to third parties identifiable as of the balance sheet date that result from past transactions or past events, and the amount or maturity of which is uncertain. 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 also recognized to account for onerous contracts. A contract is onerous when the unavoidable costs exceed the expected economic benefit. As a general rule, all provisions classified as long-term provisions are discounted.

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 share-based 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.

RECOGNITION OF SALES Sales are recognized in the income statement at the time of the transfer of risk. Sales are shown net of expected 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 The Company 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 RESULTS 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 expense from discounted non-current liabilities and pension provisions that are associated with acquisitions of business enterprises or arise from the valuation of pension commitments.

In general, 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 that 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 in the near 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 experiences 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 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 11 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 correspond to that of the pension obligations. See paragraph 16 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 date of initial recognition and the amount of future taxable income. For purposes of these estimates, the taxable income is derived from the respective corporate planning, taking into account the results of operations of earlier years and the expected future business performance. Deferred tax assets on losses carried forward are recorded in the event of companies that incur a loss only if it is highly probable that future positive income will be achieved that can be set off against these tax losses carried forward. Please see paragraph 9 for further information and detailed assumptions.

Derivative Financial Instruments The assumptions used for the estimation of derivative financial instruments are based on the prevailing market conditions as of the balance sheet date and thus reflect the fair value. See paragraph 26 for further information.

3. BUSINESS COMBINATIONS

Effective as of August 1, 2011, PUMA acquired a 51% interest in Janed, LLC, with its registered seat in Delaware, USA and has thereby expanded the sales organization in the North American market. The company is engaged in the development and sale of PUMA socks and bodywear. Janed, LLC has thus expanded the group of consolidated companies and is fully consolidated and the non-controlling interests are disclosed.

The acquisition mainly includes inventories and liabilities each in amount of €3.1 million. The purchase price to be paid in cash for the acquisition of the shares is allocated in full to the goodwill resulting from the acquisition in the amount of €1.5 million, which is not deductible for tax purposes. The interests of non-controlling shareholders were not recognized since the Company did not have any net assets as of the time of the acquisition.

Consolidated sales increased by €14.8 million during the reporting period as a result of the acquisition of Janed LLC. The profits of the current period include the profits of Janed LLC in the amount of €0.0 million. If this transaction had been completed by January 1, 2011, the 2011 sales of the PUMA Group would have increased by €34.6 million and the net earnings would have increased by €0.0 million.

Regarding the acquisition of Cobra Golf in 2010, there was a contingent purchase price liability in the amount of €6.8 million as of the balance sheet date in the previous year, which was released due to the updated calculation.

4. CASH AND CASH EQUIVALENTS

As of December 31, 2011, the Company's cash and cash equivalents amount to €448.2 million (previous year: €479.6 million). The average effective interest rate of financial investments was 1.0% (previous year: 0.8%). There are no restrictions on disposition.

5. INVENTORIES

Inventories are allocated to the following main groups:

T.12	2011 € million	2010 € million
Raw materials and supplies	9.4	6.4
Finished goods and merchandise/inventory		
Footwear	169.7	134.6
Apparel	164.6	134.6
Accessories/Other	77.0	65.0
Goods in transit	116.1	99.1
Total	536.8	439.7

The table shows the carrying amount of the inventories net of value adjustments. Of value adjustments, which amount to €83.5 million (previous year: €79.0 million), about 73% was recorded under cost of sales in the income statement in financial year 2011 (previous year: about 68%).

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

6. TRADE RECEIVABLES

This item consists of:

T.13	2011 € million	2010 € million
Trade receivables, gross	581.4	534.1
Less value adjustments	-48.3	-87.1
Trade receivables, net	533.1	447.0

Allowances for trade receivables developed as follows:

T.14	2011 € million	2010 € million
Status of value adjustments as of January 1	87.1	78.1
Exchange rate differences	-0.3	1.4
Additions	23.5	25.8
Reclassifications	-23.1	0.0
Utilization	-26.9	-9.2
Releases	-12.0	-9.0
Status of value adjustments as of December 31	48.3	87.1

In connection with the allocation of already fully written off trade receivables to other financial assets, gross receivables and value adjustments in the amount of €23.1 million were reclassified accordingly in the reporting year.

The age structure of the trade receivables is as follows:

T.15 GROSS VALUES								
2010	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	534.1	346.7	38.0	14.0	6.5	7.9	10.3	110.7

T.16 GROSS VALUES								
2011	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	581.4	413.4	42.8	23.0	6.3	8.5	4.3	83.1

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

7. OTHER CURRENT FINANCIAL ASSETS

This item consists of:

T.17	2011 € million	2010 € million
Fair value of derivative financial instruments	28.7	3.3
Other financial assets	16.1	22.6
Total	44.8	25.9

8. OTHER CURRENT ASSETS

This item consists of:

T.18	2011 € million	2010 € million
Prepaid expenses relating to the subsequent period	32.6	27.1
Other receivables	46.4	47.1
Total	79.0	74.2

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

Other receivables mainly include VAT receivables amounting to €25.3 million (previous year: €26.1 million).

9. DEFERRED TAXES

Deferred taxes relate to the items shown below:

T.19	2011 € million	2010 € million
Tax losses carried forward	31.7	13.6
Non-current assets	15.2	15.9
Current assets	40.8	40.7
Provisions and other liabilities	37.8	35.8
From adjustment against equity	0.0	8.0
Deferred tax assets (before netting)	125.5	114.0
Non-current assets	62.4	62.1
Current assets	16.5	5.6
Provisions and other liabilities	1.1	0.5
Deferred tax liabilities (before netting)	80.0	68.2
Deferred tax assets, net	45.5	45.8

The effects from the adjustment against equity in the amount of €-13.1 million (previous year: €8.0 million) were directly allocated to the individual items in the reporting year.

Of the deferred tax assets, €82.7 million (previous year: €90.1 million) and of the deferred tax liabilities €16.0 million (previous year: €6.1 million) are current.

As of December 31, 2011, tax losses carried forward amounted to a total of €234.2 million (previous year: €102.7 million). This results in a deferred tax asset of €57.8 million (previous year: €23.0 million). Deferred tax assets 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 assets were not recognized for tax losses carried forward amounting to €26.1 million (previous year: €9.4 million); these do not expire. In addition, no deferred taxes were recognized for deductible temporary differences amounting to €15.7 million (previous year: €11.2 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 foreseeable time.

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:

T.20	2011 € million	2010 € million
Deferred tax assets	109.1	96.5
Deferred tax liabilities	63.6	50.7
Deferred tax assets, net	45.5	45.8

The changes in deferred tax assets were as follows:

T.21	2011 € million	2010 € million
Deferred tax assets, previous year	96.5	64.8
Recognition in the income statement	17.3	26.1
Adjustment against equity	-4.7	5.6
Deferred tax assets	109.1	96.5

The changes in deferred tax liabilities were as follows:

T.22	2011 € million	2010 € million
Deferred tax liabilities, previous year	50.7	4.4
Deferred taxes from acquisition of subsidiaries	0.0	42.0
Recognition in the income statement	4.6	4.3
Adjustment against equity	8.3	0.0
Deferred tax liabilities	63.6	50.7

10. PROPERTY, PLANT AND EQUIPMENT

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

T.23	2011 € million	2010 € million
Land and buildings, including buildings on third-party land	133.5	137.8
Technical equipment and machinery	5.3	3.3
Other equipment, factory and office equipment	93.6	89.4
Assets under construction	2.5	6.2
Total	234.9	236.7

The carrying amount of property, plant and equipment is derived from the acquisition costs. Accumulated depreciation of property, plant and equipment amounted to €253.7 million (previous year: €233.3 million).

Property, plant and equipment include lease assets (finance lease) in the amount of €0.9 million (previous year: €1.2 million).

The changes in property, plant and equipment in financial year 2011 are shown in "Changes in Fixed Assets". Impairment expenses that exceed current depreciation are included in the amount of €5.4 million (prior year: €9.6 million), mainly as a result of the re-engineering and optimization of the global organizational structure.

11. 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, using data from the respective three-year plan. The recoverable amount was determined on the basis of the value in use. This did not result in an impairment loss. The changes in intangible assets in financial year 2011 are shown in "Changes in Fixed Assets". The other intangible fixed assets include €11.5 million prepayments (prior year: €1.5 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:

T.24	2011 € million	2010 € million
EMEA	157.3	150.4
America	41.7	40.5
Asia/Pacific	100.0	90.8
Total	299.0	281.7

Assumptions used in conducting the impairment test in 2011:

T.25	EMEA	America	Asia/Pacific
Tax rate (range)	20.0% – 28.0%	17.0% – 40.0%	17.0% – 40.7%
WACC before tax (range)	7.3% – 14.9%	8.6% – 24.6%	8.4% – 12.1%
WACC after tax (range)	6.1% – 12.2%	6.9% – 16.5%	5.1% – 11.2%
Growth rate	3%	3%	3%

A growth rate of less than 3% was used in justified exceptional cases.

Sensitivity analyses related to the performed impairment tests indicate that a 1% increase in the discount rate (WACC - "weighted average capital costs") along with a 1% decrease of the growth rate have no effect on the impairment of goodwill.

The following table contains the assumptions for the performance of the impairment test in 2010:

T.26	EMEA	America	Asia/Pacific
Tax rate (range)	20.0% – 30.0%	17.0% – 40.0%	17.5% – 40.7%
WACC before tax (range)	7.9% – 14.2%	9.0% – 11.0%	7.6% – 10.6%
WACC after tax (range)	6.4% – 11.9%	6.9% – 12.7%	5.0% – 9.7%
Growth rate	3%	3%	3%

12. INVESTMENTS IN ASSOCIATED COMPANIES

The 20.1% interest in Wilderness Holdings Ltd. is shown under investments in associated companies. As of December 31, 2011, the carrying amount of the shares amounts to €24.8 million (previous year: €23.9 million). The market value of the shares amounts to €19.9 million (previous year: €24.5 million). The Company's multiannual plan reveals that the carrying amount of the shares is covered by the value in use.

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.

T.27	2011 € million	2010 € million.
Total assets	81.9	81.8
Total liabilities	43.2	45.3
Equity	38.7	36.5
Sales	86.2	88.3
Earnings	3.2	8.6

The balance sheet date of Wilderness Holdings Ltd. is February 28, 2012. The information on total assets, total liabilities and equity stated above relate to the Company's financial information as of December 31.

13. OTHER NON-CURRENT ASSETS

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

T.28	2011 € million	2010 € million
Other loans	1.9	2.7
Other financial assets	17.0	15.2
Sum of other non-current financial assets	18.9	17.9
Other non-current non-financial assets	27.4	21.0
Other Non-Current Assets, total	46.3	38.9

Other financial assets mainly include rental deposits in the amount of €16.7 million (previous year: €14.8 million).

In financial year 2011, there were no indicators of impairment of other non-current assets.

14. LIABILITIES

The residual terms of liabilities are as follows:

T.29

	2011				2010			
	Total € million	Residual term of			Total € million	Residual term of		
		up to 1 year € million	1 to 5 years € million	over 5 years € million		up to 1 year € million	1 to 5 years € million	over 5 years € million
Current liabilities to banks	35.1	35.1			42.8	42.8		
Trade Payables	431.4	431.4			344.3	344.3		
Liabilities from acquisitions of business enterprises	100.4	93.6	6.8	0,006.8	137.6	55.7	81.9	
Other liabilities								
Tax liabilities	37.6	37.6			43.5	43.5		
Liabilities relating to social security	5.0	5.0			4.2	4.2		
Liabilities to employees	50.8	50.8			51.1	51.1		
Liabilities from the market valuation of forward exchange transactions	2.2	2.2			21.3	21.3		
Liabilities from leases	0.3	0.3			0.5	0.5		
Other liabilities	80.0	69.1	10.9	0,010.9	67.1	56.8	10.3	
Total	742.8	725.1	17.7	0,017.7	712.4	620.2	92.2	0.0

The PUMA Group has confirmed credit facilities amounting to a total of €353.6 million (previous year: €259.2 million).

The reason for the increase is the expansion and consolidation of the business relationship with a core banking group of banks. Relevant framework agreements were entered into with the financing partners. With liabilities to banks amounting to €35.1 million (previous year: €42.8 million) and guaranteed credit in the amount of €31.5 million (previous year: €27.6 million), the non-utilized credit facilities amounted to €287.0 million as of December 31, 2011 compared to €188.8 million in the previous year.

The effective interest rate of the financial liabilities ranged between 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:

T.30 CASH FLOWS FROM NON-DERIVATIVE FINANCIAL LIABILITIES	Carrying amount 2011 € million	Cash flow 2012		Cash flow 2013		Cash flow 2014 et seq.	
		Interest € million	Repayment € million	Interest € million	Repayment € million	Interest € million	Repayment € million
Non-derivative financial liabilities							
Liabilities to banks	35.1		35.1				
Trade Receivables	431.4		431.4				
Liabilities from finance leases	0.3				0.2		0.1
Purchase price liabilities	100.4		93.6		1.9		5.2
Other liabilities	54.1		54.1				
Derivative financial liabilities and assets							
Forward exchange transactions with cash flow hedges - inflow			632.6				
Forward exchange transactions in connection with cash flow hedges - inflow			617.6				

Liabilities to banks can be repaid at any time.

