'13 Annual Report

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To our Shareholders

1 Chapter

Foreword

Letter from Björn Gulden

Dear Shareholders of PUMA,

"We need to act Fast". This is what I realized when I took on the position of PUMA's CEO in July last year, because we do have challenges that required immediate attention.

The first one is that PUMA is lacking brand clarity and brand heat. It is not clear to the consumer what the PUMA brand stands for and we need to be more visible and tell PUMA stories which the consumer understands and finds relevant. In terms of our products, we also need to become more commercial – this does of course not mean cheap, but rather creating products that retailers are willing to buy and that consumers want. We have to be competitive, offering a good value for a good price. And thirdly, PUMA's distribution needs to be optimized as we have not been getting our products into the right channels.

It is not difficult to see that these issues have transpired into our business and financial performances during the last year. For the full year 2013, we reported a decline in sales of currency-adjusted 3%, and net earnings fell significantly. The bottom line result was obviously also the consequence of one-off expenses resulting from mostly non-cash related special items like impairments.

While this is not the scenario you would wish for when you start a new job, I am, however, positive and optimistic that PUMA will be able to manage the turnaround. First of all, we really do have great assets that we can capitalize on. We have a fantastic brand. We have undoubtedly a great history. We have great logos. In fact, with the Cat and the Formstripe we have the best and fastest logos in the industry. We have fantastic athletes under contract such as Usain Bolt, the Italian national team, Ferrari and Ricky Fowler. And most importantly: We do have great and talented people.

So the most essential milestone that we set in 2013 was creating a new brand platform and establishing a new company mission: We will be the "Fastest Sports Brand in the World". This mission statement captures our desire to return to PUMA's core identity as one of the proudest and strongest sports brands in the industry. When we say we want to be "Faster", we stress that PUMA is never satisfied with just being fast. It underlines our progressive

mindset. We want to create fast products for the fastest athletes in the world. "Forever" stands for the athletic legends and the great history in sports that we have and for our continuous pursuit to be faster. We were pioneers in classic sports categories such as Football, Running and Tennis, created iconic styles and celebrated world records. We have been in this game for 65 years and we do have a great heritage to build on. Our new brand positioning is further strengthened by the signing of two world class Sports Marketing assets which embody PUMA perfectly: Italian star striker Mario Balotelli and one of the world's top football clubs, FC Arsenal. With our clear positioning in sports performance, we hope to also fuel our growth in our Lifestyle business as well.

In order to bring this brand platform to life, we appointed the advertising agency JWT in New York as our lead creative agency. Together with us, they will work on brand values, brand manuals, logo guidelines and eventually a new "Forever Faster" Brand Campaign for Autumn 2014 – the largest single marketing initiative at PUMA ever.

However, "Forever Faster" is not only a brand positioning but also the guiding principle for us as a company to become faster: faster in capturing trends, faster in decision making and faster in solving the problems of our retail partners. I strongly believe that only an agile and nimble organization is able to achieve this mission. With our current fragmented and decentralized setup, we struggle to achieve this due to the complexity of working across multiple sites.

After introducing Forever Faster in September, we immediately rolled up our sleeves. To shorten distances within our organizational set-up so that we become a quicker, more efficient and faster-working business, we brought together key functions that had been divided between locations: We decided to relocate the Business Units Lifestyle and Accessories from London to our global headquarters in Herzogenaurach. Our Global and European Retail Headquarters as well as our European e-commerce businesses will also be transferred to Herzogenaurach from Oensingen in Switzerland. These moves will improve alignments between key functions and accelerate business decisions and processes. We also decided to divest the PUMA Village operation in Vietnam in order to streamline the processes between design and manufacturing with the intention to become leaner, more efficient and more agile within the creation process.

Sustainability will certainly remain an important value in PUMA's product strategy as we are constantly innovating and investing in more sustainable products. And of course PUMA continues to support the UN Global Compact and its 10 principles.

I know that 2013 has been a difficult year with a lot of uncertainty. And I am sure that 2014 will not be easy either. However, I am convinced it will be a year of more clarity and progress. With our new brand platform and the mission of becoming the "Fastest Sports Brand in the World", we have a clear commitment to sports and performance. PUMA is an amazing brand with a great history, global awareness, fantastic logos, great assets and talented people. I am therefore convinced that – although it will take some time – we will turn this business around and make the PUMA leap again.

I would like to take this opportunity to express my sincerest thanks to our team at PUMA, all these great talents who continue to bring in their ideas and work relentlessly with passion - despite the going being tough at the moment. Without you, we could not make it happen. Last but not least, I would like to thank our shareholders, for your continued support and belief in the PUMA brand.

Yours,

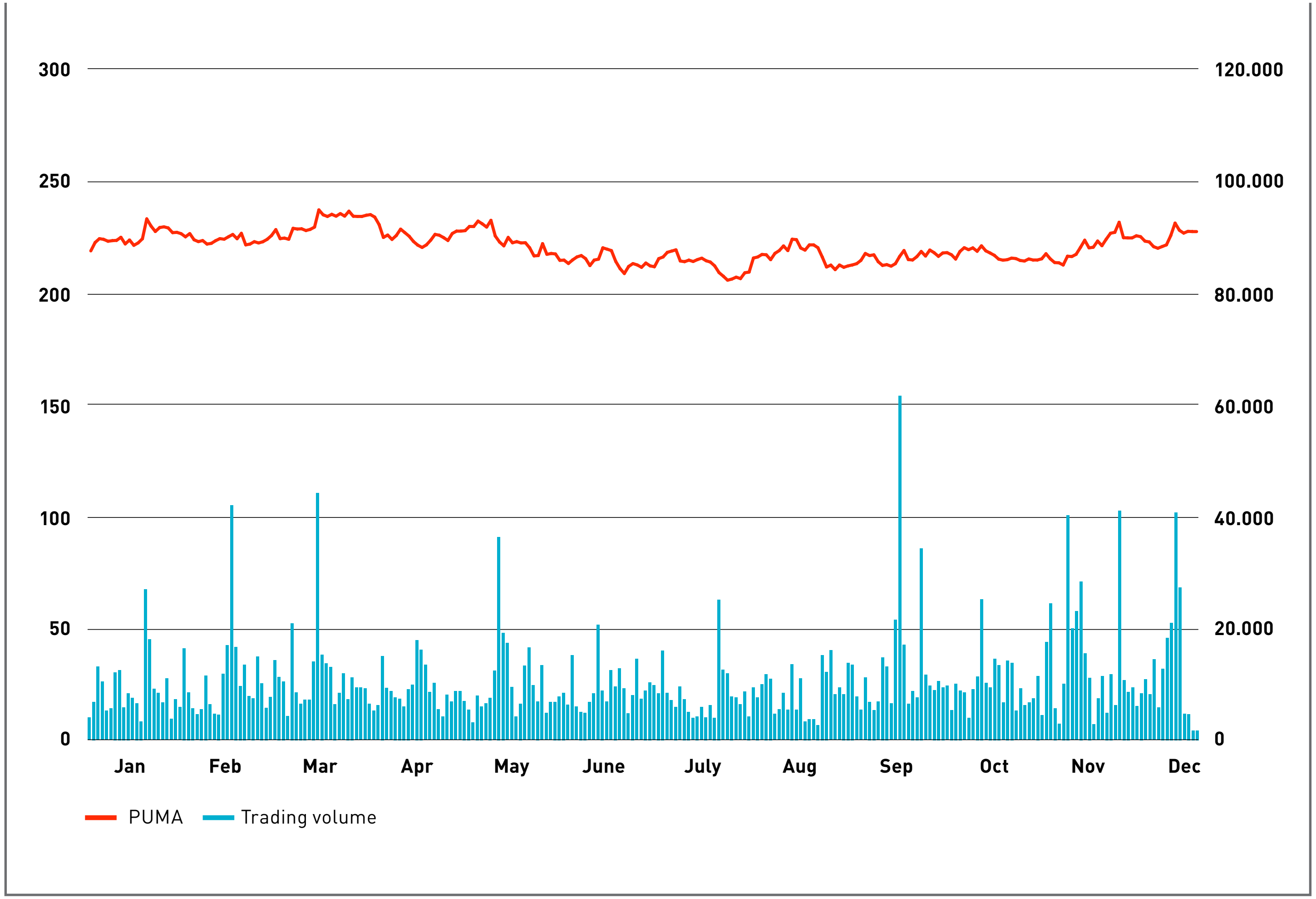
Björn Gulden

The PUMA Share

The PUMA Share rose slightly in 2013 when compared to the previous year. The price of PUMA shares moved between a low of € 205.35 on July 30th 2013 and a high of € 249.40 on March 20th 2013. The average daily volume of shares traded was equal to 11,086, compared to 24,738 in the previous year. At the end of the year, PUMA's share priced had risen 4.5% from € 224.85 at the end of 2012 to € 235.00. PUMA's market capitalization therefore rose slightly to € 3.5 billion.

In August 2013, the German Stock Exchange (Deutsche Börse) realigned its equity indices. As a result of the calculations applied by the German Stock Exchange to the company's free float, which was further reduced in 2013, the Exchange decided to move PUMA SE from the MDAX, the Mid-Cap Index of the German Stock Exchange, to the SDAX, the Small-Cap Index of the German Stock Exchange. There was no effect on the liquidity of the shares that remained in the free float.

F.1 PUMA Share performance/Trading volume



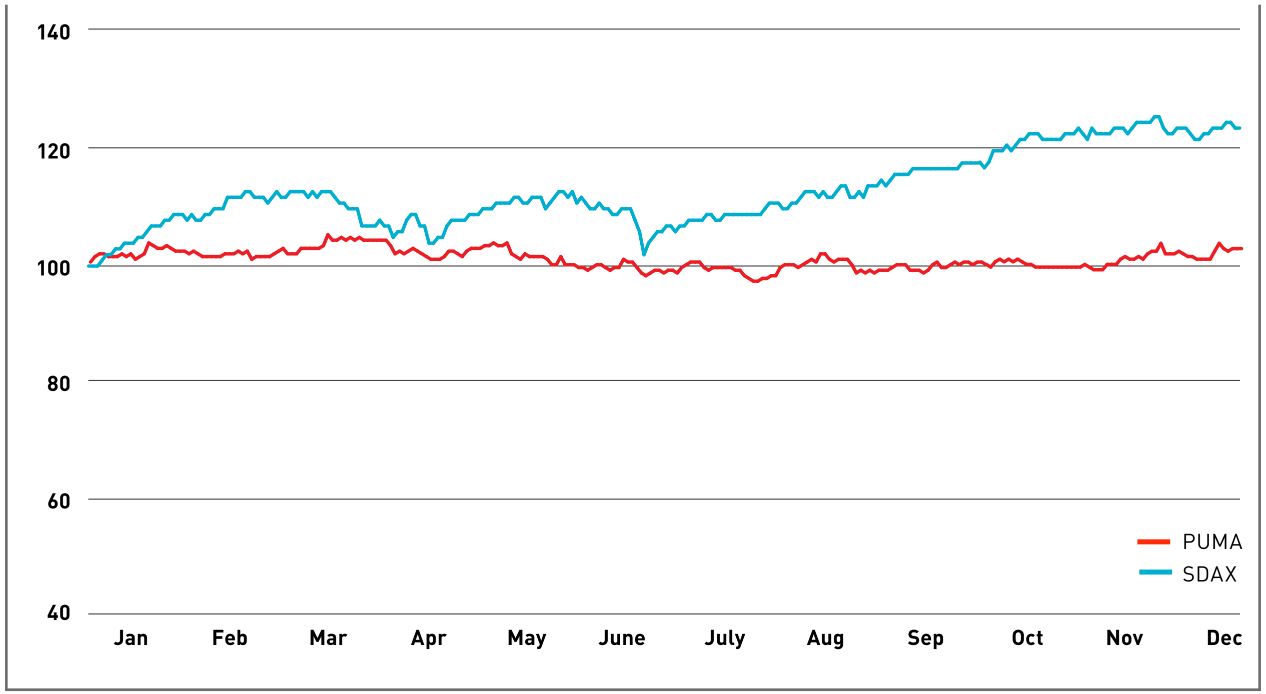
The PUMA share has been registered for the regulated market (formerly official trading) on German stock exchanges since 1986. It is listed in the Prime Standard Segment and the Small-Cap Index SDAX of the German Stock Exchange [Deutsche Börse]. Moreover, membership in the Dow Jones World / STOXX Sustainability indices and the FTSE4Good index was once again confirmed.

T.1 Key data per share

		2013	2012	2011	2010	2009*
End of year price	€	**235.00**	224.85	225.00	248.00	231.84
Highest price listed	€	**249.40**	274.00	252.85	263.75	240.74
Lowest price listed	€	**205.35**	210.10	197.30	201.50	103.04
Daily trading volume (Ø)	amount	**11,086**	24,739	39,973	32,045	38,996
Earnings per share	€	**0.36**	4.69	15.36	13.45	5.28
Gross cashflow per share	€	**15.44**	21.89	25.47	23.84	18.47
Free cashflow (before acquisitions) per share	€	**3.33**	5.58	4.07	8.35	16.52
Shareholders' equity per share	€	**100.22**	106.73	107.14	92.24	75.14
Dividend per share	€	**0.50**	0.50	2.00	1.80	1.80

* 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



In a word, we will be **faster.**

Company Overview

2 Chapter

Mission

2 Chapter

Mission

In 2013, PUMA's CEO Bjoern Gulden introduced the company's ***new mission statement and brand positioning****: To be* ***The Fastest Sports Brand*** *in the world. The mission is not only reflected in PUMA's new brand mantra of being Forever Faster. It will also be the guiding principle for the company, expressed through all its actions and decisions. Our objective as a company is to be fast in reacting to new trends, fast in bringing new innovations to the market, fast in decision-making and fast in solving problems for our partners.*

With this new approach, PUMA is turning away from its former mission statement to "become the most desirable and sustainable Sportlifestyle company", and dropping its pursuit of two distinctive brand platforms for its Performance and Lifestyle businesses. The new brand mission of becoming "The Fastest Sports Brand" reconciles both the Performance and Lifestyle segments of the PUMA brand under one umbrella, which is rooted in more than 65 years of history of making the fastest products for the fastest athletes.

Going forward, PUMA will be the **Fastest Sports Brand in the World.** This simple statement will result in a single brand positioning, a single set of brand values and a single consumer message, and will project a clear identity for our business partners, our consumers and our own employees. Although sustainability is not overtly integrated into the new company mission statement, it remains a key value of the PUMA brand: Faster is how we are working towards a more just and sustainable future, accelerating positive change in the industry and the world.

Company Overview

Brand

2

Chapter

Brand

*Along with the new brand mission statement of becoming "The Fastest Sports Brand in the World". PUMA defined a clear direction for the brand and the company as a whole and has a single **Brand Mantra**: "Forever Faster", and a single **Brand Vision**: to Push Sports Forward.*

However, PUMA is not only pushing performance in sports, but also influencing the broader world through sports. PUMA disrupts the world of sports - an industry that increasingly encourages conformity - by supporting athletes that refuse to give up their individuality and by creating products that adapt to how you play and not how others want you to play. Sports are much more powerful than the pure game, product innovation and the pursuit of victory. We believe that sports are also one of the most important means of influencing culture and society. We believe that sports are a way to make a positive impact on social issues around the world and break down cultural barriers. PUMA is a performance brand first and foremost, and we can therefore influence and shape culture and lifestyle through the lens of sports.

With the brand positioning as "The Fastest Sports Brand", PUMA repositions itself as a clear performance brand and leverages this positioning to push its lifestyle business. We want the consumer to associate us with the attributes typical of a cat. The puma cat is known to be nimble, agile, curious, adventurous, spirited and adaptable. This inspiration from nature translates into our brand values, which we want to anchor in our consumers' minds when they think about PUMA:

→ Brave: We are never afraid to take risks.
→ Confident: Whatever we do, we do with conviction.
→ Determined: Nothing comes between us and realizing our dreams.
→ Joyful: We live to play the game and love what we do.

As a brand persona, PUMA is a challenger brand with a rebel's attitude made for individuals, who act upon their instincts. In short, PUMA is a brand for the Game Changer – the target for everything we do. These brand values and brand persona are borrowed directly from our history and legacy in sports, and are fully embodied in our athletes. In over 65 years of making fast products for fast athletes, PUMA has always been the brand for expressive athletes with a great attitude and who stand out from the crowd – on and off the pitch. Historic icons like Pelé, Joe Namath, Walt "Clyde" Frazier, Boris Becker or Tommy Smith were all PUMA athletes, to name only a few.

The embodiment of our brand values by our athletes is not only true for our historic assets, but even more so for our current athletes: Mario Balotelli – the most expressive soccer player in the world bravely standing up to racism, Rickie Fowler – the boldest player in golf shaking up the sport, and, of course, Usain Bolt – the World's fastest man, who wins gold medals and breaks World Records, then deejays the afterparty.

With our repositioning as a sports performance brand, PUMA is embodying and communicating a distinctive brand positioning and clear brand values to the industry and our consumers. We will build on 65 years of heritage and innovation to drive performance in sports, and leverage that to drive progress in culture and lifestyle through sports.

If you are brave, confident, determined, and joyful , if you are a Game Changer, then PUMA is your brand.

PUMA. Forever Faster.

Company Overview

Product

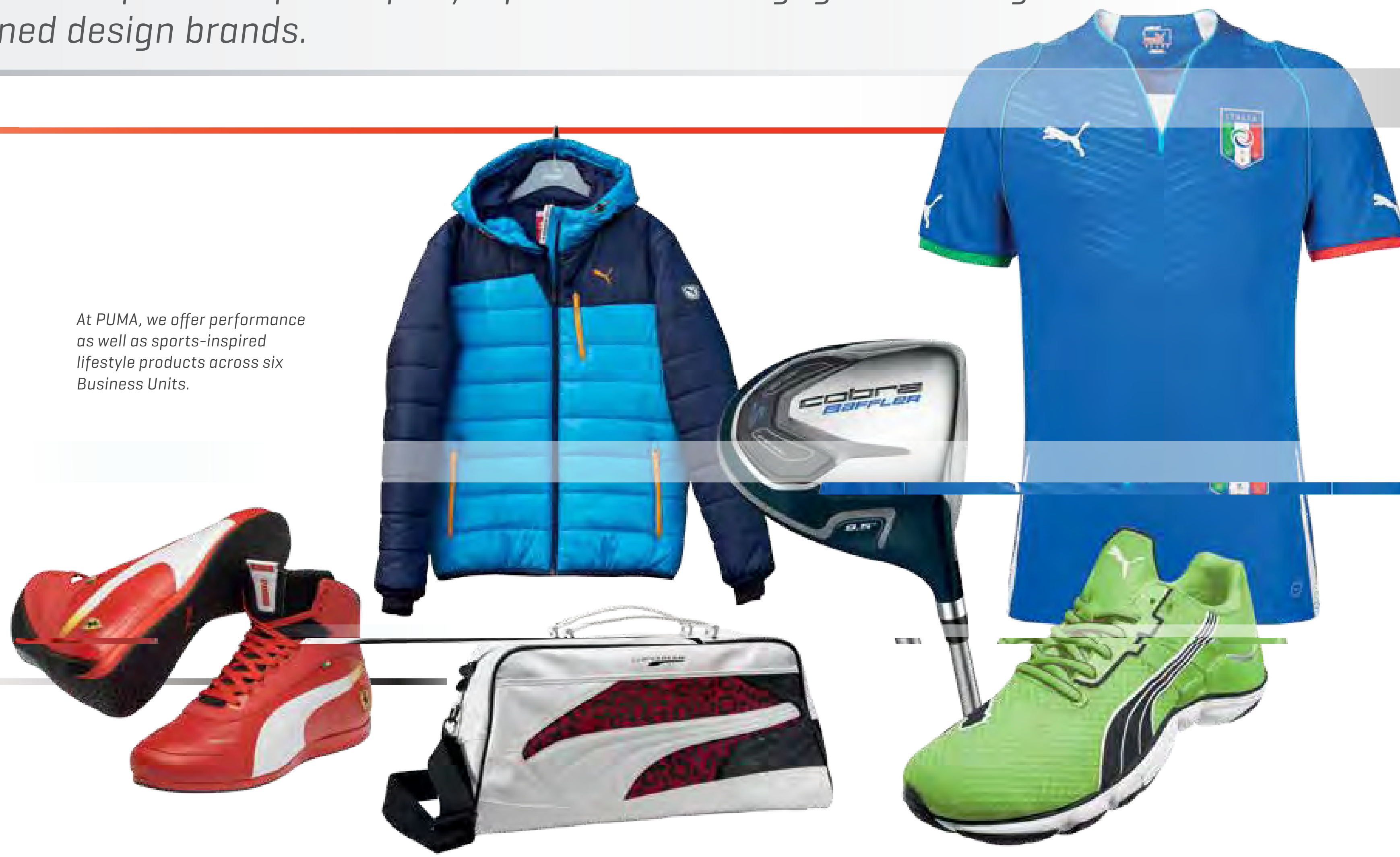
2 Chapter

Product

PUMA's products are the ultimate embodiment of the new brand strategy, and it is our desire to produce the fastest products for the fastest athletes. As one of the world's leading Sports Brands, we offer performance as well as sports-inspired lifestyle products and engage in exciting collaborations with renowned design brands.