The following values were determined in the previous year:

T.31 CASH FLOWS FROM NON-DERIVATIVE LIABILITIES	Carrying amount 2010 € million	Cash flow 2011		Cash flow 2012		Cash flow 2013 et seq.	
		Interest € million	Repayment € million	Interest € million	Repayment € million	Interest € million	Repayment € million
Non-derivative financial liabilities							
Liabilities to banks	42.8		42.8				
Trade Receivables	344.3		344.3				
Liabilities from finance leases	0.5		0.4				
Purchase price liabilities	137.6		55.7		78.2		4.1
Other liabilities	43.7		37.0		0.5		6.2
Derivative financial liabilities and assets							
Forward exchange transactions with cash flow hedges - inflow			525.9				
Forward exchange transactions in connection with cash flow hedges - inflow			545.9				

15. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

T.32	Measurement- Categories under IAS 39	Carrying Amount 2011	Fair Value 2011	Carrying Amount 2010	Fair Value 2010
		€ million	€ million	€ million	€ million
Assets					
Cash and Cash Equivalents	¹⁾ LAR	448.2	448.2	479.6	479.6
Trade receivables	LAR	533.1	533.1	447.0	447.0
Other current financial assets	LAR	16.1	16.1	22.6	22.6
Derivatives with hedging relationship (Fair Value)	n.a.	27.2	27.2	3.3	3.3
Derivatives without hedging relationship (Fair Value)	n.a.	1.5	1.5	0.0	0.0
Loans	LAR	1.9	1.9	2.7	2.7
Other non-current financial assets	LAR	17.0	17.0	15.2	15.2
Liabilities					
Liabilities to banks	²⁾ OL	35.1	35.1	42.8	42.8
Trade payables	OL	431.4	431.4	344.3	344.3
Purchase price liabilities	OL	100.4	100.4	137.6	137.6
Liabilities from leases	n.a.	0.3	0.3	0.5	0.5
Other financial liabilities	OL	54.1	54.1	43.7	43.7
Derivatives with hedging relationship (Fair Value)	n.a.	1.9	1.9	21.3	21.3
Derivatives without hedging relationship (Fair Value)	n.a.	0.3	0.3	0.0	0.0
Total LAR		1.016.3	1.016.3	967.1	967.1
Total OL		621.0	621.0	568.4	568.4

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 value of derivative assets or liabilities was 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.

As of the reporting date, the carrying amount of loans approximates fair value.

The fair value of other financial assets corresponds to their present value, taking into account prevailing market interest rates. Other financial assets include € 18.2 million (previous year: € 16.7 million) that were pledged as rental deposits.

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 prorated payments. The resulting nominal amounts were discounted at a reasonable market interest rate, depending on the expected date of payment. Depending on the country, market interest rates range between 2.3% and 3.4%. The fair value of other financial liabilities is determined based on the present value, taking into account the prevailing interest rate parameters.

The fair value of derivatives with hedging relationships as of the balance sheet date is 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:

T.33	2011 € million	2010 € million
Loans and receivables (LAR)	-6.4	-20.4
Other liabilities (OL)	-14.4	-18.8
Derivatives without hedging relationship	+1.2	0.0
Total	-19.6	-39.2

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

General administrative expenses and financial results include allowances for receivables and currency changes, respectively.

16. 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.

The obligations of PUMA SE rely exclusively on the contractual provisions. The general pension regulations of PUMA SE for new hires up to December 31, 1995 basically provide for pension payments of a maximum amount of € 127.82 per month and per eligible employee. This pension plan is closed. 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 individual commitments are insured plans. The scope of the obligations attributable to domestic pension claims (PUMA SE) amounts to € 22.8 million (previous year: € 23.3 million) and thus accounts for 35.4% (previous year: 41.3%) of the total obligation. The fair value of the plan assets relative to domestic obligations amounts to € 8.7 million (previous year: € 7.4 million). The pension provision amounts to € 14.1 million (previous year: € 15.9 million).

The defined benefit plan in the UK is not available for new hires. 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. The obligations regarding pension claims under the defined benefit plan in the UK amount to € 26.0 million (previous year € 21.3 million) and thus, account for 40.4% (previous year: 37.8%) of the total obligation. The obligation is covered by assets amounting to

€ 22.3 million (previous year: € 20.0 million). The provision amounts to € 3.7 million (previous year: € 1.3 million).

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

T.34	2011 € million	2010 € million
Present value of pension claims January 1	56.4	50.0
Cost of the claims earned in the reporting year	3.9	2.9
Interest expense	2.4	2.4
Employee contributions	0.5	0.4
Actuarial (gains) and losses	4.2	1.4
Currency exchange effects	0.9	1.9
Benefits paid	-1.9	-2.5
Past service costs	-0.8	0.0
Effects from transfers	0.3	0.0
Effects from plan reductions	-1.5	-0.1
Effects from settlements	0.0	0.0
Present value of pension claims December 31	64.4	56.4

The changes in the plan assets are as follows:

T.35	2011 € million	2010 € million
Plan assets January 1	30.4	24.6
Expected return on plan assets	1.3	1.1
Actuarial gains and (losses)	0.4	0.8
Employer contributions	2.0	4.0
Employee contributions	0.5	0.4
Currency exchange effects	0.6	1.0
Benefits paid	-0.7	-1.5
Effects from transfers	0.1	0.0
Effects from settlements	0.0	0.0
Plan assets December 31	34.6	30.4

The changes in pension provisions are as follows:

T.37	2011 € million	2010 € million
Pension provision January 1	26.0	25.4
Pension expense	2.7	4.1
Actuarial (gains) and losses recorded in equity	3.8	0.6
Employer contributions	-2.0	-4.0
Direct pension payments made by the employer	-1.2	-1.0
Transfers	0.2	0.0
Currency exchange differences	0.3	0.9
Pension provision December 31	29.8	26.0
of which assets	0.0	-0.1
of which liabilities	29.8	26.1

The pension provision for the Group is derived as follows:

T.36	2011 € million	2010 € million
Present value of pension claims from wholly or partially funded plans	54.6	49.3
Fair value of plan assets	-34.6	-30.4
Shortfall /(surplus)	20.0	18.9
Present value of pension plans from unfunded plans	9.8	7.1
Non-recorded historical costs	0.0	0.0
Amounts not recorded due to the maximum limit applicable to assets	0.0	0.0
Pension provision December 31	29.8	26.0

In 2011, benefits paid amounted to €1.9 million (previous year: € 2.5 million). Payments in the amount of €2.0 million are expected in 2012. Of this amount, €1.4 million are expected to be paid directly by the employer. In 2011, contributions to external plan assets amounted to €2.0 million (previous year: €4.0 million). Contributions in 2012 are expected to amount to €1.6 million.

The expenses in financial year 2011 are structured as follows:

T.38	2011 € million	2010 € million
Cost of the claims earned in the reporting year	3.9	2.9
Interest expense	2.4	2.4
Expected return on plan assets	-1.3	-1.1
Expense from plan changes	-0.8	0.0
Expense from plan reductions or settlements	-1.5	-0.1
Expenses for defined benefit plans	2.7	4.1
Paid contributions for defined contribution plans	8.1	8.5
Total expenses for old-age pension	10.8	12.6
of which personnel costs	9.7	11.3
of which financial costs	1.1	1.3

Actuarial gains and losses recorded in equity:

T.39	2011 € million	2010 € million
Actuarial (gains) and losses in the financial year	3.8	0.6
Effects from taking into account the maximum limit applicable to assets	0.0	0.0
Total expenses directly recognized in equity in the financial year	3.8	0.6
Expenses recognized in equity in previous years	7.7	7.1
Currency exchange differences	0.3	0.0
Accumulated expenses recognized in equity	11.8	7.7

Plan asset classes:

T.40	2011 € million	2010 € million
Stocks	5.7	6.9
Bonds	16.0	12.3
Hedge funds	0.1	0.1
Derivatives	0.0	0.0
Real estate	2.8	2.5
Insurance	8.8	7.5
Other	1.2	1.1
Total plan assets	34.6	30.4

Plan assets do not include the Group's own financial instruments. The actual return on plan assets amounted to € 1.7 million (previous year: € 1.9 million).

The expected return on external plan assets is determined separately for each asset class based on capital market research and return forecasts. Insurance contracts account for 25.4% of the plan assets. The determination of the expected return on plan assets was based on the published or expected return of the insurance company concerned.

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

T.41	2011	2010
Discount rate	4.27%	4.57%
Future pension increases	2.07%	2.07%
Future salary increases	4.08%	3.95%
Expected return on external plan assets	4.64%	4.79%

The indicated values are weighted average values. A standard interest rate of 4.5% (previous year: 4.5%) was applied for the euro zone.

The pension provisions of PUMA SE were determined using the Klaus Heubeck "2005 G" mortality tables.

Obligations, assets and cover ratio

T.42	2011 € million	2010 € million	2009* € million	2008 € million	2007 € million
Present value of pension claims	64.4	56.4	50.0	41.0	39.0
Plan assets	34.6	30.4	24.6	19.7	21.1
Surplus/shortfall	29.8	26.0	25.4	21.3	17.9

* Adjusted comparative figures pursuant to IAS 8

Adjustments based on experience

T.43	2011 € million	2010 € million	2009 € million	2008 € million
(Gains)/losses in plan assets based on experience	-0.4	-0.8	-0.7	2.6
(Gains)/losses in pensions obligations based on experience	-0.1	-0.5	1.8	0.8

17. TAX PROVISIONS

T.44	2010					2011
	€ million	Currency adjustments, transfers € million	Utilization € million	Release € million	Addition € million	€ million.
Tax provisions	106.9	0.1	-84.2	-9.5	57.0	70.3

Tax provisions mainly include expected tax arrears for previous years as well as income taxes expected but not yet paid for financial year 2011. Deferred taxes are not included. The provision should lead to a cash outflow in the following financial year.

Taking into account tax refund claims in the amount of €72,6 million, which are included in receivables from income taxes, as well as the tax liabilities in the amount of €12.3 million included in the liabilities from income taxes, the Group's expected netted tax liabilities amount to €10.0 million.

18. OTHER PROVISIONS

T.45	2010					2011
	€ million	Currency adjustments, transfers € million	Utilization € million	Release € million	Addition € million	€ million.
Provisions for:						
Warranties	14.0	0.2	-5.7	-0.8	2.9	10.6
Purchasing risks	2.5	-0.1	-0.7	-1.2	5.5	6.0
Special items	19.5	-0.2	-14.0	0.0	0.0	5.3
Other	48.1	-0.1	-13.0	-5.3	18.5	48.2
Total	84.1	-0.2	-33.4	-7.3	26.9	70.1

The warranty provision is determined on the basis of the historical value of sales generated during the past six months. It is expected that a large amount of these expenses will fall due within the first six months of the next financial year.

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.

Provisions for special items include expenses incurred for the optimization of the retail trade portfolio, the global organizational structure and re-engineering of the operative processes.

Other provisions consist primarily of risks associated with legal disputes, provisions for anticipated losses from pending business and other risks.

Other provisions include long-term provisions in the amount of €26.3 million (previous year: €12.2 million).

19. LIABILITIES FROM THE ACQUISITION OF BUSINESS ENTITIES

Pursuant to the contracts entered into, purchase price liabilities associated with acquisitions of business enterprises result in prorated 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:

T.46			2011	2010
			€ million	€ million
	Due within one year		93.6	55.7
	Due in more than one year		6.8	81.9
	Total		100.4	137.6

20. 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 fully paid-in bearer shares. Capital reserves rose by € 6.5 million as a result of the valuation of stock option programs for management.

As published already on August 8, 2011, SAPARDIS S.E. (formerly SAPARDIS S.A.), a fully owned subsidiary of PPR S.A., Paris, has informed us that its percentage share of voting rights in PUMA SE exceeded the 75% threshold on August 3, 2011. Consequently, the PPR Group holds a qualified majority stake in PUMA SE.

Changes in the circulating shares:

T.47			2011	2010
	Circulating shares as of January 1	share	14,980,871	15,082,464
	Conversion from Management Incentive Program	share	78,335	626
	Share buy-back	share	-124,573	-102,219
	Circulating shares as of December 31	share	14,934,633	14,980,871

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

RETAINED EARNINGS AND NET PROFIT Retained earnings 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 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.

CASH FLOW HEDGES The "cash flow hedges" item includes the market valuation of derivative financial instruments. The item includes € 19.8 million (previous year: € -11.1 million), which are offset against € -7.0 million of deferred taxes (previous year: € 5.5 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 percent 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 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 date of 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 made use of the authorization to purchase treasury stock and repurchased 124,573 no-par shares with a value of € 26.6 million during the reporting period. Furthermore during the reporting period, a number of 78,335 no-par shares with a value of € 17.3 million were converted within the management incentive program. As of the balance sheet date, the Company holds a total of 147,831 PUMA shares in its own portfolio, which corresponds to 0.98% of the subscribed capital.