In 2013, we implemented our new Business Unit structure to become more customer and consumer focused, to be more specialized in our product expertise and to improve our internal alignment. Product management, design, development and category-specific marketing have been dedicated to six separate Business Units. The Business Units Teamsport, Running and Training, and Golf represent our Performance business, while Lifestyle and Motorsport, Fundamentals as well as Accessories and Licensing constitute our Lifestyle business. Each Business Unit combines full product and marketing responsibility under the leadership of one accountable Business Unit Manager.
The following chapters present an overview of the most important activities in each of our Business Units in 2013.

At PUMA, we offer performance as well as sports-inspired lifestyle products across six Business Units.



It's the thrill of being first.
The swagger of being the best.
The fun of being able to adapt.

The confidence and power that comes with having the edge.

Teamsport

Our Teamsport Business Unit can look back on a successful year, fuelled by the performances of our players and teams at both club and international level.

The year kicked off with Burkina Faso's incredible journey to the final of the 2013 Africa Cup of Nations in South Africa in February. We then launched our bold new PUMA kits for Italy and Uruguay for the 2013 FIFA Confederations Cup in Brazil, where the PUMA partnered "Squadra Azzurra" secured third place and Uruguay finished fourth.

PUMA and Borussia Dortmund: True love

PUMA Team Borussia Dortmund impressed football fans worldwide in the UEFA Champions League by its unique blend of attacking football. Having successfully navigated the group stages, Jürgen Klopp's side beat Malaga with a dramatic late show in Dortmund, and then Real Madrid to reach the final at Wembley Stadium in London, underlining PUMA's position as the clear number three brand in football.

New stars have joined the PUMA family

With PUMA star Marco Reus playing a crucial role for Dortmund's ongoing success, another talented midfielder joined the PUMA Football family in 2013. Spanish International Santi Cazorla, who was awarded player of the year in his first season at Arsenal FC, is a fantastic addition to our portfolio of top international players. In December, we announced a new long-term partnership with international football icon Mario Balotelli. As another key signing for PUMA, Mario will be a major force in driving the brand's performance message. With his passion, speed, agility and power he is a perfect fit to support PUMA's repositioning as a true Sports Brand.

With a player portfolio comprising the likes of Giorgio Chiellini, Mario Balotelli and Marco Reus, PUMA is defining itself as the clear number three football brand.

PUMA hosts the 'PUMA Football Club'

Ahead of the 2013/14 football season, PUMA launched a new virtual football community, the 'PUMA Football Club'. On the new platform › www.pumafootballclub.com, PUMA invites football fans worldwide to engage in fun and unique challenges, win exclusive prizes and get closer than ever before to their favorite football stars. Featuring PUMA's star players and proud 'club members' Cesc Fàbregas, Sergio Agüero, Marco Reus and Gianluigi Buffon amongst others, the new community engages fans with more access to their footballing heroes. Star challenges presented by the legendary Thierry Henry encourage fans to propose creative suggestions for players to incorporate on the pitch and in their life.

In September, we introduced the latest purple and orange colourway of the evoSPEED 1.2 performance football boot.

We continue to excel with new and exciting product innovations

We continued to introduce our latest technical innovations and performance product offerings in 2013, launching new PowerCat colourways, the new classic colourways of our PUMA King featuring high performance materials for enhanced ball control, and also our evoSPEED 1.2, PUMA's performance football boot that helps players maximize their speed.

PUMA storms into 2014 FIFA World Cup

At the upcoming 2014 FIFA World Cup, PUMA is preparing to showcase our unique team spirit, passion and creativity. With Algeria, Ivory Coast, Cameroon, Ghana, Italy, Switzerland, Chile and Uruguay, a total of eight PUMA partnered teams will compete in Brazil. We will once again use football's biggest stage to demonstrate PUMA's prominence in football. With our newly sealed long-term partnership with Arsenal Football Club, representing the biggest deal in both PUMA's and Arsenal's history, as well as the signing of Italian football icon Mario Balotelli, PUMA proves and will continue to demonstrate its competence as a true Sports Brand in line with the company's new brand manifesto in 2014 'Forever Faster'.

PUMA's football platform 'PUMA FC' brings fans closer to their heroes.

From this day forward, PUMA will be

the Fastest Sports Brand in the World.

Running and Training

We successfully improved our brand visibility and underlined our product expertise in our Running and Training Business Unit through both the impressive performances of our athletes as well as game changing revolutionary product innovations.

A legend continues to shine

In November 2013, Usain Bolt was named the World Athlete of the Year at the IAAF World Athletics Gala in Monaco – the fifth time he has won the title. A few months earlier at the 2013 IAAF World Championships in Moscow, where PUMA partnered with eight national teams, the Jamaican again underlined his status as the greatest sprinter in history. By adding another three gold medals to his stash, Usain Bolt became the most successful athlete in World Championship history. Together with his teammates, he helped power the Jamaican men's team to victory in every sprint event. With six Gold medals in total, Jamaica finished third in the medal table – an excellent result for the Caribbean island and continued testament to PUMA's product expertise in terms of speed and performance.

› Usain learns Russian. Watch it here! PLAY

PUMA CEO Björn Gulden and Usain Bolt celebrate after signing the contract renewal.

Usain Bolt is Forever Faster

In September, we renewed our contract with Usain Bolt through to the 2016 Olympic Games in Rio de Janeiro and beyond. Being the perfect ambassador of everything that PUMA stands for, Usain Bolt will play a crucial role in our future product concepts as well as our Brand communications leading towards the Olympic Games in Rio 2016 and beyond.

It's in our nature to run and train fast

At the beginning of 2013, we successfully introduced two industry-first product innovations: PUMA ACTV and RCVR apparel and Mobium Elite footwear. ACTV and RCVR fuse compression technology with built-in athletic taping, which helps to maximize the body's performance and improve its

› Watch the Mobium video here! PLAY

PUMA's award-winning Mobium Elite

recovery times. Within months, PUMA ACTV received the ISPO GOLD AWARD. The Mobium Elite, which has won multiple awards across the globe, adapts to the foot's expansion and contraction through innovative technology to encourage mid-foot striking.

We offer fast and flexible products for your workout

In Fitness and Training, 2013 saw the expansion of our Formlite Family, which includes the extremely flexible and lightweight Formlite XT Ultra. This cross-training shoe is one of the lightest in its class, weighing in at only 4.8 ounces and can also be folded in half.

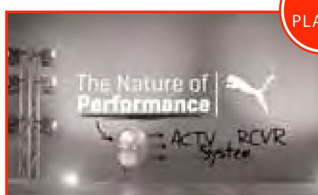
Expanding our Fitness and Training's ambassador list

Many new faces were added to our Fitness and Training ambassador roster this year, including German celebrity and dance instructor Fernanda Brandao, Swedish Elite Trainer Ida Warg, Greek Yoga goddess Eleni Petroulaki, Pro Waterskier Maj Lund Jepsen, Mirella Koullias, Siobhan Byrne, and Chitrangda Singh. Our new ambassadors were not only busy hosting training sessions at events such as PUMA Fitness Lounges, but were also frequent contributors to our Digital portals, including the PUMA Fitness Tumblr.

We will continue using our Fitness and Training ambassadors for our global campaigns throughout 2014, offering digital content and products that transform our customers' wardrobe as much as their workout.

› Fernanda Brandão. Watch it here! PLAY

PUMA ACTV and RCVR are the first compression tights in the industry to have athletic tape built directly into the garment. Watch the video below!



PLAY

› Watch the video here!

At 4.8 ounces, the Formlite XT Ultra is one of the lightest cross-training shoes in the industry.

Faster is how every single one of us can

reach our full potential

and help our customers reach theirs.

Golf

At COBRA PUMA GOLF, we continue to express our message of Game Enjoyment across the industry, while bringing the latest trends to the course and our innovative products to consumers.

Bringing the PUMA spirit and colour palette to the game

To celebrate COBRA's 40th anniversary in 2013, we launched the AMP CELL product line, the Baffler XL family, the ZL Encore Driver and the new Tour Trusty wedge. At the same time, our PUMA Golf collection brought fresh colours to the game with stylish, high-performance golf apparel, footwear and accessories helping golfers look better, feel better, and play better.

From Rickie and Lexi to Jonas and 'Poults': Athletes winning in style

The number of fans wearing our unique colours continued to grow this year, and our iconic COBRA PUMA GOLF athlete Rickie Fowler remains one of the most influential and recognizable players on the PGA Tour. Rickie's expressive style was matched with performance as he closed the 2013 season with five top ten finishes and ten top twen-

Our 2013 Golf products featured fresh colours along with game changing technology.

› Watch the Faas Lite video here! PLAY

› Watch the COBRA Women's Gear video here! PLAY ty-five finishes, fuelled by his COBRA AMP CELL clubs.

Power girl Lexi Thompson had a breakout year with victories at the Sime Darby LPGA in Malaysia and the Lorena Ochoa Invitational. Thompson's exceptional ability continues to separate her from the crowd, with her COBRA AMP CELL Driver powering her to the number two ranking in driving distance and an overall ranking of number 9 in the world. Her blend of power, performance, style and ambition is fuelling our COBRA PUMA GOLF women's business.

Having recently agreed to a long term contract extension with COBRA PUMA GOLF, Jonas Blixt continued his climb up the world rankings, securing his second PGA Tour win at the Greenbrier Classic. Ian Poulter's high-class performances secured him success this season, including a second place finish at the World Golf Championship in China, third place at the Open Championship and finishing the year as the number 14 ranked golfer in the world. Given his reputation for producing dominant performances in the competition, Ian is greatly looking forward to the 2014 Ryder Cup in Gleneagles, Scotland – it's sure to be a great year!

› Watch the AMP CELL driver here! PLAY

Watch out for COBRA PUMA GOLF in the coming seasons

COBRA PUMA GOLF will continue to bring key breakthrough technologies including MyFly8 in COBRA's BiO CELL product line to the market in 2014, coupled with further exciting industry announcements and trend setting collections.

COBRA PUMA GOLF athletes brought the heat on Tour through performance and style.

› Watch the AMP CELL hybrids video here! PLAY

And likewise,

we will live life at full speed:

faster, never resting, never stopping.

Lifestyle and Motorsport

PUMA's Lifestyle and Motorsport Business Unit has had a busy and productive year filled with anticipation, excitement and new beginnings.

PUMA reveals the Brand's Lifestyle Collection Directors

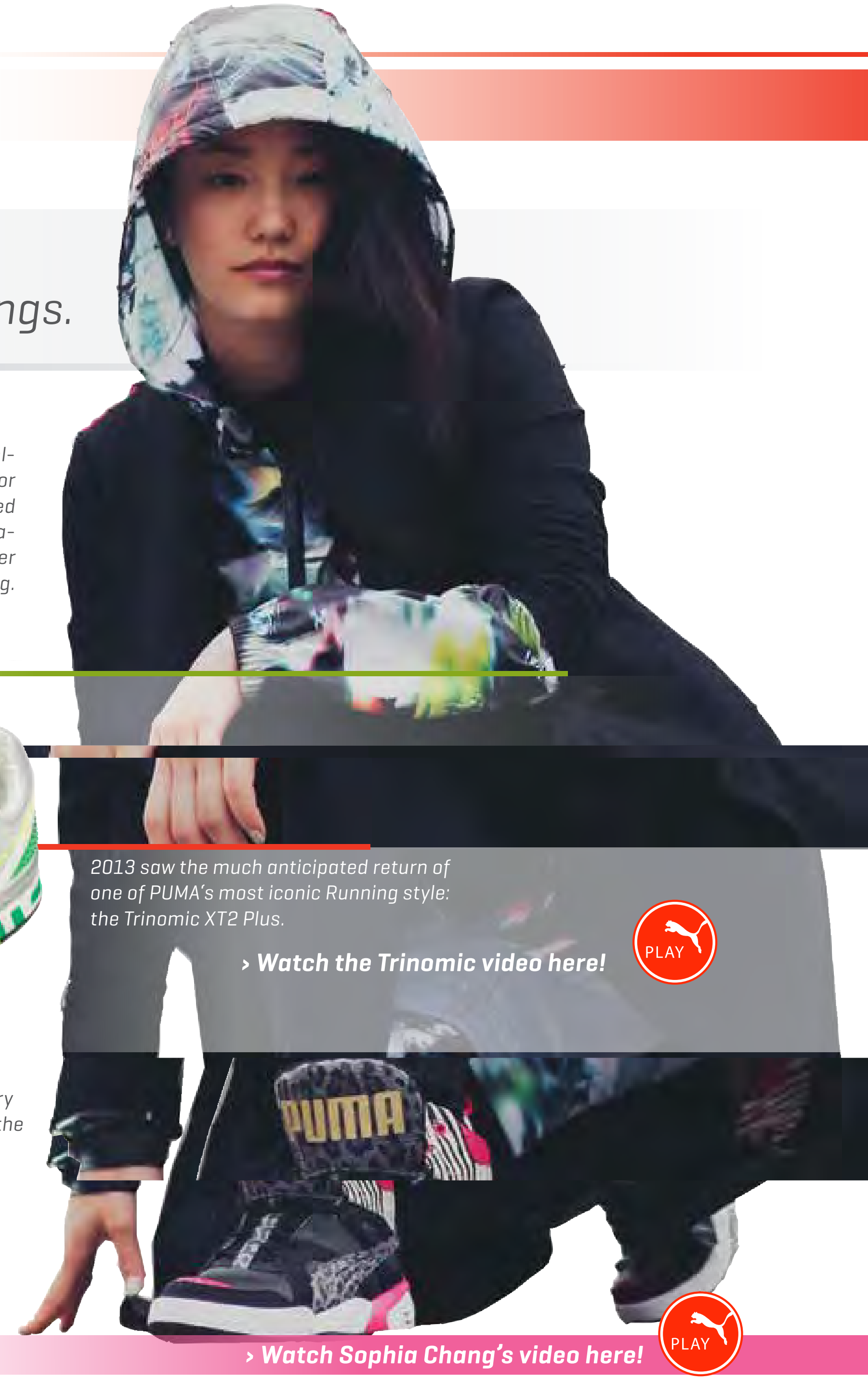
In Lifestyle, our mainline sport heritage products served as a source of inspiration to up-and-coming artists and entertainers as we introduced the Brand's Global Collection Directors: a collective group of influencers who connect culture, attitude, and style with ambition – like New York-based illustrator and designer, Sophia Chang and forward thinking trailblazers, The Madbury Club.

Venturing back to PUMA's rich archive

PUMA Lifestyle ventured back to its archive, heralding the much-anticipated return of the Brand's signature hero models for PUMA Trinomic Running with the launch of the Trinomic XT1 and XT2 Plus, and their accompanying signature green box. With a strong worldwide sell-through, the brand's first one-to-one re-issue helped reinvigorate PUMA's vast history and running archive of key silhouettes and product storytelling, setting the bar high for future re-issues going into 2014.

Adding new chapters to credible product stories

Ending the year on a high note, PUMA saw the return of one of the brand's most successful collaborations to date: the Sneaker Freaker Blaze of Glory five-year anniversary special. First released in 2008, December 2013 saw the re-issue of the infamous SHARK pack made up of the original Blaze of Glory and Blaze of Glory Lightweight additions. With a global sell-out within minutes of the release, PUMA once again proved its credibility to a new generation of sneakerhead consumers.



PUMA's first Collection Director to be introduced in 2013: illustrator and designer Sophia Chang.

2013 saw the much anticipated return of one of PUMA's most iconic Running style: the Trinomic XT2 Plus.

› Watch the Trinomic video here! PLAY

PUMA's Sneaker Freaker 5 Year Anniversary Blaze of Glory OG was well received in the sneakerhead community.

› Watch Sophia Chang's video here! PLAY

Going forward, we are focusing on sports-inspired lifestyle products

Based on our competence as a true Sports Brand, as well as our rich heritage of iconic performance products, 2014 will see continued investment in the lifestyle side of our business. In the seasons to come, we will leverage our clear positioning in sports – with the continuation of Trinomic Running and the introduction of our Tennis icons – to sell sport-inspired lifestyle products and enthuse customers around the world by reviving our design classics of the past.

In 2013, we continued to work with our partnered Formula One teams Scuderia Ferrari and MERCEDES AMG PETRONAS, and the BMW Motorsport DTM team, as well as targeting the youth action sports world through our partnerships with Subaru Drivers Bucky Lasek and Dave Mirra – who inspired the PUMA Rally Cross 2013 product collection.

We continued to shine in Formula 1 in 2013

Nico Rosberg fulfilled his childhood dream in Monaco by winning the prestigious race that his father won exactly 30 years before, and followed that by winning the legendary British GP at Silverstone. Nico's teammate Lewis Hamilton, who joined the Silver Arrows at the start of the 2013 season, also had a great year, winning the Hungarian GP and notching up four podium finishes. This season was also a great success for Ferrari, with Fernando Alonso taking a win at the Chinese GP and at his home race in Spain. Thanks to brilliant performances by these drivers, MERCEDES AMG PETRONAS finished second and the Scuderia Ferrari third in the 2013 Constructors' Championships.

Lifestyle products inspired by performance gear

Through continued innovation and creativity, PUMA has constantly improved the technological edge of the outfitted teams and drivers, supplying the drivers with high performance racing products. These pure performance products transition seamlessly into the lifestyle and fashion arena, with PUMA producing licensed apparel, footwear and accessory collections that leverage PUMA's heritage in the world of Motorsport.

Continuing our legacy in Motorsport

2014 is set to be another exciting year for PUMA Motorsport as we continue to leverage our Motorsport heritage to grow our global presence. PUMA Motorsport fans can look forward to new licensed collections, limited edition products and marketing activations with our partnered team drivers.

For all fans of horsepower: PUMA's lightweight and flexible BMW M Pilot Mid inspired by our on-track performance pilot shoes features a comfortable material mix and cushioned rubber bottom.

› Watch the Monaco GP 2013 video here! PLAY

Faster is how we will

influence design, fashion and trends in the market.

Fundamentals

Our Fundamentals Business Unit provides the backbone of PUMA's product offering. While our performance-oriented Teamsport, Running and Training and Golf Business Units focus on innovative high-performance products, and our Lifestyle and Motorsport Business Unit captures the latest trends in sports-inspired lifestyle by engaging in exciting collaborations with renowned designers, the Fundamentals Business Unit provides our consumers with a comprehensive basis for their wardrobes, including our Kids, Beach- and Swimwear collections.

In a nutshell, PUMA Fundamentals are the base layer of our whole product portfolio, combining on-trend colours with a great price quality ratio.