AUTHORIZED CAPITAL Pursuant to Section 4, Nos. 3 and 4 of the Articles of Association of PUMA SE, the Administrative Board is authorized, to increase the share capital by April 10, 2012 as follows:

- A) by issuing up to € 7.5 million worth of new shares on one or more occasions in exchange for cash contributions. Shareholders have in principle subscription rights whereby such subscription rights may be barred to avoid fractional shares (Subscribed Capital I) and
- B) by issuing up to € 7.5 million worth of new shares on one or more occasions in exchange for cash contributions or contributions in kind, whereby the shareholders' subscription rights may be wholly or partially barred (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 conditional capital increase may be used exclusively for

the purpose of granting subscription rights (stock options) to former members of the Board of Management, managing directors and other executive staff of the Company as well as to affiliated subsidiary companies. As of December 31, 2011, 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 are determined in accordance with German Commercial Law.

The managing directors and the Administrative Board recommend to the Annual General Meeting that a dividend of € 2.00 per circulating share, or a total of € 29.9 million (with respect to the circulating shares as of December 31), be distributed to the shareholders from the net income of PUMA SE for financial year 2011. This corresponds to a payout ratio of 13.0% relative to net earnings compared to 13.3% in the previous year.

Appropriation of the net income of PUMA SE

		2011	2010	
T.48	Net income of PUMA SE as of December 31	€ million	95.0	75.0
	Dividends per share	€	2.00	1.80
	Number of circulating shares *	share	14.934.633	14.915.053
	Dividends total *	€ million	29.9	26.8
	Carried forward to the new accounting period *	€ million	65.1	48.2

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

NON-CONTROLLING INTERESTS (PREVIOUSLY MINORITY INTERESTS)

The non-controlling interest remaining as of the balance sheet date relates to a company in the Brandon Company AB sub-group with € 0.0 million (previous year: € 0.2 million) as well as PUMA Wheat Accessories, LLC with € 0.1 million and Janed, LLC with € 0.6 million, which have joined the group of consolidated companies in 2011.

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, which is shown in the consolidated balance sheet as well as the reconciliation statement concerning "Changes in Equity".

21. 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 stock appreciations rights (SAR). The programs were valued using a binomial model or a Monte Carlo simulation.

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 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 at least for three months after the end of the Annual General Meeting in 2013.

The term of the subscription rights issued or 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 grant date. In contrast to traditional stock option programs, the equivalent amount of the increase in value of the PUMA share since the grant date 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.

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 option is also available to the managing directors with respect to the other executives concerned.

The following parameters were used for the determination of the fair value:

T.49	SOP	2008 Tranche I	2008 Tranche II	2008 Tranche III	2008 Tranche IV
	Share price as of the grant date	€ 199.27	€ 147.27	€ 250.50	€ 199.95
	Expected volatility	29.1%	47.7%	34.5%	29.2%
	Expected dividend payment	1.50%	2.31%	1.30%	1.30%
	Risk-free interest rate, Board of Management	4.60%	1.97%	1.60%	2.40%
	Risk-free interest rate, executive staff	4.60%	1.97%	1.60%	2.40%

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

Changes in the "SOP" program during the financial year:

T.50	SOP	2008 Tranche I	2008 Tranche II	2008 Tranche III	2008 Tranche IV
	Issue date	07/21/2008	04/14/2009	04/22/2010	04/15/2011
	Amount issued	113.000	139.002	126.184	151.290
	Exercise price	€ 0.00	€ 0.00	€ 2.56	€ 2.56
	Residual term	1.58 years	2.25 years	3.25 years	4.25 years
	Circulating as of January 1, 2011	96,500	135,002	126,184	0
	Exercised	-85,100	-127,502	0	0
	Ø-share price upon exercise	238.19	224.99	n.a.	n.a.
	Expired/reactivated	-500	-500	-9,991	-12,453
	Outstanding as of December 31, 2011	10,900	7,000	116,193	138,837

As of the date of allocation, the average fair value per option is €49.44 for "Tranche I - 2008". Taking into account the vesting period, there are no expenses for the current financial year. Of the outstanding options, 4,400 belong to the previous Board of Management of PUMA AG.

Pursuant to the allocation, the average fair value per option is €53.49 for "Tranche II - 2008". Taking into account the vesting period, the expenses for the current financial year amount to a total of €0.9 million.

Of the outstanding options, 500 options belong to the previous Board of Management of PUMA AG.

Pursuant to the allocation, the average fair value per option is €61.81 for "Tranche III - 2008". Taking into account the vesting period, the expenses for the current financial year amount to a total of €3.7 million.

Of the outstanding options, 95,193 options belong to the previous Board of Management of PUMA AG.

Pursuant to the allocation, the average fair value per option is €40.14 for "Tranche IV - 2008". Taking into account the vesting period, the expenses for the current financial year amount to a total of €1.9 million. A total of 116,837 options belong to the previous Board of Management of PUMA AG at the end of the year.

EXPLANATION OF "SAR" In addition to the SOP programs, there were also stock appreciation rights (SARs) issued within the scope of the Long-Term Incentive Program in 2004 and 2006 to members of the Board of Management of PUMA AG, members of the company organs of affiliated companies and to the executive staff of PUMA AG and of affiliated companies that are responsible for the long-term increase in corporate value.

The maturity of vested option rights under the "SAR 2004" program is five years after issuance. The option rights can be exercised after a vesting period of two years at the earliest. An exercise gain results from the positive difference between the current share price in the event of a virtual sale and the exercise price. A minimum exercise gain of 4% and a maximum exercise gain of 50% were agreed upon for tranche III (2006/2011). Tranches I, II, IV and V were completed in the previous years. Tranche III expired in financial year 2011.

Under the "SAR 2006" program, the maturity of option rights is a total of five years as of the receipt of the declaration of acceptance. Option rights may be exercised after a vesting period of one year at the earliest, whereby a maximum of 25% can be exercised in the second year, a maximum of 50% in the third year, a maximum of 75% in the fourth year, and the full 100% in the last year only. Options can only be exercised if, on the exercise date, the exercise price relative to the allotment price increased by at least 20% in the second year, by at least 24% in the third year, by at least 27% in the fourth year, and by at least 29% in the fifth year (exercise barrier). Each stock appreciation right entitles the holder to realize as profits the positive difference between the share price as of the exercise date - however no more than twice the amount of the allotment price - and the allotment price plus the respective exercise barrier. The allotment price was calculated from the average XETRA

closing prices for the 20 trading days preceding the issuance. The program expired in financial year 2011.

Changes in the "SAR" program during the financial year:

T.51	SAR	2004 Tranche III	2006 Tranche I
Issue date		25/04/2006	01/10/2006
Amount issued		150,000	66,250
Exercise price		€ 345.46	€ 317.23
			€ 341.02
Residual term		0 years	0 years
Circulating as of January 1, 2011		150,000	37,750
Exercised		0	0
Expired		-150,000	-37,750
Circulating as of December 31, 2011		0	0

The program launched in 2004 resulted in an income of € 0.1 million in the current year. The option rights were held by the previous Board of Management of PUMA AG. The program that was launched in 2006 resulted in an income of € 0.0 million in the current year.

22. 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 expenditures, travel costs, legal and consulting expenses and other general administrative expenses. Typical operational income that is associated with operating expenses was offset. Rental and lease expenses associated with the Group's own retail outlets include sales-dependent rental components.

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

T.52	2011 € million	2010 € million
Sales and distribution expenses	937.7	850.1
Product development/design	77.0	63.6
Administrative and general expenses	195.3	178.9
Other operating expenses	1.210.0	1.092.6
Other operating income	32.2	35.5
Total	1.177.8	1.057.1
Of which depreciation/amortization and impairment expenses	63.4	66.0
Of which currency conversion differences (income with minus sign)	0.0	-3.7

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 € 0.7 million (previous year: € 0.6 million). Of these, € 0.5 million (previous year: € 0.5 million) are for statutory audit services, € 0.1 million (previous year: € 0.1 million) for tax advisory services and € 0.1 million (previous year: € 0.0 million) for other services.

Other operating income includes € 25.4 million (previous year: € 28.3 million) relating to income from the allocation of development costs and € 6.8 million (previous year: € 7.2 million) relating to further other income.

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

T.53	2011 € million	2010 € million
Wages and salaries	308.1	276.6
Social security contributions	42.2	36.7
Expenses from option programs	6.5	5.9
Expenses for old-age pension and other personnel expenses	37.1	34.9
Total	393.8	354.1

In addition, cost of sales includes personnel costs in the amount of € 11.4 million (previous year: € 7.5 million).

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

T.54	2011	2010
Marketing/retail/sales	6,689	6,284
Product development/design	861	659
Administrative and general units	2,493	2,370
Total annual average	10,043	9,313

As of the end of the year, a total of 10,836 individuals were employed (previous year: 9,697) on a full-time basis.

23. FINANCIAL RESULTS

The financial results consist of:

T.55	2011 € million	2010 € million
Income from associated companies	1.1	1.8
Interest income	5.2	4.4
Financial income	5.2	4.4
Interest expense	-8.4	-5.9
Interest accrued on purchase price liabilities from acquisitions of business entities	-2.7	-4.3
Valuation of pension plans	-1.1	-1.3
Currency conversion differences	-6.9	0.0
Financial expenses	-19.1	-11.5
Financial results	-12.8	-5.3

Income from associated companies results exclusively from the shareholding in Wilderness Holdings Ltd. (also see paragraph 12).

Interest income results from financial investments.

Interest expenses relate to short-term liabilities to banks.

In addition, financial expenses include currency conversion differences in the amount of € 6.9 million (previous year: € 0.0 million), which are attributable to financing activities.

24. INCOME TAXES

T.56

	2011 € million	2010 € million
Current income taxes		
Germany	14.1	12.4
Other countries	88.6	82.6
Total current income taxes	102.7	95.0
Deferred Taxes	-12.7	4.3
Total	90.0	99.3

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% applied for the financial year.

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

T.57

	2011 € million	2010 € million
Earnings before income taxes	320.4	301.5
Theoretical tax expense		
Tax rate of the PUMA SE = 27.22% (previous year: 27.22%)	87.2	82.1
Taxation difference with respect to other countries	-12.7	-9.2
Other tax effects:		
Income taxes for previous years	-9.9	-3.0
Losses and temporary differences for which no tax claims were recognized	21.9	13.4
Changes in tax rate	-1.0	0.1
Non-deductible expenses and non-taxable income and other effects	4.5	15.9
Effective tax expense	90.0	99.3
Effective tax rate	28.1%	32.9%

Withholding tax expenses in an amount of € 10.9 million (previous year: € 6.0 million) were allocated to other effects.

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

25. 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 21). The calculation is shown in the table below:

T.58

		2011	2010
Consolidated net earnings	€ million	230,1	202,2
Average number of circulating shares	share	14,981,387	15,030,618
Diluted number of shares	share	14,984,545	15,122,918
Earnings per share	€	15,36	13,45
Earnings per share, diluted	€	15,36	13,37

26. MANAGEMENT OF THE CURRENCY RISK

In financial year 2011, PUMA designated 'forward purchase USD' currency derivatives as cash flow hedges in order to hedge the payable amount of purchases denominated in USD, which is converted to Euro.

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 € 632.6 million (previous year: € 525.9 million).

Cash flows from the underlying transactions are expected in 2012.

The market values of open rate hedging transactions consist of:

1.59	2011 € million	2010 € million
Forward currency contracts, assets (see paragraph 7)	28.7	3.3
Forward currency contracts, liabilities (see paragraphs 14 and 15)	-2.2	-21.3
Net	26.5	-18.0

The changes in effective cash flow hedges are shown in the schedule of changes in shareholders' equity and the statement of comprehensive income. Risks are discussed in greater detail in the group management report.

27. SEGMENT REPORTING

Segment reporting is based on geographical regions in accordance with the internal reporting structure. Sales and operating results (EBIT) are shown according to the head office of the respective group company of the corresponding region. The intercompany

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 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.

Investments and depreciation/amortization relate to additions and depreciation/amortization of property, plant and equipment, intangible assets and other non-current assets during the current financial year. In addition, total impairment expenses in the amount of € 6.2 million (previous year: € 10.8 million) were taken into account in the following segments, EMEA (€ 2.6 million, previous year: € 7.7 million), Americas (€ 3.3 million, previous year: € 2.9 million), Asia/Pacific (€ 0.1 million, previous year: € 0.2 million) and central units / consolidation (€ 0.2 million, previous year: € 0.0 million).

Since PUMA is active in only one business area, and namely that of the sporting goods industry, sales and gross profit are allocated based on products, i.e. according to the footwear, apparel and accessories product segments in accordance with the internal reporting structure. Operating results and the vast majority of asset and liability items cannot be allocated in a reasonable manner.