Extending our offering and giving our customers more choice

PUMA Fundamentals speaks a clear sports language, representing an Apparel and Footwear offering that provides our consumers with the right outfit before, during and after their workout while expressing a healthy and sporty lifestyle. PUMA's iconic Logo No. 1 T-Shirt, which carries the big PUMA logo on the chest, as well as our famous hoodies are just two famous products out of many examples.

PUMA Fundamentals are the base layer of our whole product portfolio, combining on-trend colours with a great price quality ratio.

Offering the latest styles to youngsters

When it comes to fashionable styles for kids, PUMA Fundamentals takes the latest key styles and top sellers from across our Business Unit product portfolio and converts them into kids and baby sizes. Our young consumers love to wear sporty collections that are both fashionable and comfortable to master every challenge – whether in school or on the playground.

Looking great whatever the season

From down-filled winter jackets with keep-heat technology to the latest summer swim- and beachwear – PUMA Fundamentals covers our consumers' needs for every season.

In the coming seasons, PUMA Fundamentals will continue to strive to offer the best price quality combination in the market to our consumers worldwide and provide the perfect base layer for PUMA's product portfolio.

PUMA's latest styles are converted into kids and baby sizes. Our young consumers love it!

Faster lives on the track and on the street.

Faster accelerates culture

whether you’re chasing a new record or a new trend.

Accessories and Licensing

We have a clear vision for our Accessories and Licensing offering, which not only represents a unique mix of authenticity and modernism that complements our sports and lifestyle collections, but also enhances our credibility in the world of accessories. We want to be unique in all the categories we play in – from backpacks to fitness bags, and from fragrances and body care to the glasses and watches which sport the PUMA logo.

Establishing a unique Accessories Design Identity

We focused on evolving our design identity in 2013 by integrating our typical "points of difference", placing emphasis on expressive styles and functionality. At PUMA, we want to offer Accessories that capture our style leadership. Products that tell a story, combine the influences of performance and lifestyle, and meet our consumers' expectations.

From Performance to Lifestyle

PUMA's Accessories round off the collections and offerings of our other Business Units in order to build strong, comprehensive packages and to create a complete look. In the performance arena, we again underlined our ambition to be a true innovator in the market by introducing the first female-oriented running backpack as well as reflective bags that enhance runners' visibility in the dark. In Fundamentals and Lifestyle we put our competence in accessories to the test with authentic products referencing our rich history in the world of sports.

Being the irreverent product on shelf

Going forward, our Licensing strategy focuses on brand enhancement, concentrating on four key categories to support our core business: Fragrances and Bodycare, Glasses (optical and sunglasses), Watches and Security Boots. With our segmented Accessories collection structure, we continue to address the needs of both our performance and lifestyle consumers. We will also keep using our most distinctive original silhouettes to inspire new design classics. Stay tuned for more exciting seasons to come.

Company Overview

Distribution

2

Chapter

a completely redesigned and unified website in 2014, PUMA will integrate the marketing and commercial aspects of its digital strategy to drive growth and retention with compelling content.

PUMA took the decision to relocate Global and European Retail and European eCommerce from Oensingen, Switzerland, to its headquarters in Herzogenaurach, Germany. With this decision PUMA has underlined the importance of both traditional and eCommerce retail for the company. These channels are vitally important for the future of the brand and should therefore be located at the center of the company.

Product sales mix

PUMA sells and markets footwear, apparel and accessories in categories such as Football, Running and Training, Golf, Motorsport and Lifestyle. With a heritage of designing shoes for more than 65 years, Footwear is and remains the foundation of PUMA's business and its key strategic priority, having generated 46% of net sales 2013.

With our repositioning as "The Fastest Sports Brand in the World", we will leverage our clear positioning in sports to sell performance and sports-inspired lifestyle products. To regain market share in our performance business, we will focus on selling our performance products - primarily for Football as well as Running and Training - via the sports distribution channels. The clear brand positioning will also support our sales of sports-inspired lifestyle products into lifestyle distribution channels. Recent product launches such as the innovative evoPOWER football boot as well as sports-inspired lifestyle products such as the Trinomic sneaker make us confident that we are progressing well in regaining shelf space with our key strategic accounts.

The PUMA evoPOWER football boot

Distribution

2013 was a challenging year for PUMA, and the decline by 3.0% of PUMA's currency adjusted global sales reflects the issues the company faces in terms of lack of brand heat, commercial products and desirable distribution. As outlined in the Brand Strategy and Product Strategy chapters, PUMA has taken decisive action to tackle these issues, repositioning the brand and creating commercial products while re-emphasizing the strategic sales priorities.

Brand mix

The PUMA Group owns the brands PUMA, Cobra Golf, and Tretorn, as well as the affiliate companies Dobotex and Brandon. As the PUMA brand accounts for the vast majority of the group's net sales and constitutes the core of the PUMA Group, it is therefore the PUMA management team's top priority. Dobotex, Brandon and Cobra Golf are closely interlinked with PUMA's core business and will adapt and implement the new brand direction for their own strategies.

Regional mix

PUMA is structured into five regions: Europe, Eastern Europe, the Middle East and Africa (EEMEA), North America, Latin America and the Asia/Pacific region (APAC). Each Region is led by a regional General Manager who has full profit and loss responsibility for all areas and countries within the respective region.

In terms of the company's regional sales priorities, PUMA will continue to leverage its strengths in key growth markets in EEMEA and Latin America such as in Mexico, India and Russia to ensure stable sales growth for the company. PUMA Europe will continue to implement its European Transformation and Restructuring Program. The aim of the Program is to reduce complexity within PUMA's organization. A new structure consisting of seven areas is being established in Europe, a regional supply chain is also being established, and warehouse consolidation is taking place. Appropriate measures will also be implemented in key Asian markets such as Japan, China and Korea to restore the business to profitable growth. Strategic priorities for North America include repositioning the PUMA brand as a performance brand and to increase the presence in quality wholesale distribution channels.

Channel mix

PUMA distributes its products via three different distribution channels: Wholesale, PUMA's owned and operated retail stores and its eCommerce business. Wholesale accounted for 79% of net sales in 2013 and remains the most important sales channel for the PUMA Group.

A key priority for PUMA is to focus on desirable wholesale distribution channels. By shifting the balance from lower to higher-tier wholesale channels, PUMA will ensure that the right product is positioned at the right place at the right price. PUMA will work very closely with its key accounts and build joint product programs which are tailored to the specific needs of each account, supporting them with complementary marketing activities. At the same time, PUMA will reduce its exposure to lower-tier distribution channels. The launch of the PUMA Lab by Foot Locker in North America in the first quarter of 2014 demonstrates a great example of PUMA's new approach of collaborating with its key accounts.

In its direct-to-consumer business, PUMA will communicate its new brand positioning to the consumers through direct interaction. While PUMA will finish closing the unprofitable retail stores set out under the Transformation Program, it will also increase the number of outlet stores in currently under-penetrated markets, mainly in the APAC region. In growth countries, full price stores will continue to be opened in selected, desirable locations. A key driver of growth in the direct-to-consumer business will be eCommerce. By going live with

Company Overview

Sustainability

2 Chapter

PUMA's Sustainability Strategy

With the Forever Faster transformation, sustainability remains a key value of the PUMA brand. Faster is how we are working towards a more just and sustainable future, accelerating positive change in the industry and the world.

Launched in 2013, the next phase of PUMA's sustainability journey is to embed sustainability across the business in support of the Forever Faster transformation. 2013 also marked a significant improvement in the alignment of and support towards sustainability priorities shared by PUMA and our majority shareholder Kering.

To drive the necessary integration, PUMA has improved and clarified sustainability governance, organizational architecture and cross-functional communication. To ensure coordination and prioritization, PUMA has refined its global sustainability strategy that outlines four key impact areas and five operational pillars where we will drive activity to improve PUMA's impact. The new strategy includes insights from the PUMA Environmental P&L, LCA studies, materiality analysis, and consumer research as well as input from critical stakeholders during the 2013 Talks at Banz.

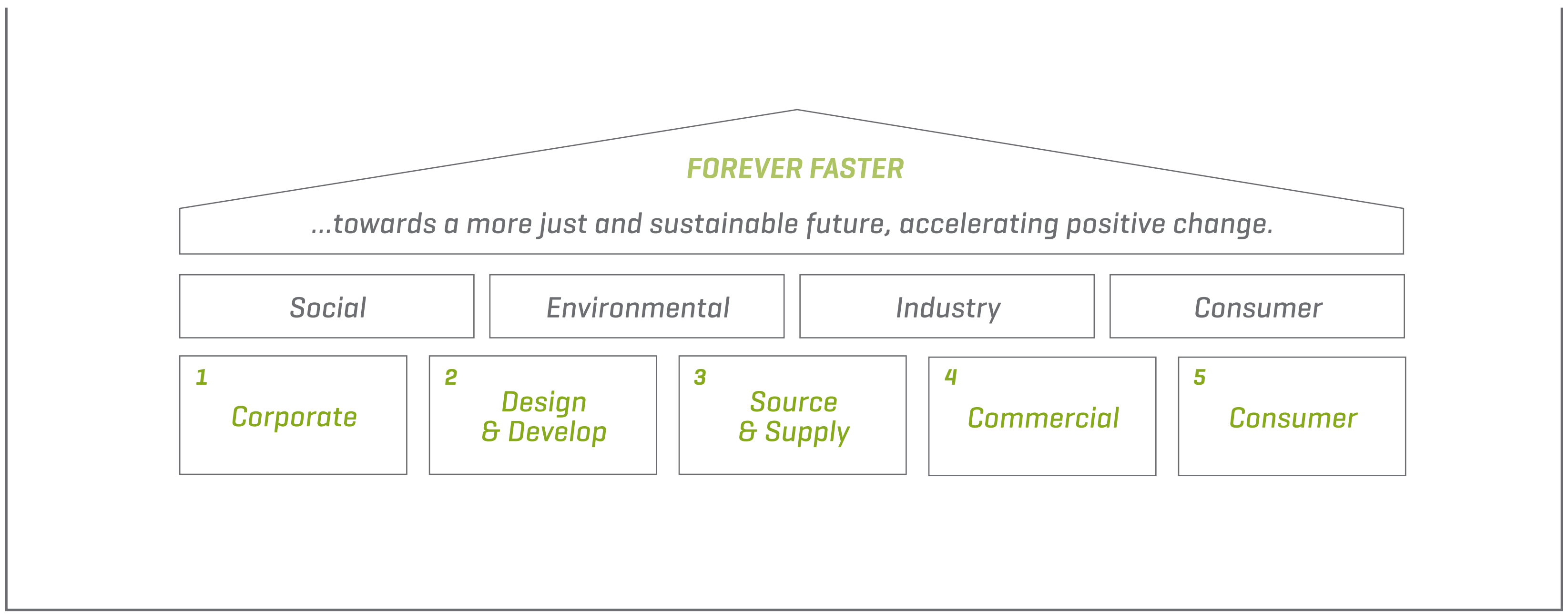
The four Impact Areas are:

- Social: being equitable with everyone our business touches
- Environmental: being responsible with nature's resources
- Industry: catalyzing industry change towards more sustainable value creation
- Consumers: engaging our consumers towards more sustainable lifestyles

Circular economy has gained momentum as a means to deliver significant improvements in sustainability as well as brand and customer value. For PUMA, "Closing the Loop" encompasses our efforts to innovate materials and processes to work in circular, not linear, industrial systems. The five operational pillars outline where we are integrating sustainability across the business with the long-term goal of "Closing The Loop":

- Corporate: measuring and improving our own processes to reduce the impact of PUMA's operations.
  - Focus: empowerment of PUMA employees, focus investment on most material actions, measure and expand proof points of sustainable business.
- Design & Develop: inspiring and enabling our product teams to improve impact with better design.
  - Focus: innovative materials, clever processes, integrated product stories.
- Source & Supply: engaging our supply chain across all tiers to improve social, environmental and financial impact.
  - Focus: drive transparency across tiers, ensure compliance to local law and PUMA policy, build capacity and support supply chain partners.
- Commercial: partnering with wholesalers, PUMA Retail and e-commerce to ensure consistent sustainability messaging and product sell-through.
  - Focus: defend, build and commercialize the brand value of PUMA's sustainability investment.
- Consumer: engaging our consumers towards more sustainable lifestyles.
  - Focus: Drive brand preference and loyalty by helping PUMA consumers be more sustainable.

F.3 Strategic framework – Forever Faster



Targets and Scorecard

In line with the overall Forever Faster re-positioning as well as the Transformation and Cost Reduction Program, we are in the process of shifting our sustainability targets to improve transparency, clarity, coordination and focus on the most impactful issues facing our business. The new targets will incorporate the advanced Environmental Profit & Loss (EP&L) methodology and will be aligned with Kering.
This year we report our achievements in terms of the existing PUMA scorecard to allow comparability with previous years. From 2014 forward we plan to report using the aligned Kering targets.

F.4 Sustainability Scorecard 2015

SUSTAINABILITY SCORECARD 2015*

PRODUCT

OLD SCORECARD		
WASTE REDUCTION	DESIGN	InCycle Collection developed, Cradle to Cradle Certified CM and availalbe for sale
50% MORE SUSTAINABLE PRODUCTS	PRODUCT/ MATERIALS	2013: 38% of all international collections (aim 2013: 30%)
CORPORATE ENVIRONM. ACCOUNTING	PROCESSES	Corporate EP&L and Product E P&L published in 2011 and 2012
100% MORE SUSTAINABLE PACKAGING	PACKAGING	100% sustainable packaging: Clever Little Bag (Footwear), Clever Little Hanger (Accessories) introduced
-25% CO_2 EMISSIONS	LOGISTICS	B2B transports of goods per tonne transported -12.6%

COMPANY

		OLD SCORECARD
-11.4% per employee (FTE)	CO_2	-25% CO_2 EMISSIONS
-4% per employee (FTE)	ENERGY	-25% ENERGY CONSUMPTION
-5% per employee (FTE)	WATER	-25% WATER CONSUMPTION
-35% per employee (FTE)	WASTE	-25% WASTE GENERATION
-37% Paper per FTE & 58% FSC-certified or recycled paper	PAPER	PAPERLESS OFFICES

FACTORIES

	WASTE	WATER	ENERGY	CO_2	SOCIAL
OLD SCORECARD	-25% WASTE GENERATION	-25% WATER CONSUMPTION	-25% ENERGY CONSUMPTION	-25% CO_2 EMISSIONS	90% RATED SAFE A TO B+
	Footwear: -31% Accessories: +37% Apparel: +95% per piece	Footwear: -16% Accessories: -68% Apparel: -48% per piece	Footwear: +/- 0% Accessories: +/-0% Apparel: +33% per piece	Footwear: +/- 0% Accessories: +33% Apparel: +/- 0% per piece	66% RATED SAFE A OR B+

SAVE PROJECT LAUNCHED / EFFICIENCY INCREASE PLANNED

- achieved
- on track
- in progress
- challenging

* Baseline year 2010

Governance

Administrative Board Sustainability Committee

The Sustainability Committee is responsible for the oversight and setting of strategy in support of the 4 Keys and sustainability, focused on improving PUMA's ecological, social and financial impact.

Current membership:
François-Henri Pinault
Jean-François Palus (Chairman)
Martin Koeppel

Our Administrative Board Sustainability Committee met twice in 2013 with the primary focus on PUMA's new sustainability strategy.

Sustainability Advisory Board

The Advisory Board provides objective external advice to PUMA's CEO on sustainability issues critical to the business as outlined by the Global Sustainability Strategy.

Current membership:
Michael Kuhndt (UNEP/Wuppertal)
Matthias Kopp (WWF DE)
Auret van Heerden (FLA)
Siegfried Kreibe (BIFA)

The Sustainability Advisory Board met twice in 2013, providing feedback and advice on our sustainability strategy. Since its establishment, this Board has provided helpful advice to the company, such as the selection of a suitable end of use concept for our PUMA products, and acknowledging which challenges the brand cannot solve alone, which consequently need to be addressed in collaboration with industry peers.

Organization

To ensure sustainability is not applied in or as a silo, PUMA has distributed sustainability functions across the organization with dedicated staff in critical departments. As we drive for sustainability to be part of everyone's job, we have also cultivated a network of collaborators and supporters across the two critical components of our business: the regional and country organizations and the new business units.

Dedicated staff are reporting into key leadership.

Global Sustainability Stratety → Chief Executive Officer

PUMA.Safe → Chief Operating Officer

Regional and country "eco-champions" support and feedback on sustainability KPIs:

F.5 *Distributed Eco-champions for efficient global information flow*

In 2013, PUMA launched an internal network of embedded Business Unit "Ambassadors" to improve our ability to move from innovation to commercialization and be faster to deliver meaningful sustainability products and stories to the market. The "Sustainability Ambassadors" network is made up primarily of influential and passionate Product Line Managers and materials experts, and is jointly led by Global Sustainability Strategy and Innovation & Sustainability.

Issues and Highlights 2013

InCycle

2013 saw the launch of both the Spring/Summer and Autumn/Winter collections of InCycle, PUMA's "Cradle to Cradle Certified^{CM} Basic" collection. PUMA conceived of InCycle as an innovation challenge: To be the first in our industry to launch a full collection of Cradle to Cradle certified apparel, footwear and accessories. We received great recognition for our innovation launch from media, industry and consumers.

Increasing Factory Building Safety

The year 2013 was marked by several industrial incidents such as the building collapse in Bangladesh and the ongoing strikes in Cambodia.
PUMA did not have any direct or indirect relationship with Rana Plaza, but we joined the industry to react immediately to this tragic event. As weak regulations and poor enforcement of safety in industrial buildings were found to be the root cause of the building collapse, PUMA now places more attention towards building safety. Extensive research on building safety was built into the new Health & Safety handbook and has already been put into practice for new buildings being constructed for PUMA production. PUMA also requires comprehensive building structural assessments from all its main suppliers in Asia, work which began in 2013 and continues into 2014. This project will assess the safety of the buildings in the factories producing for PUMA and will be conducted by professionals in building safety.

PUMA Uncovers and Resolves Underage Interns at a PUMA Supplier Factory in China

During a PUMA audit, our auditors discovered that, out of 96 trainees who worked in a factory under a State-sponsored internship program, 78 were under 16 years of age, and the youngest was 13 years old. Despite the argument from the interns' parents that they sent their children to the internship program for educational purposes, it was later discovered that the internship at the factory was not in accordance with the educational needs of the majority of the interns. With PUMA's assistance, the factory's management immediately took corrective actions. The young workers were promptly released from the factory floor, were paid their outstanding wages and scholarships were provided. The factory was also required to set up a more stringent child labor screening system to avoid a recurrence of this incident.
Our child labor remediation protocol, an internal guide on child labor remediation, allowed us to manage this issue, and we have since sought support from local organizations to strengthen our localized response in high risk areas. We will continue to strengthen our child labor remediation protocol in collaboration with multiple local and regional stakeholders.

PUMA Continues Fair Wage Roadmap Engagement

As part of our Better Wages initiative, PUMA continued to explore different approaches to achieve better wages in the supply chain. The Fair Wages methodology of the Fair Wages Network became the predominant approach that underpinned the program. Fair Wages has 12 dimensions that can be summarized to cover three fundamental levels: compliance with all mandatory compensation requirements, fairer pay systems/structures, and respecting the tripartite wage setting process by strengthening social dialogue. Roadmaps were developed for 25 factories in an initial pilot which started in 2010 and has been executed over a period of four years, taking into account site-specific considerations and country-specific regulations.
Progress was also noted in the area of pay systems and social dialogue. In one factory, for example, restrictive bonus structures were removed from its pay system and there are plans to introduce worker performance incentives. The improvements in social dialogue that began in 2012 continued into 2013 and have resulted in improved information flow between management and workers. PUMA intends to conclude the Fair Wage Roadmap Remediation in 2014.

"SAVE" for Cleaner Production and Resource Efficiency

The year 2013 saw the largest engagement within our PUMA supply chain focusing on cleaner production and resource efficiency. The SAVE project involves numerous stakeholders such as the Deutsche Entwicklungsgesellschaft (DEG), Deutsche Kreditanstalt für Wiederaufbau (KfW), The German Federal Ministry for Economic Cooperation and Development (BMZ) the brand H&M and the Asia Society For Social Improvement and Sustainable Transformation (ASSIST) along with numerous international and local technical experts, who are collaborating with PUMA to significantly improve Eco-Efficiency at 40 key suppliers in Bangladesh, Cambodia, China and Indonesia. Scheduled over a period of three years, the project kicked off in 2013 by providing training to 200 factory staff across all four countries. Further details on this Public-Private-Partnership-Project can be found on the project website › http://puma-save.org/ .

ROBECOSAM
Sustainability Award
Silver Class 2013

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

VEGAN FASHION AWARD 2013

FTSE4Good

Awards and Recognitions 2013

PUMA is ranked second in the Dow Jones Sustainability Index

PUMA remains listed in the FTSE-4Good-Index

PUMA wins New Innovator Award from the Cradle to Cradle Product Innovation Institute for the InCycle Collection

PUMA Re-Suede wins PETA Vegan Fashion Award

PUMA wins silver rating from German consumer goods NGO "Verbraucher Initative e.V." on sustainability communication in Retail

PUMA wins A.R.E. Sustainability Award

PUMA achieves leader status in Greenpeace's ranking of brands in 2013

Chinese environmental organization IPE ranks PUMA in 3rd place

Dutch organization "Stopt Kinderarbeit" confirms "good" status for PUMA

PUMA CEO Björn Gulden at the awards ceremony of the 'New Innovator Award'

Materiality Analysis

PUMA engaged Business for Social Res-ponsibility (BSR) to conduct a materiality analysis involving PUMAs most important stakeholder groups, further improving the focus of PUMA's sustainability actions. This exercise resulted in the Materiality Matrix below:

PUMA Materiality Matrix 2013

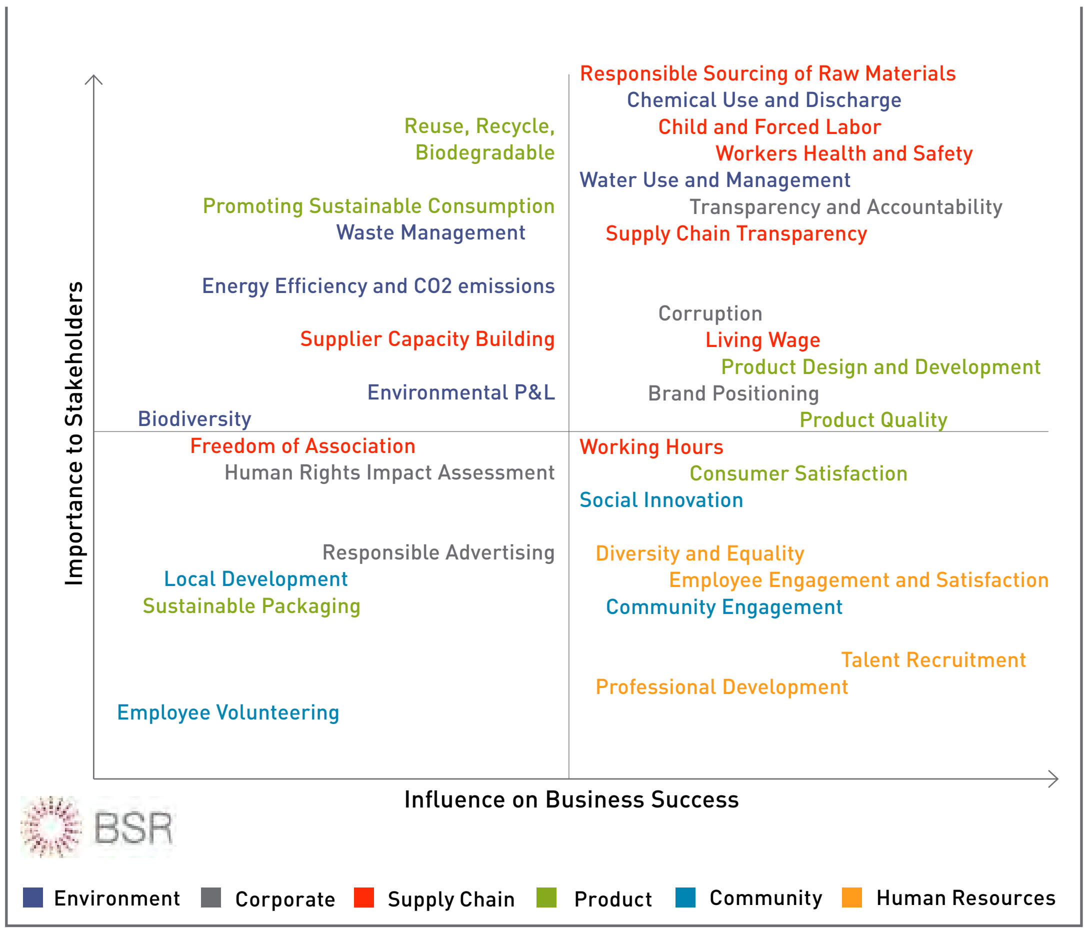
This Materiality Matrix, which was developed by focusing on the 4 key regions of Brazil, China, Europe and the USA, applied a mixture of literature, a review of competitors, live interviews with PUMA's top management (17) and external experts (19) as well as online surveys (45), and can be seen as one of several guiding elements in further developing our sustainability strategy. The materiality analysis has confirmed and heightened our focus on:

1. Social and environmental impacts in our supply chain
2. Anti-corruption and transparency
3. Product design and quality

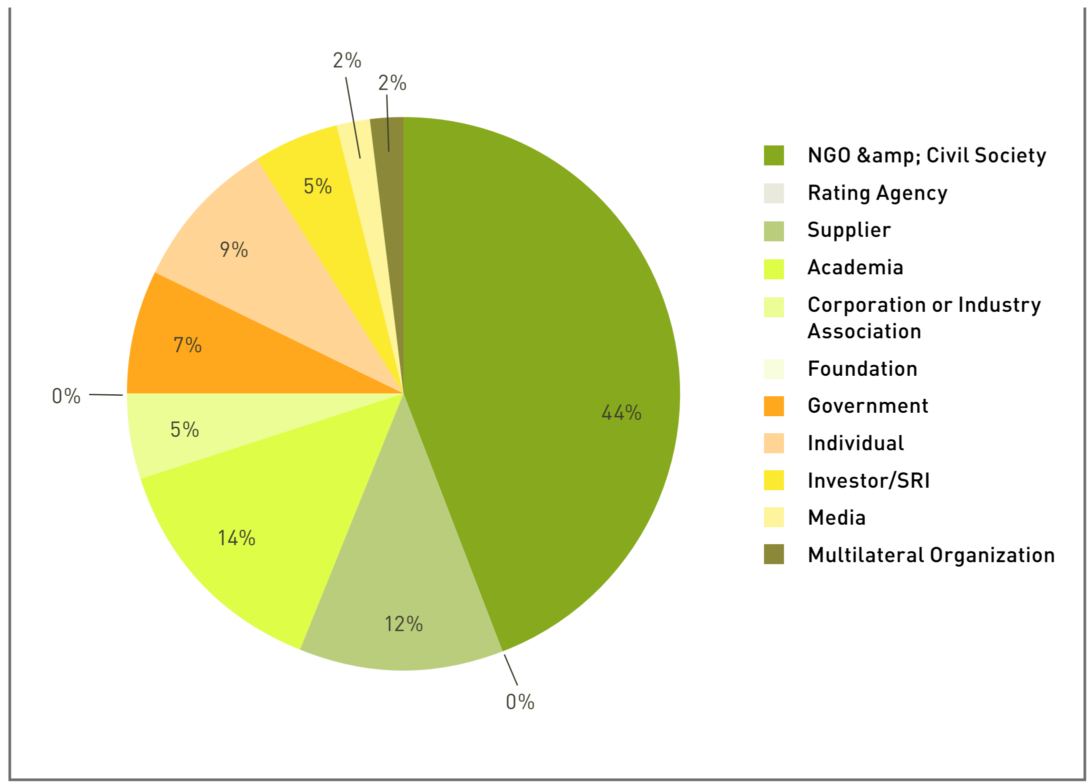
At the other end of the matrix, employee volunteering, sustainable packaging and local development were rated as less material. As a consequence we have reduced our reporting on local projects, employee volunteering and sustainable packaging, although our efforts in these fields continue.

In line with the 10th principle of the UN Global Compact and the PUMA Code of Ethics, as well as the new Code of Conduct from Kering, we plan to increase our reporting on our Anti-Corruption efforts.

F.6 PUMA Materiality Map



F.7 Breakdown of external experts answering the PUMA Materiality Questionnaire



Social Sustainability

PUMA works with approximately 400 external manufacturing partners located primarily in Asia. These relationships provide jobs and economic development. PUMA could not be competitive without a cost efficient supply chain. However, we are committed to working towards a more just and sustainable future. › PUMAs Code of Conduct (CoC) sets a clear minimum standard for supply chain partners and is displayed in all of PUMA's directly contracted partner factories. It also forms an essential part of our purchasing contracts. Compliance with our Code of Conduct is monitored on a regular basis by our PUMA team, who partner with the › Fair Labor Association (FLA) and the › Better Work Program of the International Labor Organization (ILO) for external support. The PUMA compliance program has been accredited by the Fair Labor Association since 2007.

Factory Audit Results

In 2013, PUMA conducted a total of 411 audits in 28 countries - including initial and follow-up audits. The audits covered a total of 365 factories from which 349 are Tier 1 suppliers, 15 Tier 2 and 1 Tier 3 supplier.
The facilities monitored produce for PUMA, its subsidiaries, licensees, as well as for PUMA's owned brands Tretorn, Cobra Golf and Brandon. We also conducted audits for Redcats, a subsidiary of our parent company Kering. These audits are grouped under the category "others". Additionally, there were external audits conducted by the Better Work program in Cambodia and Vietnam as shown in table 4.
The top five sourcing countries by number of audited Tier 1 factories are China (31.3%), Vietnam (21.6%), Cambodia (11%), Indonesia (10.2%) and Bangladesh (7.6%).

PUMA's factory rating system uses the ratings A, B+, B-, C and D. The range between

T.2 Factory Audit Results

	A	B+	B-	C	D	Total
America	5	8	11	6	2	32
Asia	31	144	92	25	16	308
EMEA	5	11	8	0	1	25
Total	**41**	**163**	**111**	**31**	**19**	**365**
Percentage	11	45	30	8	5	

T.3 Factory Audit Results

Global	A	B+	B-	C	D	Total
World Cat						
T1	21	67	44	13	4	149
T2	1	4	5	0	1	11
T3	0	0	1	0	0	1
Subs/Licenses						
T1	18	76	48	14	9	165
T2	0	0	0	0	0	0
T3	0	0	0	0	0	0
Brandon/Cobra/Tretorn/others						
T1	1	14	11	4	5	35
T2	0	2	2	0	0	4
T3	0	0	0	0	0	0

T.4 Factory Audit Results

Final Grade	A	B+	B-	C	Total
Cambodia		1	3	4	8
Vietnam	1	2	1		4

F.8 **Manufacturing Activities by Tier**

TIER 4 Raw material	TIER 3 Processing	TIER 2 Outsourcing	TIER 1 Manufacturing
Cotton Fields, Cattle Farms, Rubber Plantations	**Dye Houses, Tanneries, Packaging**	**Embroidery, Cutting, Printing**	**Footwear, Apparel, Accessories**
TIER 4 represents both natural and synthetic materials in their raw state, for example cotton plants, raw hides and rubber trees.	TIER 3 represents the processing of raw materials, for example a leather tannery or a rubber processing facility.	TIER 2 represents any outsourced processes, for example embroiders, cutters and printers.	TIER 1 represents the manufacturing from cutting to packaging of the finished product and is the last stage in the manufacturing process.

ratings is 5% with a minimum passing grade of 85%. The ratings and the corresponding grades are as follows:

A 100% to 95%: The required social, health, safety and environmental standards are complied with, and there are indications of strategic initiatives to maintain compliance to the Code. These factories are subject to routine biannual audits.

B+ below 95% to 90%: Non-compliance issues are of minor importance that can be rectified immediately. Audits for factories with this rating are conducted once a year.

B- below 90% to 85%: The same as in the B+ category: If these factories do not improve their rating in the subsequent audit, they are downgraded to a C rating and issued a reminder letter. Another audit is then conducted within the next eight months to check if improvements have been made. If there is still no progress, a warning letter is issued.

C below 85% to 75%: Serious or numerous non-compliance issues were found during the audit and must be rectified immediately. A warning letter is issued and a follow up audit is conducted within the next two to six months to check on the remediation of the issues. C-rated factories have to implement improvements immediately. If they do not, the business relationship is termiated with a new factory-applicant, or business is reduced or terminated in the case of an accredited factory.

D below 75%: Many serious violations of the standards were found. The business relationship is terminated or, in the case of a first audit, there is no commencement of a business relationship.

In 2013, PUMA introduced the "Pay for Play" policy to penalize suppliers who are not building on efforts to improve their compliance performance. The penalties come into effect before PUMA considers taking the step of contract termination, particularly for suppliers that previously had a history of better performance. A total of 26 suppliers (25 in China and 1 in Mexico) had to pay a penalty for not improving their audit grade during their follow-up audit. The policy has yielded positive results in terms of refining compliance systems and practices in the facilities.

43 factories were audited repeatedly (re-audits) during 2013 in line with our monitoring and remediation policies for factories rated B- or lower. Conditions deteriorated in two factories, (approximately 5 percent of re-audited factories) in our follow-up visits despite our remediation efforts. Conditions in the other factories improved.

By the end of the year PUMA terminated its partnership with 24 Tier 1 facilities across all sourcing groups due to the poor compliance systems in place and/or the unwillingness to improve them.

T.5

Final Grade	Numbers	Percentage
Better	28	65.12
Equal	13	30.23
Worse	2	4.65
Total	43	100

Table 5: Global factory improvement rate for multiple audits over the year 2013

Areas of Compliance Failure

As in the previous year, PUMA's failure analysis collated findings within general failure categories and subcategories. These categories are selected based on reporting requirements of the FLA and of the Global Reporting Initiative (GRI) on social supply chain issues. To further address external stakeholder requirements, each key failure under a subcategory is now counted as one separate failure when generating the total collective number of failures. The analysis covers only Tier 1 facilities for all ratings (A, to D).

T.6 2013 Areas of Failure - Tier 1 facilities with A, B+, B-, C and D rating

AUDIT GRADES	# OF FACTORIES	WAGES/COMPENSATION					SOCIAL CONCERNS	BENEFITS		TRAINING		WORKING HOURS		CHILD LABOUR			DISCRIMINATION		FORCED LABOR	
		Workers provided with legal minimum wage, overtime compensation	Transparent payment/ attendance records/ accurate calculation/payslip	Delayed payment of wage	Workers provided with correctly paid statutory benefits	Others (e.g. wages paid in legal tender/ directly to workers, acknowledged reciept of wages by workers)	General management Ssystem (e.g. contracts employment records. written policy, etc)	Workers provided with legally mandated benefits	Others (e.g. leaves provided to workers)	Labor code	Wages/ benefits	Working hours not altered intentionally/ excessive overtime	Others (e.g. regular working hours accordance with law, weekly day off)	Evidence of child labour/ young workers	Young worker benefits & limitations	Others (e.g. hiring age policy, proof of age document included in verification procedure)	Evidence of systematic discrimination	Others (e.g. post hiring evaluation, follows country regulations for maternity/ paternity benefits	Bonded, indenture, prison labor	Others (e.g. unreasonable restriction for workers)
WORLD CAT																				
A	21	–	2	1	–	4	14	–	–	–	2	–	1	–	–	–	–	3	–	1
B+	67	–	14	7	11	13	52	26	2	20	11	11	31	–	2	1	–	9	1	3
B-	44	5	16	3	8	7	45	17	–	31	8	21	24	–	–	1	–	12	–	3
C	13	3	7	3	3	7	18	4	–	3	–	5	3	–	1	1	2	4	–	2
D	4	1	9	–	2	1	16	2	–	2	1	1	2	–	–	2	–	1	–	1
TOTAL World Cat	**149**	**9**	**48**	**14**	**24**	**32**	**145**	**49**	**2**	**56**	**22**	**38**	**61**	**–**	**3**	**5**	**2**	**29**	**1**	**10**
NON-WORLD CAT																				
A	19	–	5	–	–	2	13	–	–	6	1	–	2	–	–	–	–	3	–	–
B+	90	10	25	6	15	18	73	28	–	40	16	34	39	–	2	3	–	8	2	2
B-	59	9	27	4	27	16	52	37	–	29	15	30	40	–	4	4	–	4	1	1
C	18	14	12	3	3	9	13	10	–	16	5	18	17	–	1	1	–	4	1	–
D	14	12	11	2	11	7	23	11	–	14	7	13	11	2	2	2	–	4	–	2
TOTAL Non World Cat	**200**	**45**	**80**	**15**	**56**	**52**	**174**	**86**	**–**	**105**	**44**	**95**	**109**	**2**	**9**	**10**	**–**	**23**	**4**	**5**
GRAND TOTAL	**349**	**54**	**128**	**29**	**80**	**84**	**319**	**135**	**2**	**161**	**66**	**133**	**170**	**2**	**12**	**15**	**2**	**52**	**5**	**15**

* World Cat is PUMA's sourcing organisation.