T.60	REGION	External sales		EBIT		Investment	
		1-12 / 2011	1-12 / 2010	1-12 / 2011	1-12 / 2010	1-12 / 2011	1-12 / 2010
		€ million	€ million	€ million	€ million	€ million	€ million
	EMEA	1,247.5	1,157.3	56.6	67.8	38.7	41.4
	Americas	910.3	828.4	89.7	85.2	19.3	13.5
	Asia/Pacific	667.9	577.0	48.3	45.4	13.5	9.6
	Central units/consolidation	183.4	143.6	138.5	139.4	17.0	144.2
	Special Items				-31.0		
	Total	3,009.0	2,706.4	333.2	306.8	88.5	208.8

T.61	REGION	Depreciation		Inventories		Trade receivable	
		1-12 / 2011	1-12 / 2010	1-12 / 2011	1-12 / 2010	1-12 / 2011	1-12 / 2010
		€ million	€ million	€ million	€ million	€ million	€ million
	EMEA	17.9	19.8	294.5	242.7	215.4	190.8
	Americas	13.4	14.1	143.2	118.6	163.5	130.1
	Asia/Pacific	8.5	8.2	83.6	70.0	126.7	97.9
	Central units/consolidation	17.6	13.1	15.5	8.4	27.5	28.2
	Total	57.4	55.2	536.8	439.7	533.1	447.0

T.62	PRODUCT	External sales		Gross profit margin	
		1-12 / 2011	1-12 / 2010	1-12 / 2011	1-12 / 2010
		€ million	€ million	€ million	€ million
	Footwear	1,539.5	1,424.8	49.1%	48.9%
	Apparel	1,035.6	941.3	49.6%	50.6%
	Accessories	433.9	340.3	51.6%	50.6%
	Total	3,009.0	2,706.4	49.6%	49.7%

T.63 TRANSITION TO EBT	1-12 / 2011	1-12 / 2010
	€ million	€ million
EBIT	333.2	306.8
Financial results	-12.8	-5.3
EBT	320.4	301.5

28. 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 operating activities. The gross cash flow, derived from earnings before income taxes and adjusted for non-cash income and expense items, is determined within the cash flow from operating activities. Cash inflow from 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.

29. CONTINGENCIES AND CONTINGENT LIABILITIES

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

CONTINGENT LIABILITIES There were no reportable contingent liabilities.

With respect to the legal dispute with the former Spanish licensee, Estudio 2000, please refer to the explanations in the Outlook section of the Group Management Report.

30. 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 of renewal and price adjustment clauses.

Total expenses resulting from these agreements amounted in 2011 to € 118.3 million (previous year: € 115.7 million). Some of the expenses are sales based.

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

T.64	2011	2010
	€ million	€ million
Under rental and lease agreements:		
2012 (2011)	105.3	92.9
2013 - 2016 (2012 - 2015)	212.3	193.0
from 2017 (from 2016)	62.1	71.4

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:

T.65	2011	2010
	€ million	€ million
Under license, promotional and advertising agreements:		
2012 (2011)	92.1	88.3
2013 - 2016 (2012 - 2015)	239.2	163.3
from 2017 (from 2016)	72.8	6.1

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

31. BOARD OF MANAGEMENT / MANAGING DIRECTORS AND SUPERVISORY BOARD / ADMINISTRATIVE BOARD

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

In accordance with the Act on Disclosure of Management Board Compensation of August 3, 2005, the Annual General Meeting may independently pass resolutions on the scope of disclosing Board of Management compensation. In accordance with the legal provisions, disclosure of the individual earnings of the members of the Board of Management may be dispensed with for a period of 5 years (and as of July 25, 2011: of the Managing Directors pursuant to section 286(5); section 285(1)(9)(a) sentences 5 - 8; section 314(2)(2); section 314(1)(6)(a) sentences 5 - 8 of the German Commercial Code, if the Annual General Meeting passes a resolution in this regard by a 75% majority.

Pursuant to the resolution of the Annual General Meeting of April 22, 2008, the Company was authorized to refrain from disclosures pursuant to section 285(1)(9)(a) sentences 5 - 8 and section 314(1)(6)(a) sentences 5 - 8 of the German Commercial Code with respect to the financial year beginning on January 1, 2008 and all subsequent financial years ending December 31, 2012 at the latest.

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

BOARD OF MANAGEMENT / MANAGING DIRECTORS The compensation of the members of the Board of Management, which was determined by the Supervisory Board, and 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). The criteria for measuring the total compensation include, in addition to the duties and services performed by the Board of Management member or Managing Director, the economic situation, the long-term strategic planning and associated objectives, the sustainability of the achieved results, the long-term prospects of the Company's success, and international benchmark comparisons.

Fixed salary as non-performance-based basic compensation is paid out monthly. In addition, the members of the Board of Management/Managing Directors receive non-cash

compensation, such as use of company cars and insurance coverage. In principle, these benefits are granted to all members of the Board of Management / Managing Directors in an equal manner and are included in the non-performance-based compensation.

The bonus, as part of the performance-based compensation, is primarily based on the PUMA Group's operating profit and free cash flow and is staggered in accordance with the achievement of goals. An upper limit is also agreed upon.

The performance-based compensation component with a long-term incentive effect (stock appreciation rights) is generally determined as part of multiannual planning. The number of stock appreciation rights issued is measured as a component of total compensation. The fair value of the respective stock appreciation rights as of the date of allocation is used for this measurement. The possibility of a cap limit is considered in case of extraordinary, unforeseen developments. Details on the parameters used for the respective programs are provided in section 21 of the Notes to the Consolidated Financial Statements.

The fixed compensation for the seven Board of Management members and the five Managing Directors amounted to € 4.9 million (previous year: € 5.9 million) in the financial year and variable bonuses came to € 2.6 million (previous year: € 5.9 million).

Following the allocation of expenses to the vesting period, the expenses resulting from new options and those issued in previous years amounted to a total of € 3.8 million (previous year: € 4.7 million). The Board of Management / Managing Directors were granted a total of 129,290 options from the SOP 2008 program in the financial year. The fair value was € 40.15 per option as of the grant date.

The Board of Management/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. € 0.4 million (previous year: € 1.2 million) was allocated for Board of Management members / Managing Directors in the financial year. The present value of the pension benefits granted to Managing Directors in the amount of € 0.2 million (previous year: € 5.2 million) as at December 31, 2011 was offset against the pledged asset value of the pension liability insurance policy, which was of an equal amount. As a result of changes in the members of the Board of Management and Managing Directors, as at the balance sheet date pension obligations were transferred from active members to former members.

Pension obligations to former members of the Board of Management amounted to € 9.4 million (previous year: € 3.5 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: € 0.1 million).

SUPERVISORY BOARD / ADMINISTRATIVE BOARD In accordance with the Articles of Association, the Supervisory Board consisted of six members. 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 Supervisory Board/Administrative Board is comprised of a fixed and a performance-based component

Supervisory Board The fixed annual compensation for each member amounted to €30,000. The Chairman of the Supervisory Board received twice this amount and the Vice Chairman received one and a half times this amount in compensation. The total fixed compensation pro rata temporis until July 24, 2011 amounted to a total of € 126,400 (in the previous year a total of € 225,000).

The performance-based compensation amounted to €20.00 per €0.01 of the earnings per share (before dilution) shown in the consolidated financial statements, which exceeds a minimum amount of € 16.00, but does not exceed € 10,000 per year. The Chairman of the Supervisory Board received twice this amount and the Vice Chairman received one and a half times this amount in compensation. Since earnings per share were below the minimum amount in the financial year, as in the previous year, no performance-based compensation is paid.

Administrative Board In accordance with the Articles of Association, each member of the Administrative Board receives a fixed annual compensation in the amount of €25,000. The fixed compensation 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 members of a committee (with the exception of the Nominating Committee). The pro rata temporis compensation for the financial year is € 122,700.

In addition, each member of the Administrative Board receives a performance-based compensation corresponding to €20.00 per €0.01 of the earnings per share shown in the consolidated financial statements, which 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.

The compensation of the Administrative Board for the year of conversion is subject to authorization by the Annual General Meeting, which decides on the discharge of the members of the Administrative Board.

32. RELATED PARTY RELATIONSHIPS

In accordance with IAS 24, relationships with related 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 S.E. (formerly SAPARDIS S.A.) presently holds over 75% of the subscribed capital of PUMA SE. PPR S.A., Paris, acts as the controlling parent company. Consequently, all companies that are directly or indirectly controlled by PPR S.A. and are not included in the consolidated financial statements of PUMA SE are defined as related parties.

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

Transactions with related parties largely concern the sale of goods and services. These

T.66	Deliveries and services rendered		Deliveries and services received	
	2011 € million	2010 € million	2011 € million	2010 € million
PPR Group consolidated companies	10.0	11.9	1.9	1.2
Other related parties	8.7	10.5	3.1	5.9
Total	18.7	22.4	5.0	7.1

T.67	Net receivables from		Payables to	
	1-12/2011 € Mio.	1-12/2010 € Mio.	1-12/2011 € Mio.	1-12/2010 € Mio.
PPR Group consolidated companies	2.1	1.8	0.8	0.2
Other related parties	3.4	1.3	0.0	0.1
Total	5.5	3.0	0.8	0.3

sales were concluded under normal market conditions that are also customary with third parties.

The following overview illustrates the scope of the business relationships:

During the reporting year, PUMA SE, together with its associated company, PPR Finance SNC, acquired a confirmed credit line in the amount of € 100.0 million as well as an unconfirmed liquidity line of up to € 200.0 million. Interest income in the amount of € 77,000 was received from short-term investments of up to 3 months within the scope of the liquidity line of PPR Finance SNC. In addition, in 2011 PUMA SE started to enter into currency hedging transactions through PPR Finance SNC.

Receivables from related 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, gross receivables in the amount of € 52.1 million (previous year: € 52.3 million) were adjusted in value for a subsidiary of PUMA SE in Greece as of December 31, 2011. In financial year 2011, no expenses were recorded in this regard (previous year: € 15.2 million). The Board of Management and the Managing Directors as well as the members of the

Supervisory Board and 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 31.

As part of consulting, service and employment contracts, members of the Supervisory Board and of the Administrative Board received compensation from PUMA in the amount of € 2.9 million.

33. CORPORATE GOVERNANCE

The Managing Directors and the Administrative Board have 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 Company's website (www.puma.com). Please also refer to the Corporate Governance Report in the Management Report of PUMA SE.

34. EVENTS AFTER THE BALANCE SHEET DATE

As already announced in the publication of May 20, 2011, in January 2012 PUMA acquired the remaining 49.9% of shares in the Dutch licensee, Dobotex, which makes and distributes PUMA brand socks and body wear. As of the balance sheet date, the purchase price was already included in the current liabilities from the acquisition of business enterprises.

There were no other events after the balance sheet date, that have a significant impact on the net assets, financial position and results of operations.

RESPONSIBILITY STATEMENT ("Bilanzzeit") 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 6, 2012 for distribution to the Administrative Board. The Administrative Board must review the consolidated financial statements and state whether it approves them.

Herzogenaurach, February 6, 2012

MANAGING DIRECTORS

KOCH BAUER CAROTI SEIZ BERTONE

INDEPENDENT STATUTORY AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of PUMA SE and its subsidiaries, which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements for the business year from January 1 through December 31, 2011.

MANAGING DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS The Managing Directors of PUMA SE are responsible for the preparation of these consolidated financial statements. This responsibility includes that these consolidated financial statements are prepared in accordance with International Financial Reporting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315a(1) HGB (Handelsgesetzbuch: German Commercial Code) and that these 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 these requirements. The Board of Managing Directors is / Managing Directors are also responsible for the internal controls as the Board of Managing Directors/ Managing Directors determine(s) are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standards on Auditing (ISA). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of audit procedures depends on the auditor's professional judgment. This includes the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In assessing those risks, the auditor considers the internal control system relevant to the entity's preparation of consolidated financial statements that give a true and fair view. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managing Directors/ Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDIT OPINION According to section 322(3) sentence 1 HGB, we state that our audit of the consolidated financial statements has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements comply, in all material respects, with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315a(1) HGB and give a true and fair view of the net assets and financial position of the Group as at December 31, 2011 as well as the results of operations for the business year then ended, in accordance with these requirements.

REPORT ON THE GROUP MANAGEMENT REPORT

We have audited the accompanying group management report of PUMA SE of the business year from January 1 to December 31, 2011. The Managing Directors of PUMA SE are responsible for the preparation of the group management report in accordance with the requirements of German commercial law applicable pursuant to section 315a(1) HGB. We conducted our audit in accordance with section 317(2) HGB and German generally accepted standards for the audit of the group management report promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Accordingly, we are required to plan and perform the audit of the group management report to obtain reasonable assurance about whether the group management report is consistent with the consolidated financial statements and the audit findings, as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

According to section 322(3) sentence 1 HGB we state, that our audit of the group management report has not led to any reservations.