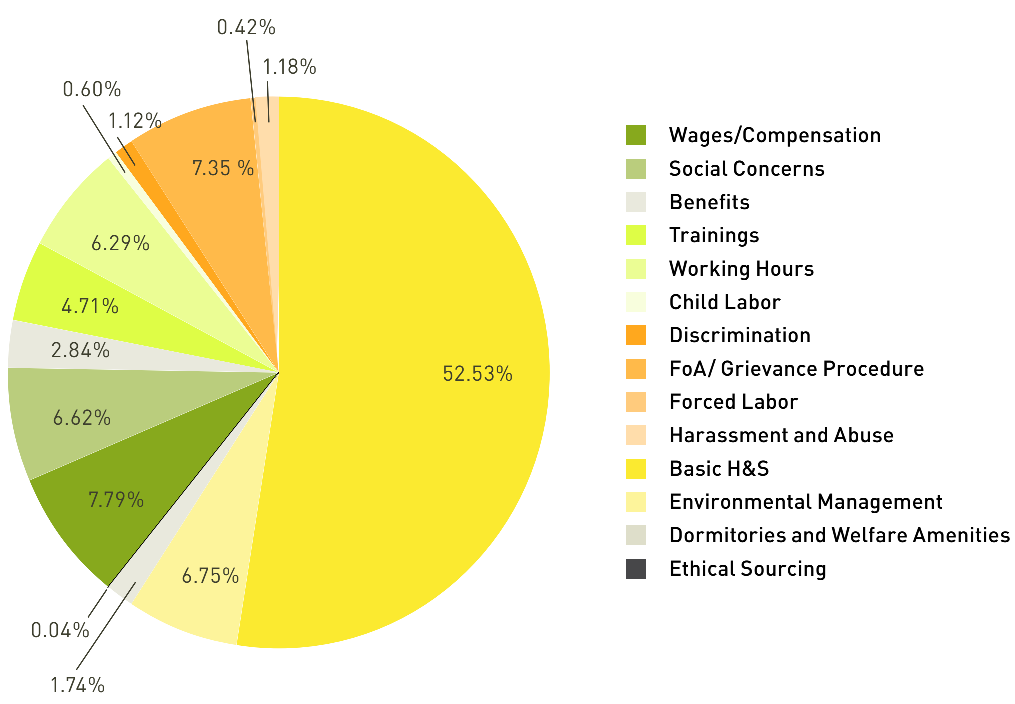
T.7 2013 Areas of Failure - Tier 1 facilities with A, B+, B-, C and D rating

AUDIT GRADES	# OF FACTORIES	FREEDOM OF ASSOCIATION AND GRIEVANCE PROCEDURE							HARASSMENT AND ABUSE		BASIC HEALTH & SAFETY					ENVIRONMENTAL MANAGEMENT			DORMITORIES AND WELFARE AMENITIES				ETHICAL SOURCING PRACTICE	
		Non-interference of FoA	Existence of worker organization/union	With existing CBA	Existing grievance procedure / worker committee	Functioning grievance procedure	Training on grievance procedure	Others (e.g. suggestion or complaint boxes are properly recorded)	Physical/psychological/verbal abuse and harassment	Others (e.g disciplinary rules)	Used banned chemicals	Fire safety	Chemical management & handling	H&S management system	Others (e.g. electrical, mechanical, ergonomics)	Environmental permits and clearances	Waste management	Others (e.g. airpollution, RSL compliance)	Facilities structurally sound	Privacy for users	Management provided for legally mandated welfare amenities	Others (e.g. facilities are maintained, cleanliness in food preparation)	Factories have legal business licenses	Unauthorized subcontracting
WORLD CAT																								
A	21	–	3	2	–	–	–	2	–	1	–	8	3	20	25	–	4	12	1	–	1	–	–	–
B+	67	1	21	15	4	7	1	16	–	7	2	70	49	140	124	4	32	14	1	1	2	15	1	–
B-	44	1	11	6	7	18	6	21	2	16	1	63	47	159	87	3	24	27	–	–	2	12	1	–
C	13	–	1	1	2	5	2	6	–	7	–	12	36	60	23	4	7	8	–	–	2	–	–	–
D	4	–	1	–	1	3	1	–	–	4	–	9	8	32	13	–	8	9	–	–	1	3	–	–
TOTAL World Cat	**149**	**2**	**37**	**24**	**14**	**33**	**10**	**45**	**2**	**35**	**3**	**162**	**143**	**411**	**272**	**11**	**75**	**70**	**2**	**1**	**8**	**30**	**2**	**–**
NON-WORLD CAT																								
A	19	–	1	3	–	–	–	2	–	–	–	9	14	33	15	–	–	9	–	2	–	2	–	–
B+	90	2	15	18	10	15	6	15	–	7	–	81	82	210	185	3	34	18	–	2	–	12	–	–
B-	59	–	18	9	8	12	7	13	–	8	4	72	78	205	132	7	44	13	2	–	1	6	–	–
C	18	–	5	2	2	2	–	5	–	1	1	27	10	61	55	1	11	4	–	1	1	3	–	–
D	14	–	2	4	3	3	2	5	–	4	2	46	40	95	82	7	9	9	–	2	3	6	–	–
TOTAL Non World Cat	**200**	**2**	**41**	**36**	**23**	**32**	**15**	**40**	**–**	**20**	**7**	**235**	**224**	**604**	**469**	**18**	**98**	**53**	**2**	**7**	**5**	**29**	**–**	**–**
GRAND TOTAL	**349**	**4**	**78**	**60**	**37**	**65**	**25**	**85**	**2**	**55**	**10**	**397**	**367**	**1,015**	**741**	**29**	**173**	**123**	**4**	**8**	**13**	**59**	**2**	**–**

* World Cat is PUMA's sourcing organisation.

Based on our failure analysis generated from our audit statistics, we were able to identify the most significant concerns in our suppliers' factories at the global level and across all sourcing groups. The most frequent non-compliance findings occurred under the "Basic Health and Safety" requirements. Other significant non-compliance areas were in "Wages and Compensation" and "Freedom of Association".

F.9 Global Major Failure areas for suppliers across all sourcing groups



Resolution of Complaints

In 2013, factory workers from different regions contacted PUMA directly to complain about workplace issues. Under PUMA's obligations as a member of the FLA, we are required to implement a confidential grievance procedure, which supports independent investigations of instances of non-compliance. A total of 135 complaints were raised in various areas, with wage-related and working hour issues the main concerns. These complaints came from factories across all grade and sourcing group classifications. Workers used different channels to get in contact with PUMA: The majority of them used the telephone, closely followed by "QQ", a social network in China, and then SMS messages. The majority of complaints were received from China due to the presence of a domestic hotline, while those in other countries have to use the international hotline. We are exploring ways to make it easier for workers to reach PUMA without overstepping, but rather supporting each factory's own grievance process.

PUMA has helped resolve over 77% of all the complaints received during 2013, a significant improvement compared to the 31% resolution rate from 2011. The following table shows the comparison of the resolution rate of the same issues over the past three years. We aim to improve the resolution rate to 80% for zero or critical issues by 2014.

T.8 Resolution Rates 2013

Year	2011	2012	2013
No. of Zero and Critical Tolerance Issues	24	34	28
Resolution Rate	45.80%	73.50%	67.90%
No. of Non Zero and Non Critical Tolerance Issues	57	78	107
Resolution Rate	24.60%	74.40%	80.40%

PUMA Board Members Visit Cambodia Minister of Commerce in Support of Justice for Factory Shooting

Following a series of trials, the perpetrator of the shooting incident in 2012 in front of a PUMA supplier in Cambodia – which left three workers injured – has still not been detained despite being sentenced to 18 months in prison. To request immediate justice and compensation for the victims, Chief Operating Officer Andy Köhler met with the Cambodia Minister of Commerce Senior Minister Chantol Sun to enquire about the status of the case and urge the government to detain the convict.

PUMA continues to engage with all parties both in Cambodia and internationally to improve justice for our supplier's employees.

Catalyzing Positive Change

In 2013, PUMA continued to prioritize and place a greater emphasis on catalyzing positive change, creating conversations and nudging the world in a more sustainable direction.

Documentary Film with BRITDOC

PUMA supports documentary film teams in shaping, shooting and socializing impactful and important stories with our partners, BRITDOC. At PUMA, we talk a lot about story-telling. Most of our stories begin in our designers' imaginations, grow in a cotton field, are assembled in a factory and then run, score goals and celebrate on feet all around the world.

Using documentary films, our aim is to be part of a movement to create more awareness and action on critical issues. It is a way for us to go beyond public service announcements or marketing messages by supporting important stories that will shift consumer behaviors, citizen actions and investor decisions. Our investment and partnership with BRITDOC has two programs: the annual PUMA Impact Awards based on the demonstrated impact of the films and the Catalyst awards to support promising films at an early stage. The latter supported filmmakers at crucial junctures of production, where a small cash injection could provide catalytic results. The fund has now been closed.

The 2013 PUMA Impact Award, which celebrates and supports the documentary film that has made the most significant positive impact on society or the environment each year, was given to "The Act of Killing," which explores how the 1965–66 genocide is understood in Indonesia and internationally, with the ultimate aim of making a truth and reconciliation commission and an apology possible.

Here are some links to reports on the impact of these fantastic films:

PUMA and BRITDOC

Trailer
The "Act of Killing" (winner)

Trailer
"The Invisible War" (jury commendation)

PUMA Impact Award Ceremony in November 2013 in New York

from left to right: Ricken Patel, Susan Sarandon, Zadie Smith, Joshua Oppenheimer, Christine Cynn, Signe Byrge Sorensenbeatemped endit

"The Act of Killing"

- → Seen at 100 festivals in 57 countries
- → 1,000 community screenings in 118 cities
- → 1.3M views of the online trailer
- → Released in cinemas in 21 countries
- → 29 awards and prizes

"The film's international reach in Festivals, special events and with cultural and political press around the globe prior to broadcast has been exceptional." Peer Review Committee

See more at: › http://britdoc.org/britdoc/puma-and-us#sthash.vmipUnoi.dpuf

films4peace

2013 was the third and final year for the films4peace project which again saw PUMA and our partners celebrating World Peace Day on 21 September. Six artists were commissioned to produce a short film on the subject of 'peace', each no longer than three minutes.

The films were screened live and online all around the world: at film festivals, art galleries, public spaces and educational institutions, and on webzines and blogs as well as through social media. Partners included the Museum of Contemporary Art and the Bass Museum of Art in Miami, USA, the Trinidad and Tobago Film Festival, and Cape Town Art Fair in South Africa. The unique online distribution method allows PUMA to support a huge range of global events with excellent cost-effectiveness. The project was curated by Mark Coetzee, supported by PUMA and produced by Shooting People.

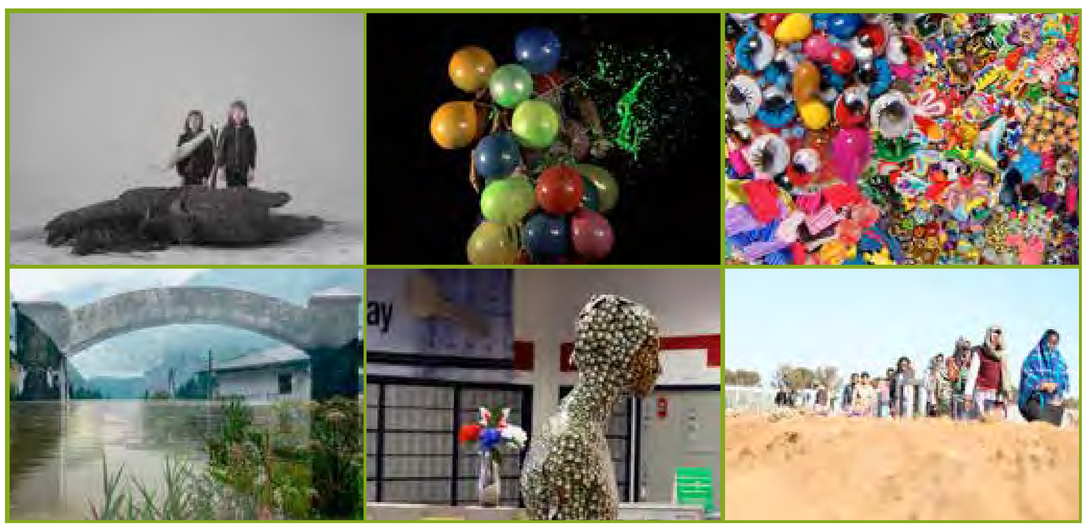
- 6 artists in 2013
- From 4 different countries
- Producing 6 films
- with 21,525 views online
- Live screenings in 41 cities worldwide
- For more than 50,000 people

Environment

Environmental Management at PUMA

At PUMA, we have measured the environmental impact from our own operations as well as those from key suppliers since 2005. In doing so, we have not only created awareness of our resource consumption, but have also set ambitious targets to reduce our impact on the environment. We have realized savings in some areas such as paper and waste, although efforts to reduce our water consumption have been less effective. We offset our own CO_2 emissions, but also understand that our impact goes much further than our own operations or the final point of manufacturing.

To obtain a more holistic overview, we established an › Environmental Profit and Loss Account (E P&L). The E P&L revealed that the major environmental impact happens at the raw material generation level and along the supply chain, rather than within PUMA's own operations. As a response to these results, as well as through constant dialogue with our key stakeholders, we decided to focus on several areas:



1. Increase our efforts to measure environmental Key Performance Indicators (KPIs) at our key suppliers and expand the scope of measurement to selected raw material and component suppliers;
2. Support our suppliers to increase resource efficiency by providing environmental capacity building programs and encouraging supplier certification schemes;
3. Use raw materials with an improved environmental footprint wherever economically feasible;
4. Bring "more sustainable products" to the market and try to engage the consumer with these products;
5. Partner with peers within our industry to develop common tools and standards for environmental management, thereby avoiding duplication of effort and increasing leverage towards other stakeholders and regulators.

For more information, please refer to the following chapters of this report or our PUMA Handbook on Environmental Management › PUMA.Safe

Continuation of the Environmental Profit & Loss Account (E P&L)

After the widely recognized launch of the first EP&L by PUMA in 2011 and the publication of an EP&L for selected products in 2012, the year 2013 marked the start of the next chapter of the corporate EP&L.

For this, PUMA partnered closely with its French parent company Kering, who has taken on the ambitious aim to establish a group wide EP&L by 2016. Focusing on the business year 2012, the second PUMA EP&L prepared in 2013 also saw some adjustments compared to the first account:

- Inclusion of water pollution as additional impact category;
- More specific calculation of the environmental impact for more sustainable raw materials, such as organic cotton, recycled polyester or Leather Working Group certified leather compared to conventional raw materials used;
- Increased first hand data from the PUMA supply chain through expanded questionnaires for key raw material and component suppliers.

With this second iteration of our EP&L we have set the template for regular, comparable EP&L reporting. The results of the second EP&L will be published once they are completed and analyzed.

By regular E P&L reporting, we can adjust our targets and projects to where our impact is greatest, rather than focusing mainly on the impacts closest to our sphere of influence and control.

Reducing Raw Material Impact to Address E P&L Results

A key lesson from the first PUMA EP&L was the high importance of the raw material stage, which accounts for 57% of the environmental impact measured in 2010. The raw materials of leather and cotton had high impacts on biodiversity and CO_2 (leather) as well as biodiversity and water (cotton). Consequently, we looked into options to reduce the negative impact from the creation of these raw materials.

More directly, since our first E P&L report, PUMA advised our footwear suppliers to purchase leather from nominated leather manufacturers who are certified members of the › Leather Working Group, an industry led association of tanneries and leather manufacturers. The Leather Working Group has developed a certification and traceability system and rates their member tanneries accordingly.

Cotton was also identified as a major impact material. PUMA has again focused on driving traceability and lower-impact material choices. We have worked with our main suppliers of organic cotton and "Cotton made in Africa" to improve traceability of the cotton used in our more sustainable products. We have also banned Uzbek cotton from our product range due to the known human rights violations and environmental problems since 2011. Last year, organic cotton expert organization Textile Exchange named PUMA the 4th largest consumer of organic cotton worldwide. Please see the product section on page 60 for more details on our efforts to improve the cotton we use.

T.9 Leather Working Group Certification

	Percentage
Cow - Gold	66%
Cow - Silver	30%
Cow - Bronze	4%
Cow - Non LWG	0%

*Coverage of LWG certification for PUMAs Asian Leather suppliers

Zero Discharge of Hazardous Chemicals and PUMA's Chemical Management

In 2013, PUMA was honored to achieve leader status in Greenpeace's brands ranking on zero discharge, and third place in the ranking of the Chinese NGO IPE, who are also working on water pollution. Challenges remain but, together with its industry partners, PUMA has been further motivated by this recognition to achieve our chemical management goals.

PUMA also continued working towards its goal of zero discharge of hazardous chemicals by 2020, in line with its own PUMA › Roadmap and together with the ZDHC working group.

PUMA's initiatives over the past year were dedicated to the "Right to Know Principle". Within that principle, each individual person has the right to know the chemicals to which they may be exposed to in their daily living. PUMA has encouraged two vertical suppliers in China to disclose their chemical discharges to the public via an › independent platform, giving local residents the possibility of investigating the discharges of surrounding factories into bodies of water. In addition, three strategic PUMA suppliers have published their own › Sustainability Reports including a chapter on chemical management practices. PUMA made its contribution by delivering a case study on the substitution of a hazardous chemicals with a more environmental friendly alternative. The full case study can be found › here.

Product Stewardship and Restricted Substance List (RSL)

PUMA ensures that all its products are free of harmful and hazardous chemical substances to protect its consumers and the environment. Over the years, PUMA has regularly updated its product related environmental standards to ensure that international product safety regulations are complied with appropriately. In 2013, PUMA published its latest version of the › Handbook of Environmental Standards, Volume 2 – Chemical Management. As a cost-effective way of ensuring that PUMA products are compliant with PUMA's RSL policies, PUMA requires testing of materials before they are delivered to production sites. RSL test monitoring between 2012 and 2013 are summarized in the charts below.

T.10 Restricted Substances List Statistics – 2012 vs 2013

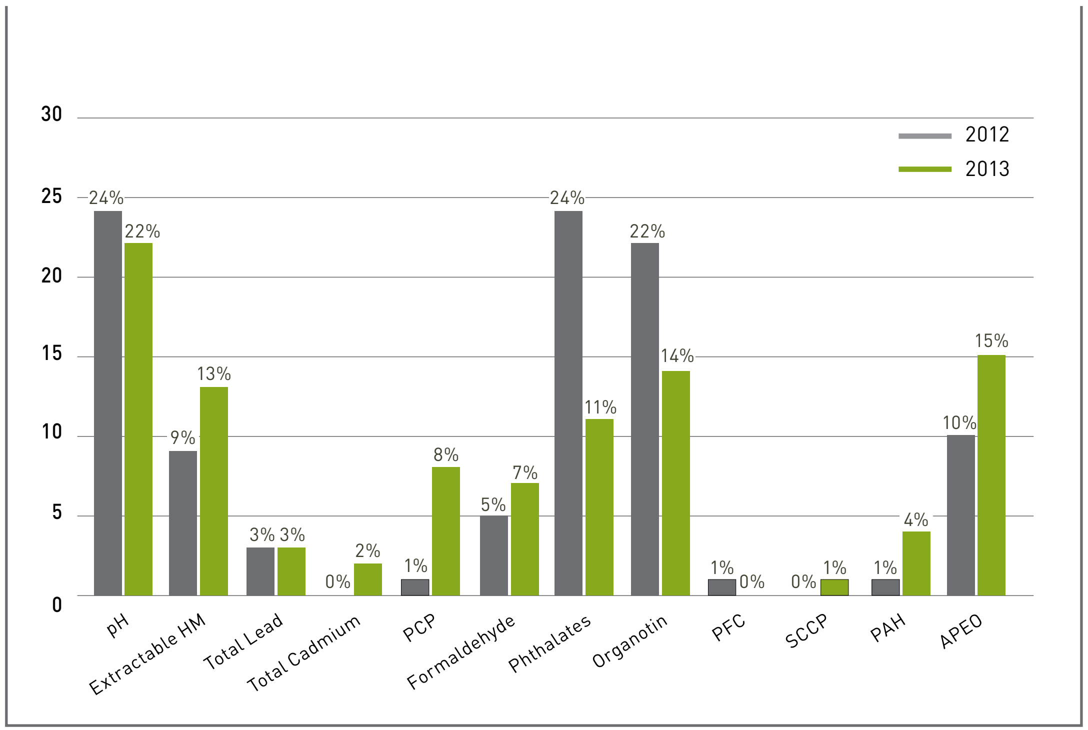
World Cat (Asia)	Number of Test Reports		Failures Identified		% Failure		Oekotex & Bluesign	
	2013	2012	2013	2012	2013	2012	2013	2012
Accessories	483	407	28	25	5,8%	6,1%	32	18
Apparel	272	55	7	1	2,6%	1,8%	192	76
Footwear	1,751	1,601	11	29	0,6%	1,8%	46	8
Licensees & Subs	559	193	30	30	5,4%	15,5%	58	42
Others	46	26	13	0	28,3%	0,0%		
Total	3,111	2,282	89	85	2,9%	3,7%	328	144

PUMA's RSL policy requires a supplier to have a reasonable RSL testing program before it can be accepted as a nominated material supplier. During the course of product development, material suppliers are further required to submit test reports of materials that will be used in the products. It is also PUMA's policy that tier 1 suppliers collect test reports from material vendors before bulk production. This policy applies to all PUMA product divisions: Footwear, Apparel and Accessories. In Apparel production, nominated suppliers are required to have either an Oekotex or Bluesign certificate while Accessories and Footwear also accept either certificate when available. The PUMA.Safe department is primarily responsible for the policy and enforcement of PUMA's RSL. In 2012, PUMA collected and monitored 2,282 test reports and 144 Oekotex or Bluesign certificates while in 2013, there were 3,111 test reports and 328 Oekotex or Bluesign certificates.

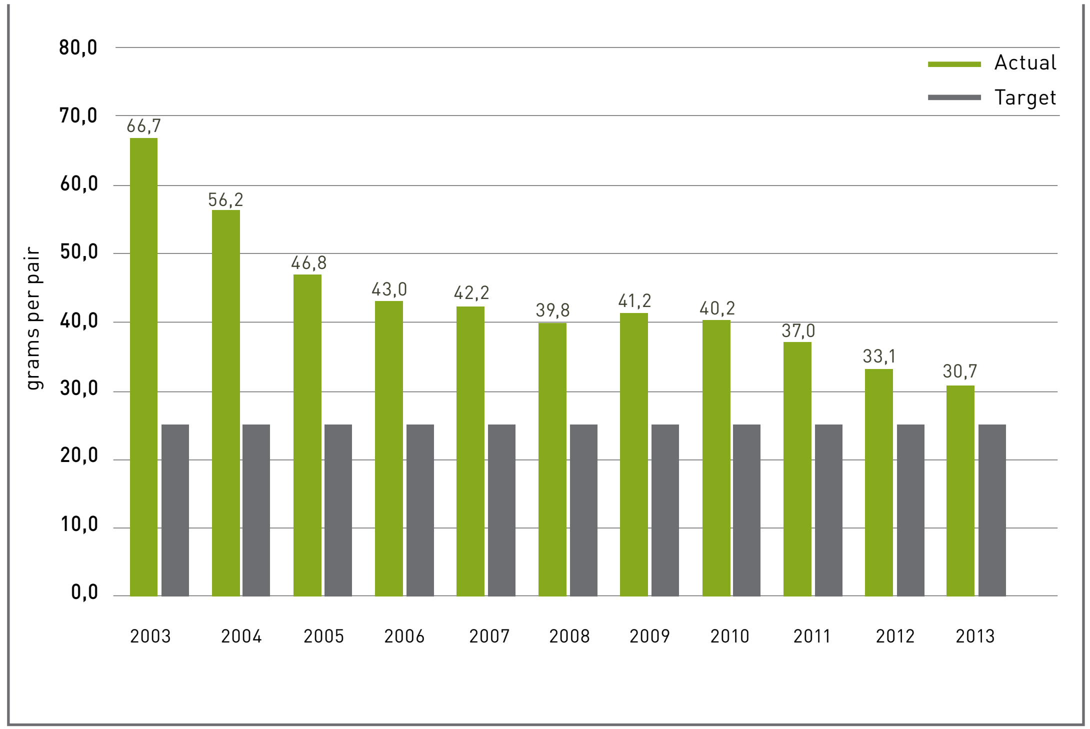
In the 2012 and 2013 RSL monitoring, high failure rates in terms of RSL chemical parameters were observed in pH, phthalates, organotin compounds, APEOs and extractable heavy metals. As a PUMA RSL corrective measure protocol, retesting of materials that failed the PUMA RSL were carried out. If the materials failed the second test, they were not to be used in production and had to be replaced with appropriate materials.

In addition to the efforts on RSL and Zero Discharge, the usage of volatile organic compounds (VOC) in PUMA's footwear production are continuously monitored. A modest 7% reduction was achieved between 2012 and 2013. From the current 2013 levels, an 18.6% reduction is still needed to achieve the 25 grams per pair target. While PUMA is using more water-based chemicals in overall shoe production, a significant reduction of VOC usage in the performance product category is a challenge we are still working on.

F.10 **RSL Chemical Failures, 2013 vs. 2012**



F.11 **Footwear Volatile Organic Compounds Chart, grams/pair of shoes**



2013 Environmental Performance at PUMA's own Entities

Climate Change and CO_2 Emissions

On a per FTE (Full Time Employee) level, direct emissions have decreased 15%, indirect emissions have decreased 11% and emissions from business travel have decreased 12%. Total direct CO_2 emissions from the combustion of fuels have decreased by 4% compared to the 2010 baseline. This can be attributed to the 11% decline of CO_2 emissions from company cars. Indirect CO_2 emissions have increased slightly by 0.3%, and CO_2 emissions from business travel have decreased by 1%. PUMA has implemented a policy on minimizing business travel and encouraging the use of video conference facilities whenever possible. Car fleet emissions are constantly monitored and energy efficiency measures are implemented at PUMA owned sites where economically feasible.

T.11 Total PUMA E-KPIS [1,2,3,4,5,6]

2013	Total	Deviation to 2012 / %	Deviation to 2011 / %	Deviation to 2010 / %	Total / Employee	Deviation to 2012 / %	Deviation to 2011 / %	Deviation to 2010 / %
1. Direct CO_2 Emissions Fossil Fuels (t)	2,497	-5.3	21.1	9.8	0.2	-6.3	18.9	-2.2
1. Direct CO_2 Emissions car fleet (t)	4,192	-5.4	-7.9	-10.8	0.4	-6.3	-9.6	-20.6
Total Scope 1	**6,689**	**-5.4**	**1.1**	**-4.1**	**0.6**	**-6.3**	**-0.8**	**-14.6**
Indirect CO_2 Emissions Electricity & Steam (t)	27,835	-5.6	17.2	0.3	2.6	-6.5	15.1	-10.7
Total Scope 2	**27,835**	**-5.6**	**17.2**	**0.3**	**2.6**	**-6.5**	**15.1**	**-10.7**
1. Direct CO_2 Emissions from Business Travel train transportation (t)	48	-12.5	-50.7	-38.9	0.0	-13.4	-51.6	-45.6
1. CO_2 Emissions from Business Travel air transportation (t)	8,494	-4.1	-22.6	-0.7	0.8	-5.0	-24.0	-11.5
2. CO_2 Emissions from B2B transport of goods (t)[5]	43,832	3,4	-11,8	-1				
Total reported Scope 3	**52,374**	**2,2**	**-12,5**	**-0,8**				
Total	**86,898**	**-1,0**	**-3,7**	**-0,7**				

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. PUMA uses own methodology for CO_2 accounting, with reference to the GHG protocol, but only reports CO_2 emissions, not CO_2 equivalent emissions.
6. PUMA uses own methodology for CO_2 accounting, with reference to the GHG protocol, but only reports data from Business Travel and Transport of goods under Scope 3.

CO_2 Emissions from Transportation of Goods

As the vast majority of PUMA's products are manufactured in Asia and consumed in various markets around the globe, including the USA and Europe, the transportation of goods remains a key source of indirect CO_2 emissions caused by PUMA's business activities.

T.12 CO_2 Emissions from Transportation of Goods in Comparison

	2010	2011	2012	2013	Dev. 2013 vs. 2012	Dev. % (2013 vs. 2012)	Dev. 2013 vs. 2011	Dev. % (2013 vs. 2011)	Dev. 2013 vs. 2010	Dev. % (2013 vs. 2010)
Roadfreight	6,194	7,330	8,065	8,291	226	2.8%	961	13,1%	2,097	33.9%
Railfreight	546	597	448	450	2	0.4%	-147	-24.6%	-96	-17.6%
Seafreight	21,585	24,312	22,276	21,908	-368	-1.7%	-2,404	-9.9%	323	1.5%
Riverfreight	0	0	0	0						
Airfreight	15,857	16,569	11,546	13,182	1,636	14.2%	-3,387	-20.4%	-2,675	-16.9%
Total (t)	**44,182**	**48,808**	**42,335**	**43,832**	**1,497**	**3.5%**	**-4,976**	**-10.2%**	**-350**	**-0.8%**

* Excluding courier service

T.13 CO_2 Emissions from Transport of Goods

	2010	2011	2012	2013	Dev. 2013 vs. 2012	Dev. % (2013 vs. 2012)	Dev. 2013 vs. 2011	Dev. % (2013 vs. 2011)	Dev. 2013 vs. 2010	Dev. % (2013 vs. 2010)
Roadfreight	0.059	0.065	0.06	0.062	0.002	3.3%	-0.003	-4.5%	0.003	5.0%
Railfreight	0.024	0.025	0.021	0.021	0,000	-0.1%	-0.004	-15.3%	-0.003	-12.6%
Seafreight	0.285	0.294	0.29	0.288	-0.002	-0.5%	-0.006	-1,9%	0.003	1.2%
Riverfreight	0	0	0	0						
Airfreight	5.466	5.686	5.802	6.189	0.387	6.7%	0.502	8.8%	0.723	13.2%
Total (t)	**0.215**	**0.217**	**0,181**	**0.188**	**0.007**	**3.8%**	**-0.029**	**-13.4%**	**-0.027**	**-12.6%**

* Excluding courier service

Looking at the trend, there was a slight increase of 3.5% from 42,335 tons to 43,832 tons in 2013 vs. 2012 on a global scale across all transport categories. Compared to our 2010 baseline, the decrease of 0.8% is marginal.

Roadfreight emissions increased by 2.8% from 8,065 tons to 8,291 tons in 2013 because a significant amount of retail stores were opened and closed and the merchandise was transported between stores by truck.

Railfreight emissions increased slightly, by 0.4% from 448 tons to 450 tons in 2013, due to less direct trucking from ports to warehouses in 2013.

A decrease of emissions by 1.7% from 22,276 tons to 21,908 tons in seafreight is due in part to a 1.3% decrease of worldwide tonnage, which was caused by lower turnover. The decrease was also caused by continued efforts to obtain the maximum utilization of containers implementing various instruments like system integration at the carrier, Multi Country Consolidation or improved operational guidelines over the past few years.

The 2013 airfreight figures have risen 14.2% from 11,546 tons to 13,182 tons compared to 2012. There was a worldwide 7% increase of total tonnage, even though it remains PUMA's goal to avoid this mode of transportation wherever possible. It was necessary to use more airfreight in 2013 due to customer demands and unavoidable internal process issues. However, the average distance of the airfreight routes used decreased by 6% because of changes in sourcing areas.

PUMA will continue its efforts to reduce its worldwide airfreight volume in 2014.
Courier services are not included in this report, as they are evaluated and reported separately by PUMA's majority shareholder Kering. Current indications point to courier service B2B emissions accounting for less than 3% of our overall global B2B emissions.
The tons of CO_2 emissions per ton of transported goods are indicated in the table on page 54.
In spite of challenging business developments over the past years, PUMA remains committed to reaching the challenging goal of a 25% reduction of CO_2 emissions by 2015, based on the 2010 figures. Looking at the relative emissions per tonne of goods transported, PUMA is on track to reach this goal, as a reduction of 12.6% has already achieved over the last three years.
We are constantly working with our service providers to improve the usage and efficiency of transport vehicles, as well as improving our production processes to deploy our transportation chain more efficiently.

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 is derived from exemplary stores in each country and extrapolated to cover all stores; methodological changes over the last 3 years do influence results

Environmental KPIs from our own entities:

T.14 E-KPIS [1,2,3,4,5] per staff category

	Offices/ employee	Offices/ m²	Stores/ employee	Stores/ m²	Warehouses/ employee	Warehouses/ m²
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						
Energy Consumption (kWh)	5,465	151.5	9126	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	2,355	11.3
Paper (kg)	59	1.6	25	0.6	35	0.2
2012						
Energy Consumption (kWh)	5,503	148.8	12,450	320	13,090	66.7
Water (m³)	10.59	0.29	11.68	0.3	12.94	0.07
Waste(kg)	186.9	5.1	604.98	15.6	2,120.83	10.8
Paper (kg)	50.4	1.4	11.6	0.3	30	0.2
2013						
Energy Consumption (kWh)	5,594	147.5	10,140	278.8	12,550	70.4
Water (m³)	10.48	0.28	12.55	0.35	9.93	0.06
Waste(kg)	166.7	4.4	505.64	13.9	1,968.14	11
Paper (kg)	42.5	1.1	11.50	0.3	28.5	0.2

T.15 E-KPIS [1,2,3,4,5,6]

	2013 Total	Deviation to 2012 / %	Deviation to 2011 / %	Deviation to 2010 / %
Energy Consumption (kWh)	81,618,082	-7.0	8.9	7.5
Electricity Consumption from Renewable Tariff (kWh)	8,773,662	-12.2	16.3	
Water (m³)	124,106	2.5	9.5	6.5
Waste(kg)	4,719,000	-6.9	-24.4	-26.9
Paper (kg)	266,700	-15.0	-32.4	-29.7
	2013 Total/employee	**Deviation to 2012 / %**	**Deviation to 2011 / %**	**Deviation to 2010 / %**
Energy Consumption (kWh)	7,523	-9.7	5	-6
Electricity Consumption from Renewable Tariff (kWh)	824.2	-13.1	14	
Water (m³)	11.7	1.6	3	-5
Waste(kg)	442.8	-7.9	-29	-35
Paper (kg)	25.1	-15.6	-36	-37
	2013 Total/sqm	**Deviation to 2012 / %**	**Deviation to 2011 / %**	**Deviation to 2010 / %**
Energy Consumption (kWh)	168.6	-5.6	6.0	8.4
Electricity Consumption from Renewable Tariff (kWh)	18.1	-10.8	13.1	
Water (m³)	0.3	4.1	6.8	6.8
Waste(kg)	9.7	-5.4	-25.0	-26.2
Paper (kg)	0.5	-16.7	-37.5	6.4
	2013 Total/Turnover in kEuro	**Deviation to 2012 / %**	**Deviation to 2011 / %**	**Deviation to 2010 / %**
Energy Consumption (kWh)	27.3	1.9	9.8	-2.5
Electricity Consumption from Renewable Tariff (kWh)	2.9	-3.8	17.2	
Water (m³)	0.0416	12.4	9.5	-3.4
Waste(kg)	1.6	2.0	-23.8	-33.8
Paper (kg)	0.1	-6.9	-31.8	-36.2

Energy

In 2013, PUMA's total energy consumption increased by 7.5% compared to our 2010 baseline due to increased business activities. On a per FTE level it decreased by 4.2% and energy consumption declined by 2.5% over the last three years when measured against turnover. The energy share from renewable sources remained relatively stable at 10.8%.

It remains PUMA's goal to improve energy efficiency at our owned and operated entities, which will in turn help both to achieve our sustainability targets and decrease costs.

Water

Water is a critical resource for our business and the communities it touches. We know from our E P&L that raw material production and processing are the drivers of PUMA's water impact. Please refer to the product

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 card board 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. Includes own production sites in Argentina. 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 is derived from exemplary stores in each country and extrapolated to cover all stores; methodological changes over the last 3 years do influence results

section for more on our work on cotton, the biggest single driver of water impact.
While it is less significant, the majority of water consumed at PUMA entities 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 10.5 m³ per office employee in 2013. Water consumption at stores and warehouses is between 9.9 and 12.6 m³/FTE. This reduction can be attributed to the rising awareness within PUMA's worldwide entities of saving resources.

Waste and Recycling

The main input material that turns into waste for our offices, stores and warehouses is paper and cardboard. Compared to our baseline, overall waste production per employee decreased by 35% in 2013, while the recycling rate of our waste remains high at a level of 59.6%. Having already reached our 2015 waste reduction goal of 25% for own entities in 2013, we will now focus our efforts on reducing waste at our supplier factories.

Paper

The consumption of paper for office purposes has been reduced by 29.7% compared to our 2010 baseline. On a per FTE level, the reduction is even higher at 37%. While acknowledging that the target of a "paperless office" is aspirational, PUMA is introducing a new paper target which is aligned with that of the Kering Group: To source paper only from certified sources and which contains at least 50% recycled content by 2016. More than half of PUMA's office paper and the vast majority of cardboard used in packaging is already either sourced from recycled paper or paper from certified sources.
Kering introduced a new "Guideline for Wood, Paper and Paper Products" in 2013, which has also been implemented by PUMA. The guideline provides more detailed guidance on designing activities and making decisions across all areas of the business, including standards, certification and supplier engagement for responsible sourcing.

Environmental Management at PUMA Suppliers

In 2013, PUMA continued collecting environmental key performance indicators including energy, waste, water and CO_2 emissions for our Footwear, Apparel and Accessories product divisions. In order to do so, we again engaged with our key production partners (Tier 1) and asked them to complete online questionnaires linked to our environmental management software Enablon.
While the E-KPI data from our key suppliers has become more stable, it is also apparent that progress measured against the 25% reduction target remains limited. We hope that our large scale capacity building project › SAVE will help close this gap within the next two years.
In an effort to expand our data collection deeper into the supply chain, 36 key Tier 2* and Tier 3* PUMA vendors representative of the major production processes and products were asked to join PUMA's data collection effort for the first time. This initiative was welcomed by our suppliers, and we will continue this effort and plan to report on the results within the next reporting period.

*For a Tier definition, please refer to page 45

T.16 Summary of Supplier e-KIPs [1,2]

Summary of Supplier e-KIPs E-KIP	Unit	PUMA Weighted			Change %	Range 2013		Suppliers/Total
		Value 2011	Value 2012	Value 2013				
Footware								
Energy /pair or piece	kWh	1,5	1,5	1,5	–	0,70	4	16/16
CO_2/pair or piece	kg	0,9	0,9	0,9	-2%	0,50	1,8	16/16
Water/pair or piece	L	32	24,2	27	11%	3,1	41,2	11/16
Waste/pair or piece	g	176	147	122	-17%	29	380	15/16
Apparell								
Energy /pair or piece	kWh	0,6	0,7	0,8	8%	0,11	2,80	19/22
CO_2/pair or piece	kg	0,3	0,3	0,3	-1%	0,06	0,91	20/22
Water/pair or piece	L	15,0	8,2	7,8	-5%	1,4	73,8	17/22
Waste/pair or piece	g	42,0	72	82	13%	3	119	17/22
Accessories								
Energy /pair or piece	kWh	0,5	0,4	0,5	17%	0,20	0,71	8/8
CO_2/pair or piece	kg	0,3	0,3	0,4	18%	0,11	0,54	7/8
Water/pair or piece	wL	27	6,9	8,6	25%	3,7	16,5	8/8
Waste/pair or piece	g	27	23	37	60%	11	78	7/8

1. Figures derived from 46 key suppliers covering 70% of PUMA production worldwide
2. Data sets with a variance of 3 or more compared to the weighted average were excluded to improve data consistency.

Sustainability Reporting of PUMA Suppliers

PUMA continues to support its key suppliers in establishing their own › sustainability strategies as well as reporting to the public on the progress and challenges while implementing them.

Individual Supplier Sustainability Reports covering detailed sustainability information from 33 Key PUMA suppliers from around the world can be found › here.

We are proud that, due to our supplier reporting program which was initiated in partnership with the Global Reporting Initiative in 2008, many PUMA suppliers have already issued multiple sustainability reports, some of which have won awards.

Industry Collaboration

Sustainability is a team sport: Only through collaboration will we be able to reach our goals and face our collective challenges. Stakeholder engagement is critical to these processes.

Stakeholder Engagement

PUMA's stakeholders include customers and consumers, direct and indirect employees, suppliers, regulators, non-governmental organizations, international agencies, foundations, academics, our Sustainability Advisory Board and many others. For PUMA, it is crucial to frequently engage with our stakeholders in order to reflect on our program, adjust to new requirements and, if necessary, to adjust our course.

Last year, PUMA became the first sporting goods brand to actively engage with the Bangladesh Accord; a multi-stakeholder initiative aiming to improve the health & safety conditions in Apparel and Footwear factories in Bangladesh.

10th Annual "Talks at Banz" Stakeholder Meeting

In June 2013, foremost experts and decision makers met in the Banz Monastery in Bad Staffelstein, Germany, to inform, engage and connect on the topic "How to let Consumers live and support Sustainability". The event gathered together more than 60 of PUMA's key stakeholders from various countries and organizations.

The discussion topics focused on shifting consumer behavior, effectively engaging consumers, ensuring social and environmental standards in the supply chain and improving transparency across the industry.

Numerous key stakeholders such as Greenpeace, WWF, the Fair Labor Association, Save the Children, Transparency International, the Awaj Foundation Dhaka, UNEP, Stiftung 2 Grad and the Sustainable Apparel Coalition participated. In addition to valuable reflection and feedback upon PUMA's sustainability strategy and practices,

- Stakeholder input was incorporated into the PUMA sustainability strategy
- PUMA declared its intention to sign the Bangladesh Accord
- PUMA committed to meeting with the Government of Cambodia regarding justice for factory workers

Key Partnerships and Memberships

PUMA is an active and accredited member of the › Fair Labor Association and, in 2013, continued working towards improving the labor conditions in the supply chain through the FLA sustainable compliance initiative.

PUMA's collaboration with the › Sustainable Apparel Coalition (SAC) continued in 2013 with PUMA playing an important role in several important SAC milestones, most notably the testing, development and launch of the Higg Index 2.0.