In our opinion based on the findings of our audit of the consolidated financial statements and group management report, the group management report is consistent with the consolidated financial statements, as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, February 6, 2012

**PRICEWATERHOUSECOOPERS
AKTIENGESELLSCHAFT
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT**

DR. ULRICH STÖRK
GERMAN PUBLIC AUDITOR

BERND WAGNER
GERMAN PUBLIC AUDITOR





BOARD OF MANAGEMENT & SUPERVISORY BOARD OF PUMA AG AND MANAGING DIRECTORS & ADMINISTRATIVE BOARD OF PUMA SE / REPORT OF THE ADMINISTRATIVE BOARD

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CHAPTER:

9

BOARD OF MANAGEMENT OF PUMA AG

(UNTIL JULY 24, 2011)



JOCHEN ZEITZ

(Chairman of the Board of Management)

MEMBERSHIP IN OTHER SUPERVISORY BOARDS AND SIMILAR ORGANS:

PPR, Paris/France (non-voting member)
Harley-Davidson Inc., Milwaukee/USA



FRANZ KOCH

(from April 27, 2011)

» Global Strategy



MELODY HARRIS-JENSBACH

(Vice Chairwoman of the Board of Management)

» Product



REINER SEIZ

» Procurement

(Deputy Member of the Board of Management)



KLAUS BAUER

» Finance, Law, Operations, Logistics, IT, Human Resources



ANTONIO BERTONE

» Marketing

(Deputy Member of the Board of Management)



STEFANO CAROTI

» Sales

SUPERVISORY BOARD OF PUMA AG

(UNTIL JULY 24, 2011)

FRANÇOIS-HENRI PINAULT

(Chairman)

Paris France

Président-Directeur Général of PPR, Paris/France

MEMBERSHIP IN OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

Boucheron Holding S.A., Paris / France

Yves Saint Laurent S.A.S., Paris/France

Gucci Group NV, Amsterdam/The Netherlands

FNAC, Ivry sur Seine / France

SAPARDIS, Paris / France

Soft Computing, Paris/France

Christie's International, London/United Kingdom

Sowind Group (Vice President), La Chaux-de-Fonds/Switzerland

Bouygues, Paris/France

CFAO (Vice President), Sèvres/France

Artemis (Chairman), Paris/France

THORE OHLSSON

(Vice Chairman)

Falsterbo, Sweden

President of Elimexo AB, Falsterbo/Sweden

MEMBERSHIP IN OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

Nobia AB, Stockholm/Sweden

Bastec AB (Chairman), Malmö/Sweden

Elite Hotels AB, Stockholm/Sweden

Tretorn AB, Helsingborg/Sweden

T. Frick AB (Chairman), Vellinge/Sweden

T.M.C. AB (Chairman), Skanör/Sweden

Kistamässan AB, Kista/Sweden

JEAN-FRANÇOIS PALUS

Paris France

Directeur Général Délégué / Directeur Financier of PPR, Paris / France

MEMBERSHIP IN OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

Gucci Group NV, Amsterdam / The Netherlands

CFAO, Sèvres / France

Conforama Holding, Lognes Marne la Vallée/France

FNAC, Ivry sur Seine/France

SAPARDIS, Paris/France

GRÉGOIRE AMIGUES

Paris, France

Directeur du Plan et de la Stratégie of PPR, Paris/France

MEMBERSHIP IN OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

SAPARDIS, Paris/France

LUMINOSA, Paris/France

ERWIN HILDEL

(Employee Representative)

Herzogenaurach, Germany

Head of Sales Support and Customer Service

OLIVER BURKHARDT

(Employee Representative)

Möhrendorf, Germany

Project Manager IT Solutions

MANAGING DIRECTORS OF PUMA SE

(FROM JULY 25, 2011)



FRANZ KOCH
(CEO)



REINER SEIZ
(Procurement)



KLAUS BAUER
(Finance, Law, Operations, Logistics, IT, Human Resources)



ANTONIO BERTONE
(Marketing)



STEFANO CAROTI
(Sales)

ADMINISTRATIVE BOARD OF PUMA SE

(FROM JULY 25, 2011)

JOCHEN ZEITZ

(Chairman)

Montrichet/Switzerland

Head of PPR S.A.'s Sport and Lifestyle division, Paris/France

MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

Harley-Davidson Inc., Milwaukee/USA

Wilderness Holdings Ltd., Maun/Botswana

FRANÇOIS-HENRI PINAULT

(Vice Chairman)

Paris, France

Président-Directeur Général of PPR S.A., Paris/France

MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

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

Gucci Group NV, Amsterdam/The Netherlands

FNAC S.A., Ivry sur Seine/France

SAPARDIS SE, Paris/France

CFAO S.A., Sèvres/France

Volcom Inc., Costa Mesa/USA

THORE OHLSSON

Falsterbo, Sweden

President of Elimexo AB, Falsterbo/Sweden

MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND SIMILAR 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

JEAN-FRANÇOIS PALUS

Paris, France

Directeur Général Délégué and member of the Conseil d'Administration of PPR S.A.,

Paris/France, responsible for strategy, operations and organisation

MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

Yves Saint Laurent S.A.S., Paris/France

Gucci Group NV, Amsterdam/The Netherlands

FNAC S.A., Ivry sur Seine/France

SAPARDIS SE, Paris/France

CFAO S.A., Sèvres/France

Volcom Inc., Costa Mesa/USA

Caumartin Participations S.A.S., Paris/France

L.G.I. S.A., Cadempino/Switzerland
Redcats S.A., Roubaix/France
PPR AMERICAS INC., Wilmington/Delaware/USA
GUCCI Luxembourg S.A., Luxembourg/Luxembourg

GRÉGOIRE AMIGUES

Paris, France

Directeur of strategy and development of PPR S.A., Paris/France

MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

Caumartin Participations S.A.S., Paris/France
SAPARDIS SE, Paris/France
LUMINOSA S.A., Paris/France
Volcom Inc., Costa Mesa/USA
Redcats S.A., Roubaix/France

MICHEL FRIOCOURT

Paris, France

Directeur Juridique Groupe of PPR S.A., Paris/France

MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND SIMILAR BODIES:

Volcom Inc., Costa Mesa/USA
Gucci Luxembourg SA, Luxembourg
Bottega Veneta International Sárl, Luxembourg
Sergio Rossi International Sárl, Luxembourg
Bottega Veneta Holding BV, Amsterdam/The Netherlands
Gucci International BV, Amsterdam/The Netherlands
Scholefield Goodman BV, Amsterdam/The Netherlands

BERND ILLIG

(Employee Representative)
Bechhofen, Germany
Specialist IT User & System Support for PUMA SE

MARTIN KÖPPEL

(Employee Representative)
Weisendorf, Germany
Administrator IT Microsoft Systems for PUMA SE

VICTOR FERNANDES

(Employee Representative)
Strasbourg, France
Software Developer for PUMA France

REPORT OF THE ADMINISTRATIVE BOARD

In the following report, the Administrative Board provides information regarding its main areas of focus during fiscal year 2011. In accordance with the resolution adopted on April 14, 2011 by the Annual General Meeting and the July 25, 2011 entry in the Commercial Register, PUMA AG Rudolf Dassler Sport was converted into a European Company (Societas Europaea/SE), PUMA SE. Until the conversion, the Supervisory Board advised on and monitored the management activities of the Executive Board. As a result of the change in legal form, the Company is now run by an Administrative Board ('single-tier system') which determines the Company's basic business strategies and monitors their implementation by the Managing Directors. Below is an explanation of the main group governance, monitoring and advisory tasks handled by the full Administrative board, the work of the committees, the statutory audits of the legal entity's annual financial statements and the consolidated financial statements, relationships with affiliated companies and changes to the company organs.

DEAR SHAREHOLDERS

During the past fiscal year, in line with its 'Back on the Attack' growth plan, PUMA achieved its sales target of €3 billion and further improved profitability. Moreover, the conversion to a European Company (SE) has strengthened PUMA's international focus and enabled it to press ahead with the strategic development of the Group.

In 2011, PUMA focused primarily on raising its profile as a sports performance brand. This involved strengthening and expanding the sports marketing portfolio, particularly in the Team Sports segment. During the past year, PUMA signed contracts with football players such as Sergio Agüero, Falcao and Cesc Fàbregas, as well as with Borussia Dortmund, the 2010-2011 German football champions, and the South African national team.

With its new yacht, the 'Mar Mostro', PUMA is taking part in the Volvo Ocean Race - the world's toughest yacht race - for the second time. In addition, PUMA became the official supplier of the redesigned America's Cup. Since it entered the sailing market in 2008, PUMA's innovative, global marketing campaign has helped to establish it as a credible brand, paving the way for its partnership with the America's Cup.

In the Lifestyle segment, PUMA continued its successful 'PUMA Social' campaign during the past financial year, demonstrating clearly and concisely with its product lines how one can perfectly combine sports and lifestyle.

These brand initiatives are designed to enhance PUMA's brand desirability and presence, both at international sporting events and in the sports lifestyle segment, thereby making PUMA the world's most desirable and sustainable sports lifestyle brand.

The sustainability segment, which is an integral part of PUMA's corporate strategy, once again raised the bar in 2011. PUMA became the first company in the world to publish an environmental profit and loss statement, in which it quantified the costs of its environmental impact in a very transparent manner.

Below, we will first discuss the most important activities of the Supervisory Board and its committees up until July 25, 2011 - the date when PUMA SE was entered in the Commercial Register - and we will then describe the most important activities of the Administrative Board and its committees from the registration of PUMA SE in the Commercial Register on July 25, 2011 up to and including December 31, 2011.

SUPERVISORY BOARD

Until the conversion date, the Supervisory Board performed the duties prescribed by law, the Articles of Association and the Rules of Procedure for the Supervisory Board and was involved in all issues relating to the business performance, financial position and strategic orientation of the PUMA Group. The Supervisory Board diligently and regularly monitored the management activities of the Executive Board, providing advisory support on the Group's strategic development and on specific key actions.

In this regard, the Executive Board provided regular, timely and comprehensive information about 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, and all key decisions and business transactions involving the Group. All the meetings were attended by all members.

The Supervisory Board discussed all key business transactions in detail, based on reports by the Executive Board. Any deviations from budgets and targets were explained to the

Supervisory Board by the Executive Board. The Supervisory Board verified these explanations using the supporting documents submitted. The Supervisory Board was involved in all key decisions from an early stage. In addition, the Chairman of the Supervisory Board and other members of the Supervisory Board maintained regular verbal or written contact with the Executive Board.

Following thorough review and deliberation, the Supervisory Board voted on the reports and resolutions proposed by the Executive Board, to the extent required by law, the Articles of Association and the Rules of Procedure.

FOCUS OF MONITORING AND ADVISORY ACTIVITIES

At each individual Supervisory Board meeting, there were numerous items on the agenda that the Supervisory Board discussed in depth with the Executive Board. These discussions did not give rise to any doubts that the Executive Board was managing the Group in anything other than a lawful and proper manner.

In PUMA Aktiengesellschaft Rudolf Dassler Sport's last fiscal year through July 25, 2011, the focus was primarily on the following issues:

- » Audit and approval of the 2010 annual financial statements
- » Setting the agenda for the regular 2011 Annual General Meeting
- » Corporate Governance, compliance and the internal control system
- » Share buyback program
- » Sustainability program and PUMA Vision
- » PUMA re-engineering and process optimization
- » Ongoing business development
- » Remedial action and follow-up on the Greek joint venture
- » 2011 corporate planning and medium-term planning, including capital expenditures
- » Dividend policy
- » Conversion of PUMA AG into an SE (Societas Europaea), including preliminary actions to switch from a two-tier corporate governance system to a single-tier system with a Administrative Board and Managing Directors

To address these issues, the Supervisory Board reviewed the Company's financial reports and records.

COMPENSATION COMMITTEE

The Compensation Committee was comprised of François-Henri Pinault (Chairman), Thore Ohlsson and Erwin Hidel. In 2011, the Compensation Committee met before each sched-

uled meeting of the Supervisory Board. Each meeting was attended by all committee members. These meetings focused on compensation and general contractual issues, the Management Incentive Program, various HR matters and the selection of the future CEO of PUMA SE.

AUDIT COMMITTEE

The Audit Committee was comprised of the Supervisory Board members Thore Ohlsson (Chairman), Jean-François Palus and Oliver Burkhardt. Each month, the Audit Committee received financial data on the PUMA Group, which allowed it to track the development of net assets, financial position, results and the order books on a continual basis. The Audit Committee held three meetings in 2011, all of which were attended by all members. The Audit Committee also addressed accounting policy issues relating to the balance sheet and profit and loss account, and discussed these with Management. After the Supervisory Board appointed the auditors for fiscal year 2011, the Audit Committee discussed the audit assignment and the audit areas of focus with the auditors.