As detailed in the Environmental Management section, PUMA is an active member of the Zero Discharge of Hazardous Chemicals (ZDHC) working group, an industry collaboration that has grown from six to seventeen members over the past two years.

In 2013 PUMA strengthened its relationship with the Fair Wage Network (FWN) and Better Work (BW) as we continued the field testing of projects under our Better Wages Program, which aims at exploring mechanisms to implement fairer wage structures among PUMA suppliers .

The Human Resources Management System project with Better Work held in Vietnam and Cambodia also integrated an introduction to the Fair Wage Methodology in its approach. Launched in 2012, the project aims to enhance human resource management systems to help address worker concerns including wage concerns. The beneficiaries of this project were the 16 factories used and, more indirectly, their 30,504 workers.

Others

Other industry engagements include the CSR Committee of the World Federation of the Sporting Goods Industry, the Sustainability Committee of the Federation of the European Sporting Goods Industry, the United Nations Global Compact Network, Textile Exchange, the German Round Table on Codes of Conduct, the German Network of Business Ethics, B.A.U.M and the AFIRM Group on Restricted Substances.

Consumer Engagement

More Sustainable Retail Stores

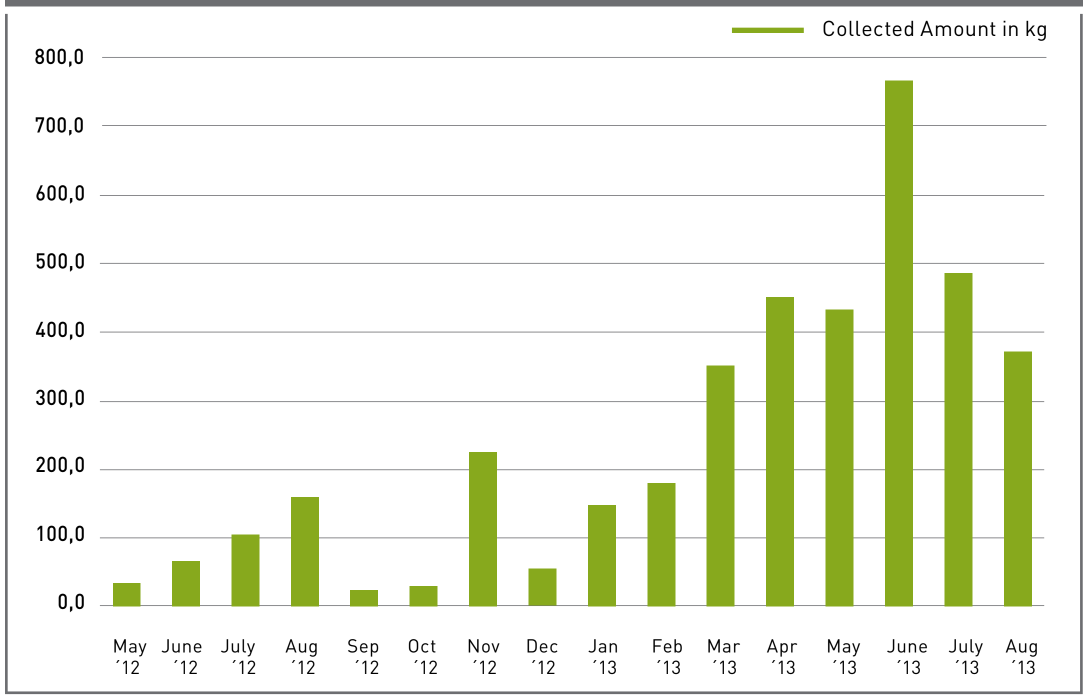
PUMA is dedicated to making a smaller impact on our Earth. The Bring Me Back program is one way we do that. We are taking what would normally be trash, and breathing new life into old sneakers, used t-shirts, and last season's tote.

By taking old clothes and re-using, re-cycling, or re-purposing them, we mitigate the amount of virgin material that would otherwise be used to make new products. PUMA's partnership with I:CO creates a closed-loop system that diverts products from landfill. About 98% of goods returned are recycled or reused, with only 2% (those in very bad condition) sent for incineration. This is a significant improvement on the usual destination for footwear and apparel that has reached the end of its useful life, namely landfills.

PUMA has collected approximately four tons of used goods so far. With your help, we can continue to send old goods to be recycled rather than to the landfill.

With the Bring Me Back Program, materials are put back in the right place and resources are therefore not only taken from nature but also being put back into the system.

F.12 'Bring Me Back' Bins (In kg of used products collected per month)



Source: I:CO

Plastic Bags Recycling at Americas Cup Finals

PUMA used the 2013 America's Cup Finals in San Francisco as an opportunity for an initiative to recycle plastic polyethylene bags, while also engaging PUMA customers around sustainability. Over the course of this three-month event, retail staff and customers collected approximately 50,000 polybags from PUMA products sold during the event. These used plastic polybags were recycled into four park benches and will be donated to two San Francisco schools serving underprivileged youth in partnership with the nonprofit, buildOn.

PUMA Factory Outlet Store in California Stands Out with Sustainable Features

PUMA introduced a sustainable concept in its PUMA Factory Outlet Store in California that revolutionized the company's global outlet program. It features a "Design by Subtraction" concept that is based on a mobile fixture kit of interchangeable stock parts, made of 100 percent recycled materials, leading to a 35 percent more energy efficient overall store design.

In regards to the materials used, all metals are recycled and both Plyboo and Wheatboard are FSC-certified.

LED lighting is placed using a 45 degree diagonal pattern, significantly reducing the lighting quantity and power load, making this design 35 percent more energy efficient

than the California Energy Code and American National Standard.
All elements of the space, including construction, design, investments, and sustainability, were carefully selected to improve shopability for the customer and to foster a more efficient and green lifecycle for materials.
In addition, the design for PUMA is extremely flexible in terms of seasonal and inventory needs with the ability to be packed up and changed quickly to accommodate relocation with minimal deconstruction and waste.

More Sustainable Products

As outlined in the strategy section, PUMA's focus is on integrating sustainability, and nowhere is that more true than for our products. PUMA is working to embed sustainability in our design language and innovating raw materials to deliver more dynamic, fast and commercially sustainable products that express our DNA as a sports brand.

Closing the Loop

In 2013, PUMA initiated our Closing The Loop strategy and closing our material loops is the priority for our sustainable product innovations. Closing The Loop goes beyond product, but PUMA must start with materials and processes. The first steps, like increasing recycled content, testing recyclability and working with our suppliers on how to recycle and reuse faster and better, have been taken.
Many of PUMA's work in creating products and processes that move us towards closed material loops are still a work in process, but there are several examples from 2013 that show the way, including our InCycle collection and several significant recycled content achievements.

PUMA's InCycle Collection

2013 saw the launch of both the Spring/Summer and Autumn/Winter collections of InCycle, PUMA's "Cradle to Cradle Certified[CM] Basic" collection.
The materials used in the InCycle products adhere to the Cradle to Cradle® Products Innovation Institute's guidelines and are designed to be turned into new materials after use. InCycle products belong to either a technical or biological cycle, as determined by the Cradle to Cradle® design philosophy.
After an InCycle product owner has worn the item to their heart's content, they can return it to a PUMA Bring Back Bin. From there, InCycle products in the biological cycle are sent to an industrial composting facility, and those in the technical cycle are sent to a recycling facility where they can be reprocessed into raw materials that will be used to make new products.
PUMA conceived InCycle as an innovative challenge to be the first in our industry to launch a full collection of Cradle to Cradle® certified apparel, footwear and accessories and we are thrilled with the media, industry and consumer reception. In November 2013, PUMA was awarded the New Innovator Award by the Cradle to Cradle Product Innovation Institute.

Recycled Polyester

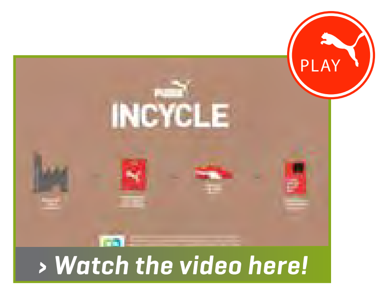
PUMA continued to use recycled polyester and is eager to see better, more commercial options developed by our suppliers so we can expand our use of this infinitely recyclable material.

Recycled Thermoplastic Polyurethane (TPU)

In partnership with BASF, we were able to deliver a more sustainable thermoplastic polyurethane (TPU) with significantly increased recycled content. As of 2014 the outsole of over half a million of our football cleats will be made with a 50% post-industrial recycled content TPU that performs as well as traditional options and at the same time realizes clear cost advantages.

Recycled Cotton

In 2013, PUMA and our suppliers Shenzhou/Yagi created a high-quality 30% post-industrial recycled cotton fiber. We recycled cotton cutting waste that would have otherwise been sent to landfill or down-cycled. The input of waste fibers is critical and controlled to ensure safety and compliance. In addition, PUMA is working towards closing the loop by using our own waste cotton. This reduces our use of virgin cotton and thus the significant water, CO_2 and other impacts from cotton farming (see E P&L section). The challenge was to increase recycled content without reducing the quality and "hand-feel" of the product, something we achieved with 30% recycled content. We are testing this fiber and process in the InCycle collection with the goal of expanding and integrating recycled cotton into other collections.



Italian national jersey made from recycled polyester

Organic Cotton

In 2013 PUMA, in partnership with PE International and Textile Exchange, embarked on a project to investigate the environmental performance of organic cotton from India. The project aimed at collecting life cycle inventory data from organic cotton farming in India and conducting an LCA study of cotton production from cradle to (farm) gate. The study was conducted and results were gathered in a study. The results of this study clearly confirmed the environmental advantages of organic cotton, as already pointed out by other studies or within the Material Sustainability Index of the Sustainable Apparel Coalition. PUMA was named the 4th largest consumer of organic cotton worldwide in 2013 by the industry association Textile Exchange. 38% of all the cotton used in PUMA's apparel produced in Asia was of organic origin, and over one third of all cotton used on a global scale by PUMA was organic cotton.

PUMA's InCycle Collection

T.17 **Usage of key raw materials and percentage of more sustainable options**

ACCESSORIES*	
Polyester	71%
Polyester - Bluesign	28%
Polyester - Recycled	1%
Plastic - POM Acetal - Bluesign	28%
Plastic - POM Acetal - Non Bluesign	7%
Plastic - POM Acetal Recycled - Bluesign	65%

* Data for World Cat Far East only, covering more than 90% of global production.

APPAREL*	
Textile - Cotton (conventional)	62%
Textile - Cotton (organic)	38%
Textile - Polyester - Non Bluesign	57%
Textile - Polyester - Bluesign	25%
Textile - Polyester - Recycled	18%

* Data for Fabric only. Data for World Cat Far East only, covering more than 80% of global production

FOOTWEAR*	
Cow - Gold	66%
Cow - Silver	30%
Cow - Bronze	4%
Cow - Non Leather Working Group	0%
Clever Little Bag	55%
Red Shoe Box	45%

* Cow leather only. Data for World Cat Far East only, covering more than 90% of global production.

Company Overview

Our Employees

2 Chapter

People@PUMA

In order to support the business objectives of the company, we need employees with the required qualifications at the right time and in the right place. PUMA's concept for a performance driven organization is to attract the best talents throughout the world, to identify talents at an early stage and to leverage each individual by effective assignment and promotion planning.

Training and Development

To ensure that our employees meet the necessary competencies, PUMA offers plenty of opportunities for continued training and development.

Since we believe that every single employee plays an important role in the company´s success, we encourage them consistently to fully realize their individual potential in the long term, regardless of their levels.

Possible development measures at PUMA do not only focus on conventional training courses and workshops, but include a broad variety of learning opportunities.

In 2013, we documented more than 94.500 training hours and a total of 7.093 participants in development and training measures. Many more employees benefit from "on the job" activities, such as job swaps, job rotation, secondment as well as internal coaching. We experience "on the job" methods as a great opportunity to allow employees to further develop their competency and staying in the business at the same time.

Programs for Young Talents

Our young new employees are being offered several opportunities to start their careers in Germany via vocational apprenticeships or the dual study program.

Apprentices and dual students at their introduction day

The great advantage of dual study programs is the alignment of theory and practice. By alternating between the university and the working location every three months, students have the chance to make use of the acquired knowledge immediately in their daily working life. Returning back to the university, they then benefit from the practical experience during their time in the company in return. During the three-year bachelor degree, dual students at PUMA have the opportunity to spend time abroad in order to familiarize themselves with company structures and improve their intercultural competency.

In 2013, PUMA SE employed 13 dual degree students in the field of international business, sports management, and textile business management. The company also offered 21 spaces for apprenticeships for retail store assistant, sales specialist, IT specialist, warehouse logistics specialist, and warehouse clerk. All young talents, who successfully completed their apprenticeship or dual study degree in the previous years, received an offer for permanent employment with PUMA.

Performance Management for all Employees

Each employee undergoes an annual appraisal interview regarding business, personal and sustainability objectives. As an outcome of these feedback sessions, further employee development measures will be defined in our Performance Management System People@PUMA, which is interconnected with our yearly updated training catalogue and the PUMA competency model.

International Leadership Program for Managers

The International Leadership Program is a modular program for managers comprising seminars, individual as well as peer coaching sessions, a forum for learning, reflecting and networking. It has been an essential part of our global training landscape since 2012. The program's overall objective is to build leadership skills that support our corporate strategy among our regional and global network of executives and to incorporate PUMA's 4Keys – Fair, Honest, Positive and Creative – into everyday leadership. The goals of the program are to provide a common understanding and language about what leadership means at PUMA, enable our leaders to live according to the 4Keys, equip leaders with tools that will make everyday work more effective and prepare them for the challenges that lie ahead. In 2013, 139 managers joined the International Leadership Program with a total of 6.136 training hours.

› Watch the video here!

PUMA University - Retail Training Program

PUMA University is an extensive 'Retail Train the Trainer' program conducted in four separate weeks throughout the year. PUMA University is designed to develop nominated individuals to deliver trainings according to a consistent PUMA Training method at local levels. After completing their training at PUMA University, graduates will become Training Ambassadors, meaning they have an exceptional high level of communication, coaching and training skills. Training Ambassadors can deliver trainings in local languages on all aspects that are essential for PUMA Store staff such as service, personnel, management skills, product knowledge and brand awareness.

The fifth annual PUMA University kicked off on May 13, 2013 in the new Kering Asia Pacific Offices on Hong Kong Island. The class of 2013, selected from four regions and ten different countries, were greeted with a warm welcome from Mimi Tang, President of Kering Asia Pacific. The entire

Impressions of the International Leadership Program in Turkey

class graduated with diplomas presented by Stefan Meyrat, Head of Global Retail.
Retail Product Training Pods were launched in 2012 to systematically strengthen the product knowledge of our Retail staff to ensure they can confidently enhance our customers' shopping experience. During 2013, we have developed and delivered five training pods, focusing on key product and marketing campaigns including, Cellology – The Nature of Performance, InCycle, Mobium, Lifestyle – Next Starts Now and Glow. Each training pod has its own unique look and feel developed in line with the appropriate marketing campaign.

The training is intended to be delivered in PUMA retail stores and follows our methodology that engaging and interactive learning creates higher retention.

Succession Planning

To ensure proper staffing of key positions, the succession planning tool complements our talent management process. Furthermore, it commits talent to the company by providing attractive career opportunities. The evaluation of talents helps us identify how to promote employees in an even more target-oriented way and increases internal visibility of talented employees. In this context, the regions Asia/Pacific as well as North America hosted talent reviews in 2013. Whenever possible, PUMA will fill vacancies from within the company in order to promote internal mobility and careers. However, immense growth, complexity and the ongoing business transformation required external expertise. As a consequence, it was essential to recruit experts from outside the company.
In order to increase efficiency, the talent management and succession planning have been integrated into the latest version of our performance management system "People@PUMA", which will be launched in 2014. By integrating these separate processes into one tool, managers have the chance to generate more holistic profiles of employees.

T.18 **Total employees end of year***

Region	2011	2012	2013
Asia/Pacific	2,855	2,958	2,964
EEMEA	4,736	4,993	4,605
Latin America	2,206	2,185	2,090
North America	2,907	3,179	3,307
Total	**12,704**	**13,315**	**12,966**

* Figures are reported in Headcounts

T.19 **Ratio of women in management**

Region	2011	2012	2013
Asia/Pacific	37%	35%	34%
EEMEA	36%	37%	34%
Latin America	35%	30%	30%
North America	39%	39%	38%
Total	**36%**	**36%**	**34%**

Dare to be diverse

We believe diversity inspires and enriches every aspect of our business. We committed ourselves to the › PUMA Code of Ethics in 2005 and to the › Charter of Diversity in 2010. This demonstrates that we want to provide a working environment that is free of prejudice and to guarantee equal opportunities within the company regardless of gender, race, nationality, ethnic origin, religion or belief, physical ability, age, sexual orientation and identity.

While the gender distribution in the workforce is nearly equally split, the percentage of females amongst management is underrepresented. To promote gender diversity in management, we monitor the representation of women in development programs and offer specific training concepts such as "Women in Management". By offering these actions as well as recruiting mainly internal candidates for management positions, we are willing to accept this rather time-consuming process for the benefit of long-term sustainable growth of our female manager quota at PUMA.

We follow the principle to recruit people and promote employees solely based on their qualifications and skillset. At the end of 2013, our workforce at our global headquarters in Herzogenaurach is composed of a variety of 35 nations. To embrace and understand the wide range of international backgrounds and experiences of colleagues, customers and consumers around the world, PUMA promotes intercultural differences by training sessions, networking events and awareness campaigns. As part of the onboarding process in our global headquarters, we intend to establish intercultural trainings for each new starter in 2014.

Expressing feedback in an objective and respectful manner is an essential part of our company culture and consequently addressed in leadership and communication trainings. Shall in any case an employee feel discriminated, he/she has the chance to contact the respective line manager, the Human Resources Department or the employee representative, who will instantly investigate and resolve the situation. Asking our employees in the latest Opinion Survey whether they feel being treated fairly in relation to their gender, ethnic origin, physical state or handicap, the vast majority of our employees agreed.

Working Environment

PUMA places great importance on creating an attractive working environment in order to enhance positive employee engagement and support a long-term commitment with the company. Our long-term goal is to keep the turnover rate initiated by employees below 20 % and the ratio of employees with a permanent contract above 80%. In 2013, the turnover rate differs between 18 % and 49 %, depending on the region and the retail driven business. The total turnover rate amounted to 27% and therefore slightly increased compared to the previous year. The portion of employees in a permanent working contract across the company was 82%. The global ratio of employees covered by a collective bargain agreement was 24%.

Thirty-five nationalities are working at our Headquarters in Herzogenaurach

Flexible Working Arrangements

As a company whose employees have an average age of 32, it is extremely important to create a working environment which supports its staff to keep up a balanced lifestyle.

At PUMA, we have introduced flexible working models and are offering attractive child care services. Measures such as parent child offices, collaborations with day care centers, additional family services, flexible working times and places as well as the opportunity to reduce working hours allow PUMA employees to combine both, work and family. The increasing number of part-time employees over the past years represents the workforce´s high demand of alternative working modules.

At the end of 2013, nearly 30% of our

employees were working part-time. Whenever the job role allows flexible working hours, the working time is arranged in each individual case between employees and their managers. Currently, we are offering flexible working models at most subsidiaries around the globe.