ADMINISTRATIVE BOARD

On April 14, 2011, PUMA AG's regular Annual General Meeting adopted a resolution appointing Jochen Zeitz, François-Henri Pinault, Jean-François Palus, Grégoire Amigues, Thore Ohlsson and Michel Friocourt to the first Administrative Board of PUMA SE as shareholder representatives of the Administrative Board pursuant to Section 7(3) of PUMA SE's Articles of Association.

In a decision dated April 13, 2011, the Fürth Municipal Court appointed Bernd Illig, Martin Köppel and Victor Fernandes to the first Administrative Board of PUMA SE as employee representatives.

The thus appointed members of the Administrative Board accepted their appointments at the inaugural meeting of the Administrative Board on April 14, 2011, which was attended by all members. Jochen Zeitz was elected as Chairman and François-Henri Pinault was elected as Vice-Chairman of the Administrative Board. Both men accepted their election. This was followed by the appointment of the Managing Directors and their Chairman. Jochen Zeitz was given final negotiating and signing authority over the Managing Directors' employment agreements. Finally, the Rules of Procedure for the Administrative Board and for the Managing Directors were issued and went into effect.

The first regular meeting of the Administrative Board was held on October 24. Eight of the nine members of the Administrative Board were in attendance. The only item on the agenda was to make appointments to the committees, in accordance with the Rules of Procedure for the Administrative Board, and to explain their duties.

EXECUTIVE COMMITTEE: The Executive Committee is comprised of the following members of the Administrative Board: Jochen Zeitz (Chairman), Michel Friocourt and Martin Köppel. The Executive Committee is responsible for organizing Administrative Board meetings and making decisions when instructed by the Administrative Board to do so on its behalf.

PERSONNEL COMMITTEE: The Personnel Committee is comprised of the following members of the Administrative Board: François-Henri Pinault (Chairman), Jochen Zeitz and Bernd Illig. 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: The Audit Committee is comprised of the following members of the Administrative Board: Thore Ohlsson (Chairman), Jean-François Palus and Bernd Illig. 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 auditors, defining the audit areas of focus, any additional services to be performed by the auditors and the fee agreement.

SUSTAINABILITY COMMITTEE: The Sustainability Committee is comprised of the following members of the Administrative Board: Jochen Zeitz (Chairman), François-Henri Pinault and Martin Köppel. The Sustainability Committee is responsible for promoting puma.creative, puma.safe and puma.peace along with the principles of creativity, sustainability and peace and an awareness of the need to act fairly, honestly, positively and creatively in every decision made and every action taken.

NOMINATING COMMITTEE: The Nominating Committee is comprised of the following members of the Administrative Board: François-Henri Pinault (Chairman), Jochen Zeitz and Grégoire Amigues. The Nominating Committee, which consists exclusively of shareholder representatives, is responsible for proposing suitable shareholder-candidates to the Administrative Board for its voting recommendations to the Annual General Meeting.

The meeting of the Administrative Board on October 24, 2011 was followed by meetings of the Personnel Committee, the Audit Committee and the Sustainability Committee.

The results of these meetings were summarized at another meeting of the Administrative Board on the same day. This Administrative Board meeting also examined the financial

results for the first nine months of this year, the preliminary estimates of 2011 earnings, dividend planning for fiscal 2012, the agenda items for the next Annual General Meeting, the 2012 publication schedule, the potential share buyback and the Statement of Compliance with the German Corporate Governance Code.

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. 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.

CORPORATE GOVERNANCE

The German Corporate Governance Code (GCGC), which has not changed since last year, contains important legal provisions and recommendations governing the management and oversight of listed companies and standards for responsible corporate governance. 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 few exceptions, the Company satisfies the requirements of the GCGC and it 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 in accordance with the German Commercial Code (Handelsgesetzbuch/HGB) and the Management Report for fiscal 2011 and the consolidated financial statements and the Consolidated Management Report for fiscal year 2011 prepared in accordance with section 315a HGB on the basis of International Financial Reporting Standards (IFRS) have been audited by the statutory auditors who were appointed by the Annual General Meeting on April 14, 2011 and engaged by the Supervisory Board to audit the separate annual financial statements of the legal entity and the consolidated financial statements – PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main – and have been given an unqualified auditor's opinion.

In their report, the statutory auditors conclude that PUMA's risk management system, in accordance with section 91(2) of the German Stock Corporation Act (AktG), is capable of detecting at an early stage and countering any developments that might jeopardize the existence of the Company as a going concern. The Executive Board and the Managing Directors have regularly updated the Supervisory Board and the Administrative Board 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 14, 2012 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 fiscal 2011, which are thereby adopted.

The Administrative Board likewise agrees with the Managing Directors' proposal to distribute a dividend of €2.00 per share to shareholders for fiscal 2011. The dividend will be funded from cash and cash equivalents; this will not jeopardize the Company's liquidity. A total amount of €29.9 million will be paid out in dividends from PUMA SE's retained earnings. The remaining retained earnings of € 65.1 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 PPR S.A., pursuant to section 17 of the German Stock Corporation Act (AktG) since April 10, 2007. The report by the Managing Directors on relationships 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 auditors, who have issued the following audit 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 14, 2012

On behalf of the Administrative Board

Jochen Zeitz
Chairman





GRI INDEX

Global Reporting Initiative Index

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CHAPTER:

10

GLOBAL REPORTING INITIATIVE INDEX

The Global Reporting Initiative (GRI) has developed detailed guidance materials on sustainability reporting which are widely recognized, for example, by the UN Global Compact. Since our first sustainability report "Perspectives" PUMA has drawn from the Guidelines of the GRI for producing our reports, achieving an "in accordance" status with the 2002 GRI guidelines of our sustainability report "Momentum" in 2005. In our PUMAVision Sustainability Report 2007/2008 and PUMA Annual Report 2010 we achieved the highest possible application level "A+". This report is our second attempt to combine our financial and sustainability report into one document. Despite the integrative approach, we still aim for a GRI "A+" grade. The financial and also the non-financial information have been externally verified by our statutory auditors PricewaterhouseCoopers (PwC).

For the reporting boundaries in the sustainability section we have chosen the spheres where our influence is greatest. We report about our own operations and included data from subsidiaries and joint ventures. As previously, we set a high priority on social and environmental standards at our independent supplier factories, a topic frequently pointed out as important by many of our stakeholders. The sub-suppliers of those factories are included where feasible. This report covers the reporting period of 2011.

For 2011, we have changed our B2B Transport CO₂ Emissions methodology and hence decided to recalculate our 2010 figures to match the 2011 data. Furthermore, we have introduced a new data collection method for store level data on water, waste and paper. For further details, please refer to the relevant chapters of this report.

Finally, we linked the results of our 2010 Environmental Profit and Loss Statement to this report, to cater for the vast interest this project has created among our stakeholders and the sustainability expert community.





Statement GRI Application Level Check

GRI hereby states that **PUMA SE** has presented its report "PUMA Clever Little Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, March 27th 2012



Nelmar Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because PUMA SE has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on March 20th 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
1. STRATEGY AND ANALYSIS				
1,1	Statement from the most senior decision-maker of the organization.	Fully	CEO Statement	8/9
1,2	Description of key impacts, risks, and opportunities.	Fully	Our Principles PUMAVision Materiality Analysis Environmental Targets 2015 Management Report Business Development Risk Management Outlook	10 15-19 19 39/40 108-111 112-118 138-141 143

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
2. ORGANIZATIONAL PROFILE				
2,1	Name of the organization.	Fully	Notes to the consolidated financial statements	153
2,2	Primary brands, products, and/or services.	Fully	Management Report Business Development / Sales Product Development and Design Notes to the consolidated financial statements Group of consolidated companies Investments in associated companies	111 112-114 127/128 154 155-157 166
2,3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Notes to the consolidated financial statements Group of consolidated companies Investments in associated companies	153-155 155-157 166
2,4	Location of organization's headquarters	Fully	Notes to the consolidated financial statements	153
2,5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Fully	Management Report Sourcing Notes to the consolidated financial statements / Group of consolidated companies Distribution of factories and audits by country	108 128/129 155-157 46
2,6	Nature of ownership and legal form.	Fully	Notes to the consolidated financial statements	154

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
2,7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Brand Management Report Business Development Regional Development Notes to the consolidated financial statements Group of consolidated companies Segment Reporting	90-105 111 113 119/120 154/155 155-157 181-183
2,8	Scale of the reporting organization.	Fully	People@PUMA Management Report Business Development Employees Notes to the consolidated financial statements	30-32 108 112-114 130/131 155-157
2,9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	CEO Statement Notes to the consolidated financial statements Group of consolidated companies Business Combinations	8/9 153-155 155-157 162
2,10	Awards received in the reporting period.	Fully	Awards	21

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
3. REPORT PARAMETERS				
3,1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	GRI Index Notes to the consolidated financial statements Calendar year	203-220 153-157
3,2	Date of most recent previous report (if any).	Fully	GRI Index Notes to the consolidated financial statements, April 2011	203 153/154
3,3	Reporting cycle (annual, biennial, etc.)	Fully	Annual	
3,4	Contact point for questions regarding the report or its contents.	Fully	Imprint	224
3,5	Process for defining report content.	Fully	Stakeholder Engagement Talks at Banz Materiality Analysis Environmental Targets 2015	17-19 19 39/40
3,6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol (https://www.globalreporting.org/resource-library/GRI-Boundary-Protocol.pdf) for further guidance.	Fully	Distribution of factories and audits by country Explanation on data quality and comparability Notes to the consolidated financial statements Significant Consolidation and Accounting and Valuation Principles GRI Index	46 62 153/154 154-157 203-220
3,7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Areas of Failure Environmental Management / Explanation on data quality and comparability 2011 Target Assessment GRI Index	50 62 72 203-220

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page	Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
3,8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Factory Audits 2011 Target Assessment Notes to the consolidated financial statements	44-46 72 154-157	3,12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Index	204-220
3,9	Data measurement techniques and the basis of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Employee Opinion Survey Environmental Management / Explanation on data quality and comparability 2011 Target Assessment E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) See explanations in specific sections of the report.	22 62 72 37/38	3,13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Independent Assurance Report on corporate responsibility information Notes to the consolidated financial statements / Independent Statutory Auditor's Report GRI Index	86/87 187/188 203-220
3,10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	No restatement of prior year financial information. Re-Statement of prior year B2B CO₂ Emissions in Environmental Management Section See GRI Index for further information.	203					
3,11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	Employee Opinion Survey Environmental Management Notes to the consolidated financial statements E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) See explanations in specific sections of the report.	22 58/62 153/154 37/38					

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT				
4,1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Corporate Governance Report Report of the Administrative Board	132-135 169-199
4,2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Corporate Governance Report Report of the Administrative Board	132-135 169-199
4,3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Governance Bodies Corporate Governance Report Compensation Report	28 132-135 136/137
4,4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Talks at Banz Whistleblower Policy Corporate Governance Report	19 28 132-135
4,5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	People@PUMA / Competency & Performance Management Compensation Report	25 136/137
4,6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Corporate Governance Report Report of the Administrative Board	132-135 169-199
4,7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	Fully	PUMAVision / PUMA.Safe Board is regularly updated by PUMA.Safe Global Director. See www.safe.puma.com/us/en/category/who-we-are for further information.	15

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
4,8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Fully	PUMAVision Sustainable Supply Chain Management Environmental Targets 2015 Sustainability Scorecard Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf) Sustainability Scorecard Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf)	15/16 43-57 39 40
4,9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	PUMAVision, Talks at Banz Board is regularly updated by PUMA.Safe Global Director. See www.safe.puma.com/us/en/category/who-we-are for further information	15 19
4,10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Compensation Report	136/137
4,11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Environmental Management Environmental Targets 2015	58 39/40
4,12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Standing Memberships Stakeholder Engagement	20 17

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
4,13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: » Has positions in governance bodies; » Participates in projects or committees; » Provides substantive funding beyond routine membership dues; or » Views membership as strategic.	Partially	Standing Memberships, Fair Labor Association (FLA) <i>Partially reported as there is not-known funding beyond membership dues.</i>	20 18
4,14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder Engagement Talks at Banz Materiality Analysis Employee Opinion Survey Main Projects 2011 <i>Main stakeholders consulted are employees, NGOs, shareholders (i.e. PPR), academia, customers and suppliers.</i>	17-20 19 19 22 51-56
4,15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Materiality Analysis. <i>As a part of the materiality analysis commissioned to the company Stakeholder Reporting, the accurateness and completeness of PUMA's stakeholders' list was reviewed in 2011. The original list was based on historical data (e.g. Talks at Banz participants) and additional stakeholders were added following the recommendations of the materiality analysis process.</i>	19
4,16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Talks at Banz Employee Opinion Survey Materiality Analysis	19 22 19

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Fully	Employee Opinion Survey Talks at Banz Materiality Analysis	22 19 19
ECONOMIC				
DMA EC	Disclosure on Management Approach Economic	Fully	PUMAVision / PUMA.Safe Management Report Business Development	15/16 108-111 112-124
Aspect ECONOMIC PERFORMANCE				
		Fully	PUMAVision / PUMA.Safe Management Report Business Development Notes to the consolidated financial statements	15/16 108-111 112-124 153-155
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Business Development Consolidated financial statements Consolidated financial statements (Consolidated income statement, Consolidated statement of financial positions)	112-119 147/148
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Sustainable Products Environmental Management Risk Management Answers to the Carbon Disclosure Project (https://www.cdproject.net/en-US/Results/Pages/Company-Responses.aspx?company=15345) E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	41/42 58 138-140 37/38

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Compensation and Benefits, Compensation report, Notes to the consolidated financial statements / Pension Provisions	27 136/137 170-173
EC4	Significant financial assistance received from government	Fully	No significant assistance received during the reporting period.	
Aspect MARKET PRESENCE				
		Partially	PUMAVision / PUMA.Safe Management Report Business Development / Sales Notes to the consolidated financial statements Investments in associated companies Segment Reporting	15/16 108-111 112-115 153-155 166 180-182
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	Wages in the Supply Chain PUMA is currently investigating further projects related to "Fair Wages" and will report the progress going forward.	57
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Distribution of Factories and Audits by Country / Top 10 production countries Areas of Failure Main Projects 2011	49 50 51-56
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Partially	People@PUMA Total workforce by employment type and employment contract and region Diversity and Inclusion Partially reported as PUMA is a globally operating company with employees of diverse background.	28 30-32 27

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect INDIRECT ECONOMIC IMPACTS				
		Fully	PUMAVision Materiality Analysis E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	15-19 19 37/38
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	PUMAVision Partially reported as PUMA does not disclose on the development extent of investments on communities. Community needs assessments have not been conducted.	15/16
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Materiality Analysis Sustainable Supply Chain Management Environmental Management Risk Management E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	19 43/44 58 138-140 37/38
ENVIRONMENTAL				
DMA EN	Disclosure on Management Approach Environmental	Fully	PUMAVision / PUMA.Safe Environmental Management Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	15/16 58 39/40 37/38

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect MATERIALS				
		Fully	PUMAVision / PUMA.Safe Sustainable Products Environmental Management Joint Roadmap towards Zero Discharge of Hazardous Chemicals Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	15/16 41/42 58 71 39/40 37/38
EN1	Materials used by weight or volume.	Not	Environmental Management Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) <i>Production is outsourced to independent suppliers. Total weight or volume of materials used is not disclosed.</i>	68-71 39/40 37/38
EN2	Percentage of materials used that are recycled input materials.	Partially	Sustainable Products Cradle to Cradle Concept® Re-Suede Environmental Management Waste and Recycling Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) →	41-42 41 42 58 64/65 39/40 37/38

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			We plan to report on this indicator in more detail in the upcoming years.	
Aspect ENERGY				
		Fully	PUMAVision / PUMA.Safe Environmental Management Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	15/16 58 39/40 37/38
EN3	Direct energy consumption by primary energy source.	Partially	Environmental Management Carbon Emissions Energy Consumption Environmental Key Performance Indicators E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) <i>Reported as part of Scope 1 CO₂ emissions.</i>	58 65-68 63 59-61 37/38
EN4	Indirect energy consumption by primary source.	Partially	Environmental Management Environmental Key Performance Indicators Production Related Environmental Data E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) <i>Indirect energy consumption for PUMA entities is reported. Production is →</i>	58 59-61 68-71 37/38

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
EN5	Energy saved due to conservation and efficiency improvements.	Partially	outsourced to independent supplier factories. Environmental Management Carbon Emissions Energy Consumption Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) Partially reported as energy saved is listed as part of total energy figures.	58 65-68 63 39/40 37/38
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	Sustainable Products Clever Little Bag (http://about.puma.com/puma%E2%80%99s-new-packaging-and-distribution-system-to-save-more-than-60-of-paper-and-water-annually/?lang=en) Environmental Management Carbon Emissions Energy Consumption Production Related Environmental Data Environmental Targets 2015 Re-Suede Partially reported as part of the product E-KPIs.	41/42 58 65-68 63 68-71 39/40 42
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	Environmental Management Explanation on data quality and comparability Carbon Emissions →	58 62 65-68

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			Energy Consumption Target Assessment 2011 Partially reported as the extent of indirect energy reductions are not reported (not material).	63 39/40
Aspect WATER				
		Partially	PUMAVision / PUMA.Safe Environmental Management Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	15/16 58 39/40 37/38
EN8	Total water withdrawal by source.	Partially	Environmental Management Water Consumption Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) Not reported by source as it is not considerable for PUMA's own entities (all water taken from public supply).	58 63/64 39/40 37/38
Aspect BIODIVERSITY				
		Partially	Materiality Analysis PUMAVision / PUMA.Safe Environmental Management E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) →	19 15/16 58 37/38

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Partially	Materiality Analysis Environmental Management E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) Partially reported by source as biodiversity is not identified as a material topic for PUMA's operations.	19 68-71 37/38
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Environmental Management Carbon Emissions Wildlife Works E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	58 65-68 66 37/38
EN13	Habitats protected or restored.	Partially	Environmental Management Carbon Emissions Wildlife Works Partially reported because no relevant direct impact from PUMA owned entities is identified.	58 65-68 66
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Partially	Environmental Targets 2015 Environmental Management →	39/40 58

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			Carbon Emissions Wildlife Works E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) Partially reported because no relevant direct impact from PUMA owned entities is identified.	65-68 66 37/38
Aspect EMISSIONS, EFFLUENTS AND WASTE				
		Fully	PUMAVision / PUMA.Safe Environmental Management Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	15/16 58 39/40 37/38
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Carbon Emissions Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf), Greenhouse Gas Protocol Corporate Standard (http://www.ghgprotocol.org/files/ghgp/public/ghg-protocol-revised.pdf) Own standard used in consideration of the Greenhouse Gas Protocol.	65-68 39/40 37/38

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
EN17	Total direct and indirect greenhouse gas emissions by weight.	Fully	Environmental Management Carbon Emissions Environmental Targets 2015 E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	58 65-68 39/40 37/38
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Environmental Management Carbon Emissions Energy Consumption Environmental Targets 2015	58 65-68 63 39/40
EN19	Emissions of ozone-depleting substances by weight.	Fully	No significant emissions of ozone-depleting substances were identified.	
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	Partially	Environmental Management E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) Partially reported because air emissions are not considered significant for PUMA's own operations.	58 37/38
EN21	Total water discharge by quality and destination.	Partially	Environmental Management Water Consumption E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) Destination, treatment method and reuse of →	58 63/64 37/38

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
EN22	Total weight of waste by type and disposal method.	Partially	water discharges are not fully reported as PUMA's own entities use water only for domestic purposes and discharge into public waste water collection systems. Environmental Management Waste and Recycling E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) Partially reported as detailed information is not material since PUMA has outsourced production to independent supplier factories. Selected suppliers report in more detail within their own sustainability reports.	58 64/65 37/38
EN23	Total number and volume of significant spills.	Fully	No significant spills were identified during the report period.	
Aspect PRODUCTS AND SERVICES				
		Fully	PUMAVision / PUMA.Safe Sustainable Products Cradle to Cradle Concept® Environmental Targets 2015	15/16 41/42 41 39/40
EN26	Initiatives to mitigate environmental and services, and extent of impact mitigation.	Fully	Sustainable Products Cotton made in Africa Re-Suede Environmental Targets 2015 Sustainability Scorecard PUMA S-Index →	41/42 41 42 39/40 40 39

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Clever Little Bag (http://about.puma.com/puma%E2%80%99s-new-packaging-and-distribution-system-to-save-more-than-60-of-paper-and-water-annually/?lang=en) <i>No noise-related impacts were identified.</i>	
			Sustainable Products	41/42
			Cradle to Cradle Concept®	41
			Environmental Management	58
			Waste and Recycling	64/65
			Environmental Targets 2015	39/40
			<i>Partially reported. A product recollection system is currently in development.</i>	
Aspect COMPLIANCE				
		Fully	PUMAVision / PUMA.Safe Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf)	15/16
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Sustainable Supply Chain Management	43
			Social Compliance Monitoring	44
			<i>No (non-) monetary fines and sanctions known.</i>	
Aspect TRANSPORT				
		Fully	PUMAVision / PUMA.Safe Environmental Management →	15/16 58

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	37/38
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	Sustainable Products	41/42
			Clever Little Bag (http://about.puma.com/puma%E2%80%99s-new-packaging-and-distribution-system-to-save-more-than-60-of-paper-and-water-annually/?lang=en)	
			Environmental Management	58
			Carbon Emissions	65-68
SOCIAL: LABOR PRACTICES AND DECENT WORK				
DMA LA	Disclosure on Management Approach Labor Practices	Fully	People@PUMA	22-29
Aspect EMPLOYMENT				
		Fully	People@PUMA	22-29
LA1	Total workforce by employment type, employment contract, and region.	Fully	Total workforce by employment type and employment contract and region	30-32
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	Turnover by region <i>Reported is only the employee turnover by region.</i>	33
Aspect LABOR / MANAGEMENT RELATIONS				
		Fully	People@PUMA	22-29
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	People@PUMA Collective Bargaining Agreements	22-29 33

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect OCCUPATIONAL HEALTH AND SAFETY				
		Fully	People@PUMA / Occupational Health and Safety	28
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	Rate of injuries, accidents, etc. <i>Partially reported as occupational disease rate and minor injuries are considered not significant (not material).</i>	34
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	People@PUMA / Occupational Health and Safety Education training and Counseling prevention Total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs <i>Partially reported as counseling, prevention and risk-control programs on serious diseases are considered not significant to PUMA's own operations.</i>	28 34 33
Aspect TRAINING AND EDUCATION				
		Fully	People@PUMA / Global Learning and Development	25
LA10	Average hours of training per year per employee by employee category.	Fully	People@PUMA / Global Learning and Development Education training and Counseling prevention →	25 34

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			Total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs <i>Fully reported are total training hours and amount of trained employees.</i>	33
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	People@PUMA / Competency & Performance Management	25
Aspect DIVERSITY AND EQUAL OPPORTUNITY				
		Fully	People@PUMA / Diversity & Inclusion	27
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	People@PUMA / Diversity & Inclusion Total workforce by employment type and employment contract and region <i>Partially reported as PUMA was not able to collect detailed data on the total percentage of employees of minority groups and minority groups on governance bodies. The age of the governance bodies' members is not disclosed.</i>	27 30-32

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
SOCIAL: HUMAN RIGHTS				
DMA HR	Disclosure on Management Approach Human Resources	Fully	PUMAVision / PUMA.Safe Sustainable Supply Chain Management Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf)	15/16 43/44
Aspect INVESTMENT AND PROCUREMENT PRACTICES				
		Fully	PUMA.Safe Sustainable Supply Chain Management Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf)	15/16 43/44
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Fully	Factory Audits / Audit Performance 2011 Main Projects 2011 Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf)	44/45 51-56
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	Factory Audits / Audit Performance 2011 Main Projects 2011 Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf) Supplier Sustainability Reporting(http://safe.puma.com/us/en/2011/11/2010-supplier-sustainability-reports/)	44/45 51-56
Aspect NON-DISCRIMINATION				
		Fully	People@PUMA / Diversity & Inclusion PUMAVision / PUMA.Safe →	27 15/16

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf)	
HR4	Total number of incidents of discrimination and actions taken.	Fully	Diversity & Inclusion Corporate Governance / Whistleblower Policy Education training and Counseling prevention Total workforce represented in formal joint management workers health and safety committees that help monitor and advise on occupational health and safety programs PUMAVision / PUMA.Safe Sustainable Supply Chain Management Areas of Failure <i>No incident of discrimination was identified.</i>	27 28 34 33 15/16 43-57 50
Aspect FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
		Fully	PUMAVision / PUMA.Safe Sustainable Supply Chain Management Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf)	15/16 43-57
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Sustainable Supply Chain Management Factory Audits Areas of Failure	43/44 44/45 50
Aspect CHILD LABOR				
		Fully	PUMAVision / PUMA.Safe Sustainable Supply Chain Management →	15/16 43-57

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf)	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	Sustainable Supply Chain Management Factory Audits Areas of Failure	43/44 44/45 50
Aspect FORCED AND COMPULSORY LABOR				
		Fully	PUMAVision / PUMA.Safe Sustainable Supply Chain Management	15/16 43-57
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	Sustainable Supply Chain Management Factory Audits Areas of Failure	43-57 44/45 50
Aspect SECURITY PRACTICES				
		Partially	PUMAVision / PUMA.Safe Sustainable Supply Chain Management Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf) <i>Partially reported as security practices are not considered highly significant to PUMA's operations.</i>	15/16 43-57
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Partially	Sustainable Supply Chain Management Factory Audits Main Projects 2011 Supplier Roundtables <i>Partially reported as only the main projects and trainings on policies concerning human rights are considered significant to PUMA's own operations.</i>	43/44 44/45 51-56 56/57

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
SOCIAL: SOCIETY				
DMA S0	Disclosure on Management Approach Society	Fully	PUMAVision Stakeholder Engagement People@PUMA	15/16 17-20 22-29
Aspect COMMUNITY				
		Fully	PUMAVision Stakeholder Engagement Talks at Banz Materiality Analysis People@PUMA Sustainable Supply Chain Management PUMA.Peace PUMA.Creative	15/16 17-20 19 19 22-29 43-45 75/76 79-85
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Stakeholder Engagement Talks at Banz Materiality Analysis People@PUMA PUMA.Safe Sustainable Supply Chain Management PUMA.Peace PUMA.Creative	17-20 19 19 43/44 75/76 79-85
Aspect CORRUPTION				
		Partially	People@PUMA, Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf) <i>No incident of corruption was identified during the reporting period.</i>	28

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
S02	Percentage and total number of business units analyzed for risks related to corruption.	Fully	People@Puma Corporate Governance/ Whistleblower Policy <i>No incident of corruption was identified for the reporting period.</i>	28
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	People@Puma International Leadership Program Corporate Governance/ Whistleblower Policy Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf) <i>No incident of corruption was identified for the reporting period.</i>	26-28 26 28
S04	Actions taken in response to incidents of corruption.	Fully	People@Puma / Corporate Governance / Whistleblower Policy Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf) <i>No incident of corruption was identified during the reporting period.</i>	28

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect PUBLIC POLICY				
		Fully	Stakeholder Engagement German Council for Sustainable Development and Two Degrees Initiative People@Puma Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf)	17-20 19 27/28
S05	Public policy positions and participation in public policy development and lobbying.	Fully	Stakeholder Engagement German Council for Sustainable Development and Two Degrees Initiative People@Puma Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf) <i>No differences between positions and PUMA's policies known of. PUMA is committed to encouraging sustainable development. See German Council for Sustainable Development and Two Degree Initiative for further information on our engagement.</i>	17-20 19 27/28
Aspect COMPLIANCE				
		Fully	No fines and sanctions identified during the reporting period.	
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	No fines and sanctions were identified during the reporting period.	

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
SOCIAL: PRODUCT RESPONSIBILITY				
DMA PR	Disclosure on Management Approach Product Responsibility	Fully	Sustainable Products Environmental Management Production Related Environmental Data Environmental Targets 2015 Standing Memberships (RSL Management) Restricted Substances List (http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/2011/PUMA_RSL_MRSL_V_12_11.pdf) No incidents of product responsibility non-compliance were identified. PUMA products are PVC free and comply with a Restricted Substances List standard.	41/42 68-71 39/40 20
Aspect CUSTOMER HEALTH AND SAFETY				
		Fully	Sustainable Products Cradle to Cradle Concept® Environmental Management / Joint Roadmap towards Zero Discharge of Hazardous Chemicals Environmental Targets 2015 Standing Memberships (RSL Management) Restricted Substances List (http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/2011/PUMA_RSL_MRSL_V_12_11.pdf) →	41/42 41 71 39/40 20

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			No incidents of customer health and safety non-compliance were identified. PUMA products are PVC free and comply with a Restricted Substances List standard.	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Partially	Sustainable Products Cradle to Cradle Concept® S-Index Production Related Environmental Data Joint Roadmap towards Zero Discharge of Hazardous Chemicals Environmental Targets 2015 Standing Memberships (RSL Management) Restricted Substances List (http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/2011/PUMA_RSL_MRSL_V_12_11.pdf) Partially reported as the percentage of significant product or service life cycles covered and assessed is not collected. PUMA products are PVC free and comply with a Restricted Substances List standard.	41/42 41 39 68-71 71 39/40 20
Aspect PRODUCT AND SERVICE LABELING				
		Partially	Sustainable Products Environmental Management Joint Roadmap towards Zero Discharge of Hazardous Chemicals →	41/42 58 71

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
			<p>Environmental Targets 2015 (39/40)</p> <p>Restricted Substances List (http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/2011/PUMA_RSL_MRSL_V_12_11.pdf)</p> <p>Partially reported as it is considered not material. No complaints were received during the reporting period. No incident of labeling non-compliance was identified (not material), PUMA's products are not subject to particular product information regulations.</p>	39/40
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	PUMA's products are covered by normal product information requirements and are not subject to any specific product information regulations.	
Aspect MARKETING COMMUNICATIONS				
		Partially	<p>People@PUMA Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf)</p> <p>No incident of non-compliance related to marketing communications was identified (not material). Partially reported as no complaints were identified in the reporting period and as this topic also is not flagged as material in our Materiality Analysis.</p>	28

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Partially	<p>People@PUMA Code of Ethics (http://about.puma.com/wp-content/themes/about-PUMA_theme/media/pdf/CodeofEthics.pdf)</p> <p>Partially reported as no incident of non-compliance related to marketing communications was identified (not material).</p>	28
Aspect Compliance				
		Fully	No incident of non-compliance was identified during the reporting period.	
PR8	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	No fines for non-compliance were identified during the reporting period.	



FURTHER INFORMATION

PUMA Year-on-Year Comparison	221
PUMA Group Development	222



CHAPTER:

11

PUMA YEAR-ON-YEAR COMPARISON

T.1	2011 € million	2010 € million	DEVIATION
Sales			
Brand sales	3,172.5	2,862.1	10.8%
Consolidated sales	3,009.0	2,706.4	11.2%
Result of operations			
Gross profit	1,493.4	1,344.8	11.0%
EBIT ¹⁾	333.2	337.8	-1.4%
EBT	320.4	301.5	6.3%
Net earnings	230.1	202.2	13.8%
Profitability			
Gross profit margin	49.6%	49.7%	-0.1%pt
EBT margin	10.6%	11.1%	-0.5%pt
Net margin	7.6%	7.5%	0.1%pt
Return on capital employed (ROCE)	29.3%	31.7%	-2.4%pt
Return on equity (ROE)	14.3%	14.6%	-0.2%pt
Balance sheet information			
Shareholders' equity	1,605.2	1,386.4	15.8%
- Equity ratio	62.2%	58.6%	3.6%pt
Working capital	534.0	404.5	32.0%
- in % of Consolidated sales	17.7%	14.9%	2.8%pt

	2011 € million	2010 € million	DEVIATION
Cashflow and investments			
Gross cashflow	381.5	358.4	6.5%
Free cashflow (before acquisition)	61.0	125.5	-51.4%
Investments (before acquisition)	71.1	55.2	28.9%
Acquisition investment	44.2	108.4	-59.2%
Value management			
Cashflow Return on Investment (CFROI)	14.6%	15.6%	-1.0%pt
Absolute value contribution	166.8	156.7	6.5%
Employees			
Employees on yearly average	10,043	9,313	7.8%
Sales per employee (T€)	299.6	290.6	3.1%
PUMA share			
Share price (in €)	225.00	248.00	-9.3%
Average outstanding shares (in million)	14,981	15,031	-0.3%
Number of shares outstanding (in million)	14,935	14,981	-0.3%
Earnings per share (in €)	15.36	13.45	14.2%
Market capitalization	3,360	3,715	-9.6%
Average trading volume (amount/day)	44,504	32,045	38.9%
1) EBIT before special items			

PUMA GROUP DEVELOPMENT (PAGE 1)

T.2

	2011 € million	2010 € million	2009* € million	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million	2003 € million	2002 € million	2001 € million
Sales											
Brand sales	3,172.5	2,862.1	2,607.6	2,767.9	2,738.8	2,755.1	2,387.0	2,016.6	1,691.5	1,380.0	1,011.7
- Change in %	10.8%	9.8%	-5.8%	1.1%	-0.6%	15.4%	18.4%	19.2%	22.6%	36.4%	41.5%
Consolidated sales	3,009.0	2,706.4	2,447.3	2,524.2	2,373.5	2,369.2	1,777.5	1,530.3	1,274.0	909.8	598.1
- Change in %	11.2%	10.6%	-3.0%	6.3%	0.2%	33.3%	16.2%	20.1%	40.0%	52.1%	60.5%
- Footwear	1,539.5	1,424.8	1,321.7	1,434.3	1,387.9	1,420.0	1,175.0	1,011.4	859.3	613.0	384.1
- Apparel	1,035.6	941.3	846.2	899.3	827.3	795.4	473.9	416.0	337.0	238.5	169.5
- Accessories	433.9	340.3	279.4	190.6	158.3	153.8	128.6	102.9	77.7	58.3	44.5
Result of operations											
Gross profit	1,493.4	1,344.8	1,243.1	1,306.6	1,241.7	1,199.3	929.8	794.0	620.0	396.9	250.6
- Gross profit margin	49.6%	49.7%	50.8%	51.8%	52.3%	50.6%	52.3%	51.9%	48.7%	43.6%	41.9%
Royalty and commission income	17.6	19.1	20.6	25.7	35.6	37.0	55.7	43.7	40.3	44.9	37.2
EBIT ¹⁾	333.2	337.8	299.7	350.4	372.0	368.0	397.7	359.0	263.2	125.0	59.0
- EBIT margin	11.1%	12.5%	12.2%	13.9%	15.7%	15.5%	22.4%	23.5%	20.7%	13.7%	9.9%
EBT	320.4	301.5	138.4	326.4	382.6	374.0	404.1	364.7	264.1	124.4	57.4
- EBT margin	10.6%	11.1%	5.7%	12.9%	16.1%	15.8%	22.7%	23.8%	20.7%	13.7%	9.6%
Net earnings	230.1	202.2	79.6	232.8	269.0	263.2	285.8	258.7	179.3	84.9	39.7
- Net margin	7.6%	7.5%	3.3%	9.2%	11.3%	11.1%	16.1%	16.9%	14.1%	9.3%	6.6%
Expenses											
Marketing/retail	550.7	501.3	501.2	528.6	448.3	439.5	285.3	223.5	169.7	125.1	86.9
Product development/design	77.0	63.6	58.1	55.1	58.1	57.3	42.5	37.2	30.3	24.2	19.9
Personnel	393.8	354.1	320.2	306.4	278.0	265.7	199.4	163.4	126.6	103.0	81.1

1) EBIT before special items * adjusted comparable figures according to IAS 8, see chapter 3 in the notes to the consolidated financial statements as of December 31, 2010 →

PUMA GROUP DEVELOPMENT (PAGE 2)

T.3

Balance sheet

Total assets	2,581.8
Shareholders' equity	1,605.2
- Equity ratio	62.2%
Working capital	534.0
- thereof: inventories	536.8

Cashflow

Free cashflow	16.8
Net cash position	413.1
Investment (incl. Acquisitions)	115.3

Profitability

Return on equity (ROE)	14.3%
Return on capital employed (ROCE)	29.3%
Cashflow return on investment (CFROI)	14.6%

Additional information

Number of employees (year-end)	10,836
Number of employees (annual average)	10,043

PUMA share

Share price (in €)	225.00
Earnings per share (in €)	15.36
Average outstanding shares (in million)	14,981
Number of shares outstanding (in million)	14,935
Market capitalization	3.360

2011
€ million

2010 € million	2009* € million	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million	2003 € million	2002 € million	2001 € million
2,366.6	1,925.0	1,898.7	1,863.0	1,714.8	1,321.0	942.3	700.1	525.8	395.4
1,386.4	1,133.3	1,177.2	1,154.8	1,049.0	875.4	550.2	383.0	252.2	176.7
58.6%	58.9%	62.0%	62.0%	61.2%	66.3%	58.4%	54.7%	48.0%	44.7%
404.5	323.2	436.4	406.5	401.6	255.7	148.4	155.7	114.0	110.3
439.7	344.4	430.8	373.6	364.0	238.3	201.1	196.2	167.9	144.5
17.1	167.3	85.8	208.8	10.4	134.4	256.6	107.4	100.1	3.0
436.8	437.3	325.3	461.2	393.6	430.4	356.4	173.8	94.3	-7.8
163.6	136.3	144.1	112.9	153.9	79.8	43.1	57.3	22.5	24.8
14.6%	7.0%	19.8%	23.3%	25.1%	32.6%	47.0%	46.8%	33.7%	22.5%
31.7%	20.3%	41.0%	54.8%	58.0%	96.7%	156.5%	120.7%	81.1%	32.8%
15.6%	14.9%	21.7%	22.4%	24.0%	32.0%	42.1%	43.5%	32.2%	20.3%
9,697	9,646	10,069	9,204	7,742	5,092	3,910	3,189	2,387	2,012
9,313	9,747	9,503	8,338	6,831	4,425	3,475	2,826	2,192	1,717
248.00	231.84	140.30	273.00	295.67	246.50	202.30	140.00	65.03	34.05
13.45	5.28	15.15	16.80	16.39	17.79	16.14	11.26	5.44	2.58
15.031	15.082	15.360	16.018	16.054	16.066	16.025	15.932	15.611	15.392
14.981	15.082	15.082	15.903	16.114	15.974	16.062	16.059	15.846	15.429
3.715	3.497	2.116	4.342	4.764	3.938	3.249	2.248	1.030	525

1) EBIT before special items * adjusted comparable figures according to IAS 8, see chapter 3 in the notes to the consolidated financial statements as of December 31, 2010