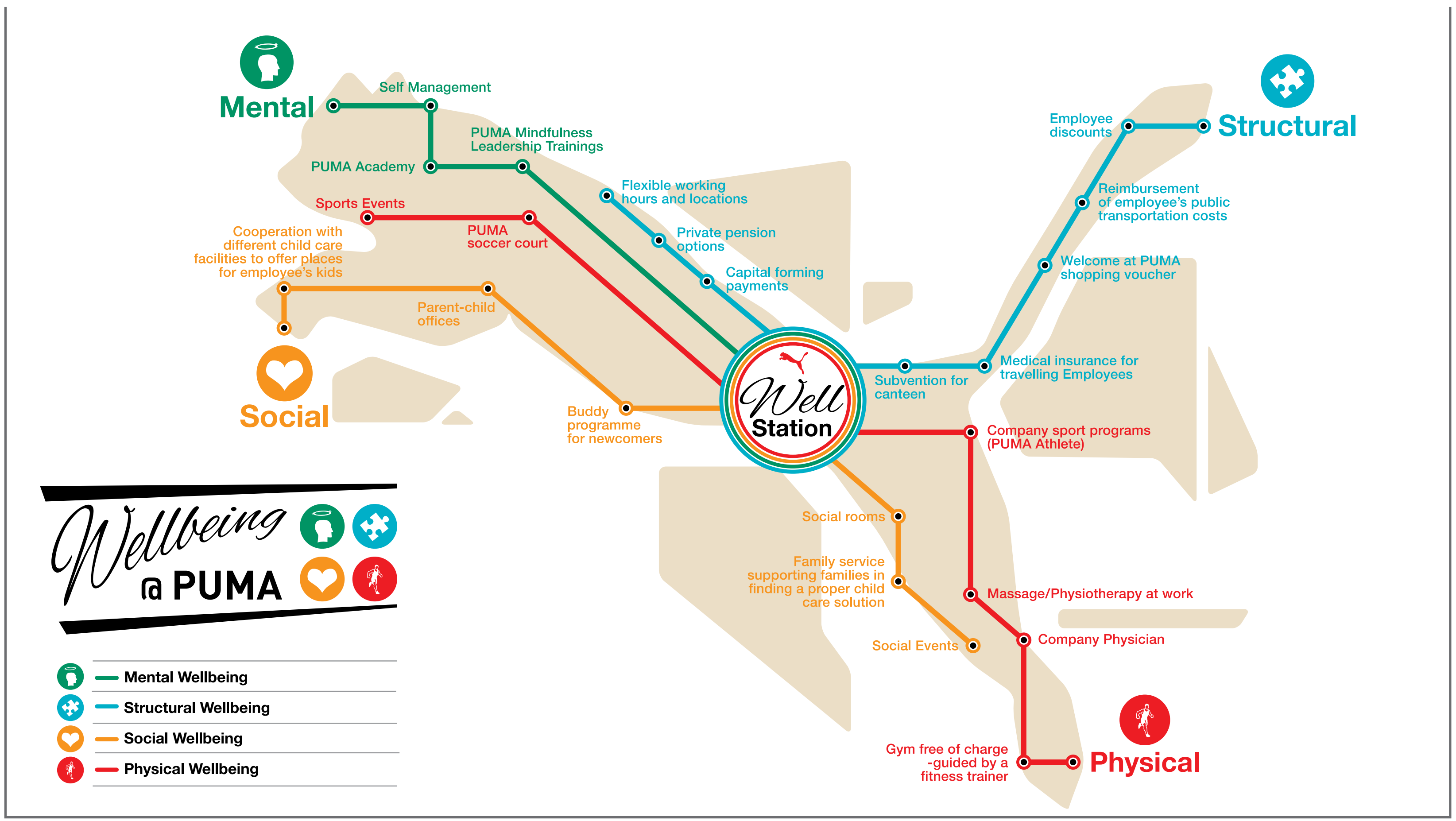
Organisational Wellbeing

As a Sports Company, PUMA emphasizes its employees' health and wellbeing. We continuously generate and develop new projects and measures which are rolled out to other subsidiaries after they have been implemented successfully at our global headquarters. In 2013, our company sports department offered 58 training courses alongside 15 additional sports events, covering a broad variety of activities. 1.072 registrations were placed.
The graphic illustrates last year´s activities in favor of organizational wellbeing and divides the concept into four different main categories. Depending on local conditions and cultural characteristics, single activities may vary from other subsidiaries.

Occupational Health and Safety

Another indicator for employee engagement is the absenteeism rate due to sickness, which was again below 2% in 2013 and therefore better than the industry average. Across the globe we recorded only 106 accidents at work that caused a work stoppage. According to OSHA this corresonds to a injury rate of 0,98.
In our global headquarters, we operate a Health and Safety Committee, which includes members of the Workers' Council, the Human Resources and In-house Service departments, our company physician and a health and safety commissioner. Safety-related trainings such as periodical fire evacuation exercises as well as first aid and free medical check-ups are organized at country levels. Over the past year, safety related trainings hours have increased to a total of 10.709 hours. In 2013, 3.234 employees have been trained in first aid and 5.869 employees in fire evacuation.

F.13 *PUMA's Organizational Wellbeing*



Since most employees at PUMA perform an office- and/or computer occupation, it would be too short-sighted to simply focus on the physical aspects of occupational health. Changes, crises, and new beginnings are features of everyday business. Strong resilience is required to handle these situations, which means good stress coping mechanisms, fortitude and the ability to adapt to changes. Over the past year, we have established a series of trainings which provide advice and methods for dealing with stressful and difficult situations more effectively. By reflecting their own behavior patterns and developing ways to optimize the stress and self-management techniques, participants will learn to increase their inner resilience and gain the ability to react more flexibly to the demands of constantly changing circumstances.

Presence at Social Media

Since we have expanded our presence in social media channels such as Facebook, Twitter, LinkedIn and XING, the number of our followers increased tremendously during the past year.
We have also proceeded with the redesign of the PUMA Career website to give it an even more appealing design and increase usability. The different channels allow us to share job openings with our target groups, provide tips for the application process, give updates on the company and an insight of what it is like to work for PUMA.

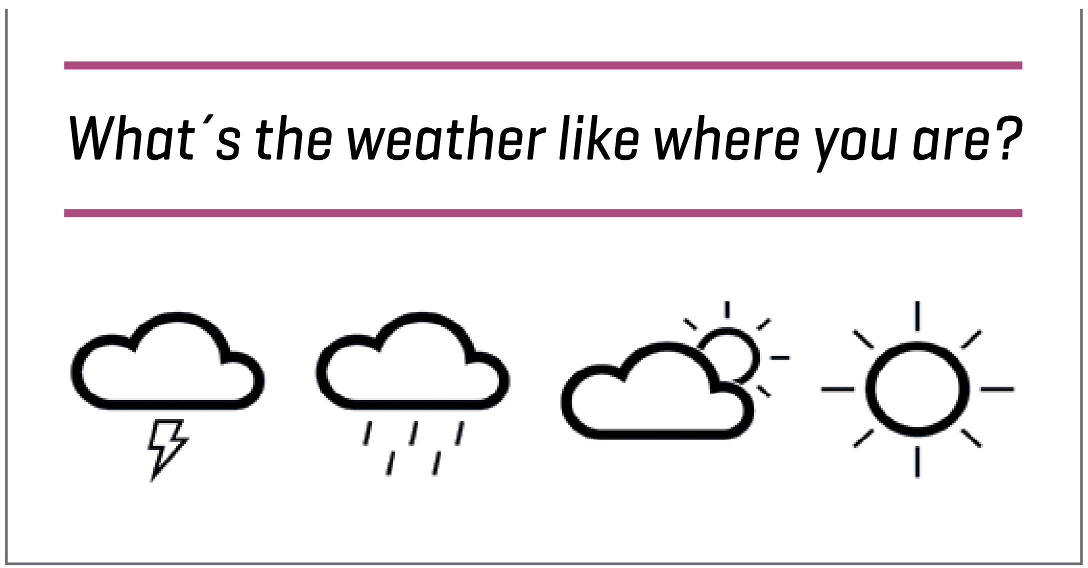
Employee Opinion Survey

At the end of 2013, more than 7.000 employees worldwide participated in the fourth edition of the satisfactory survey "What´s the weather like where you are", that our majority shareholder Kering initiated. Compared with the previous survey (2011), the response rate increased by 15%. The number of employees engaging themselves for PUMA and identifying themselves with our company values remains at a very high level. The results underline the progress we made in terms of providing training and development or performance management. However, the results leave room for improvement, which we will systematically put into action together with employees, managers and the Workers' Council.

Compensation and Benefits

Rewarding and retaining the best talents in the market is our primary motivation. Therefore, we provide a global set of compensation and benefit programs, that attract and retain talented employees.
At many subsidiaries we have collective bargaining agreements that allow pay beyond industry average, extended annual leave, etc. PUMA also offers a variety of benefit plans such as defined contribution and deferred compensation retirement plans. Regular Compensation and Benefit Reviews ensure their competiveness on the market and alignment with corporate goals.
Since we believe that great performances shall be rewarded, we seek to create compensation programs where pay is aligned with individual and / or business performance. Short-term incentives or bonus plans are offered to a certain level of employees. Short-term incentive plan payouts are linked to business performance and sustainability targets. Long-term awards involve stock options.

F.14 Employee Opinion Survey



Workers' Council / Employee Representatives

The PUMA SE workers' council (the European employee representative body) in 2013 consisted of 16 members, representing employees in twelve European countries. Five members of the SE works council were women. While the chair of the SE works council was German, the other two members of the Executive Committee were French and Dutch.
The local German workers' council of PUMA SE had 15 members, the chair being a man and the vice chair being a woman. One employee representative is tasked with dealing with the needs of handicapped employees.

Independent Assurance Report

To PUMA SE, Herzogenaurach

Our Engagement
We have been engaged to perform a limited review of sustainability information as stated in the Annual and Sustainability Report 2013 of PUMA SE, Herzogenaurach for the year ended December 31, 2013, including compliance with the criteria and standards the information is based on. The limited review does not cover an assessment of PUMA's Product Environmental Profit and Loss Account.

Management's responsibility
The Management Board of PUMA SE is responsible for the preparation of the Annual and Sustainability Report 2013 in accordance with the criteria as stated in the Sustainability Reporting Guidelines Vol. 3 (pp. 7 to 17) of the Global Reporting Initiative (GRI).
These criteria are:

- Materiality,
- stakeholder inclusiveness,
- sustainability context,
- completeness,
- balance,
- clarity,
- accuracy,
- timeliness,
- comparability and
- reliability.

This responsibility also includes the development, implementation and operation of systems and processes as well as the definition of key issues of the report and the reporting method.

Our Responsibility
Our responsibility is to give an attestation, based on the results of our work, as to whether any matters have come to our knowledge that could give rise to the assumption that the sustainability information as stated in the Sustainability and Business Report 2013 do not comply, in all material respects, with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 3 (pp. 7 to 17) of the GRI.
The objective of a limited review is to obtain a limited assurance. Hence, the scope of a limited review is less comprehensive than the scope of an audit, which – in contrast to a limited review – aims to obtain a reasonable assurance. Consequently, a limited review may thus not reasonably assure all material facts as could an audit. Therefore, we may not issue a positive statement (auditors' opinion) on the selected data.
Based on the results of our audit, we have been also engaged to give recommendations for the further development of the sustainability management and the respective reporting.

Methodology
Our limited review was conducted in

accordance with the "International Standard on Assurance Engagements (ISAE) 3000". Within the scope of our engagement, the following activities were performed amongst others:

→ Interviews with employees of the Group head office in the areas „PUMA.Safe", HR and the logistics departments, who are in charge of reporting sustainability issues.

→ Inspection of the documentation of the systems, processes and internal controls for consolidation and internal reporting of performance indicators.

→ Interviews (by phone) with personnel responsible for internal reporting of energy, use and logistics key indicators, located in Argentina, Germany and the U.S..

→ Analytical testing on selected sustainability data on a sample basis.

Our Conclusion

Based on our limited review, no facts have come to our knowledge that could give rise to the assumption that the sustainability information as stated in the Annual and Sustainability Report 2013 of PUMA SE, Herzogenaurach do not comply with the criteria of the Sustainability Reporting Guidelines Vol. 3 (pp. 7 to 17) of the GRI.

Note and Recommendation

Without qualifying our attestation, we give the following recommendations for the further development of the sustainability management and reporting: integration of the B2B emission reporting in the IT reporting tool and a functional test of the internal controls within the reporting process.

Munich/Germany, February 13, 2014

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Christof Stadter) *(Dr. Bastian Bach)*
Auditor Graduated engineer

Financial Year 2013

Group Management Report
PUMA SE

Tommie Smith

Group Management Report

3 Chapter

Overview 2013

2013 was a crucial year in terms of restructuring and change for PUMA, in which we have laid the foundations for further growth and a positive corporate development through the subsequent implementation of our transformation and cost reduction program.

Following the arrival of our new Chief Executive Officer, Björn Gulden, our Chief Operating Officer, Andy Köhler, and our new Global Creative Director, Torsten Hochstetter, PUMA's management team is now fully in place with the aim of securing long-term profitable growth. Despite the many challenges that we have faced, PUMA is, and indeed remains, a fantastic brand with a rich history, global familiarity, strong logos, outstanding athletes and wonderful employees.

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

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

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

Our future commitment to "Forever Faster", a concept which is derived from our DNA that is enshrined in sports and unites both our performance and lifestyle brand pillars, enabled us to make a new and simplified

brand promise to our customers in 2013. PUMA's future aim is to become the fastest sports brand in the world. In order to do this, we shall draw on our history spanning more than 65 years as a supplier of innovative products for the fastest athletes in the world while at the same time expressing our ongoing desire to create something new – from product innovations in the area of performance to trendy fashion items.
We also reviewed our strategy in 2013 in terms of sustainability and aligned it to the new "Forever Faster" brand manifesto and the sustainability objectives of the Kering Group. At the same time, we were able to establish our "Bring me Back Bin" product recycling program in PUMA stores throughout the world, thus making an active contribution to waste prevention measures. In accordance with our "Closing the Loop" guideline, we are also planning to launch products to the market in 2014, of which a significant proportion will be made using recycled cotton.
The ongoing difficult economic situation in many parts of Europe had a negative impact during the financial year, both in terms of the overall business climate as well as on the average propensity of the population to consume. As a result, the demand for sports equipment was lower in various key markets. In addition, there was increased intensity of competition from a global perspective in the sports equipment industry as an increasing number of suppliers from the area of sport performance began to converge on the sports lifestyle market, and a number of major fashion chains also began to offer items in the area of sport performance. In this challenging market environment, worldwide brand sales from PUMA during the financial year 2013 fell, currency-adjusted, by 2.3% to approximately € 3.2 billion. Group sales fell, currency-adjusted, by 3.0%, and in the reporting currency of Euros by 8.7%, to approximately € 3.0 billion.
The gross profit margin for 2013 was subjected to heavy pressure and declined from 48.3% to 46.5% as a result of negative currency effects in countries such as Japan, South Africa and Argentina, as well as intense price competition; these figures were however in line with management's expectations. Operating income (EBIT) before special items fell from € 290.7 million to € 191.4 million in 2013 compared to the previous year, despite the various cost reduction measures taken and because of the fall in sales and reduced gross profit margin. PUMA's management continued to proceed with the transformation and cost reduction program in 2013 and took further strategic measures by introducing the new "Forever Faster" brand concept in order to ensure sustainable and profitable growth for PUMA.
As a result, Group earnings compared to the previous year fell from € 70.2 million to € 5.3 million. This figure includes special items totaling € 129.0 million, the majority of which consist of impairments of non-current assets, as well as non-recurring expenses incurred during the financial year in connection with the strategic realignment. Earnings per share equalled € 0.36 compared to € 4.69 in the previous year.
At the end of the year, PUMA shares listed at € 235.00, almost unchanged compared to the previous year, which resulted in a market capitalization of approximately € 3.5 billion.

PUMA Group Essential Information

Commercial Activities and Organizational Structure

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

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

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

Corporate Strategy

To be the Fastest Sports Brand in the world

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

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

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

Fastest Brand

In 2013, PUMA created a newly unified Brand Platform that is rooted in the Sports DNA of the company, and which reconciles the Performance and Lifestyle segments of the PUMA brand. With this significant milestone, PUMA is moving away from its approach of pursuing two distinctive visions for each part of the business as this has led to confusion and a lack of clarity for employees, business partners, and consumers.

Going forward, PUMA will be the Fastest Sports Brand in the World. This simplified mission will result in a single brand positioning, purpose and a single message. PUMA will be: "Forever Faster". This statement, a new tag line which will be launched to consumers in 2014, reflects the 65 year history of making fast product designs for the fastest athletes on the planet.

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

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

Commercial Products

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

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

Sales Quality

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

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

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

Continuation of the Transformation and Cost Reduction Program

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

- **New regional business model in Europe:**
  The organizational structure of the regional layer and its seven Areas has been established and will be continued to be optimized.

- **Warehouse consolidation in Europe:**
  PUMA closed or handed over six warehouses as of the end of 2013, and will continue to consolidate to achieve the target of seven warehouses in Europe by 2017.

- **Unprofitable stores:**
  Of the announced 91 stores closures, 73 stores were closed by year end 2013, with the remainder to be closed in 2014/15.

- **Number of articles:**
  PUMA is progressing well with already more than 10% article reduction for 2013 to achieve its objective to reduce the article count by 30% by 2015.

- **Focus on sponsorship:**
  PUMA has implemented all its actions in this areas and cancelled every onerous sponsorship contract which is not in line with the future business strategy.

Brand and Subsidiary Strategy

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

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

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

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

Sustainability remains an important value

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

Product Development and Design

Product philosophy and strategy

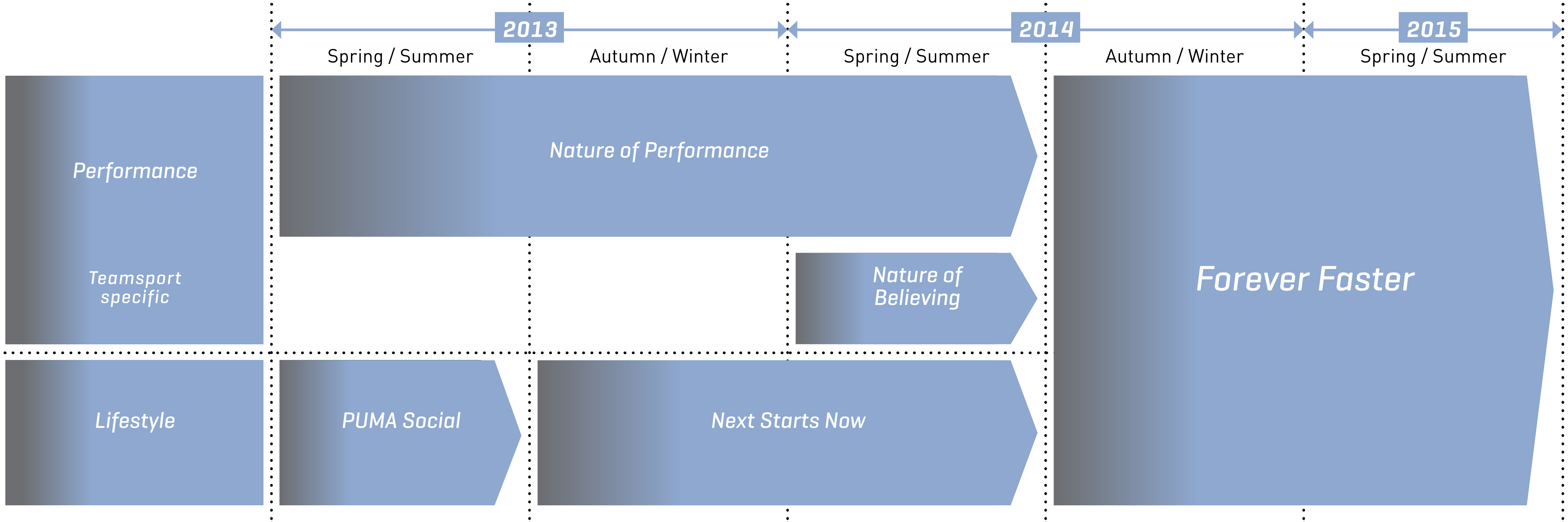
PUMA's product offering embraces the spirit of the cat by being agile, nimble, adaptable, and adventurous and adheres to the attributes once chosen by company founder Rudolf Dassler as guidance for the way we think, the way we work and the way we develop and market our products. As one of the world's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

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

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

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

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



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

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

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

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

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

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

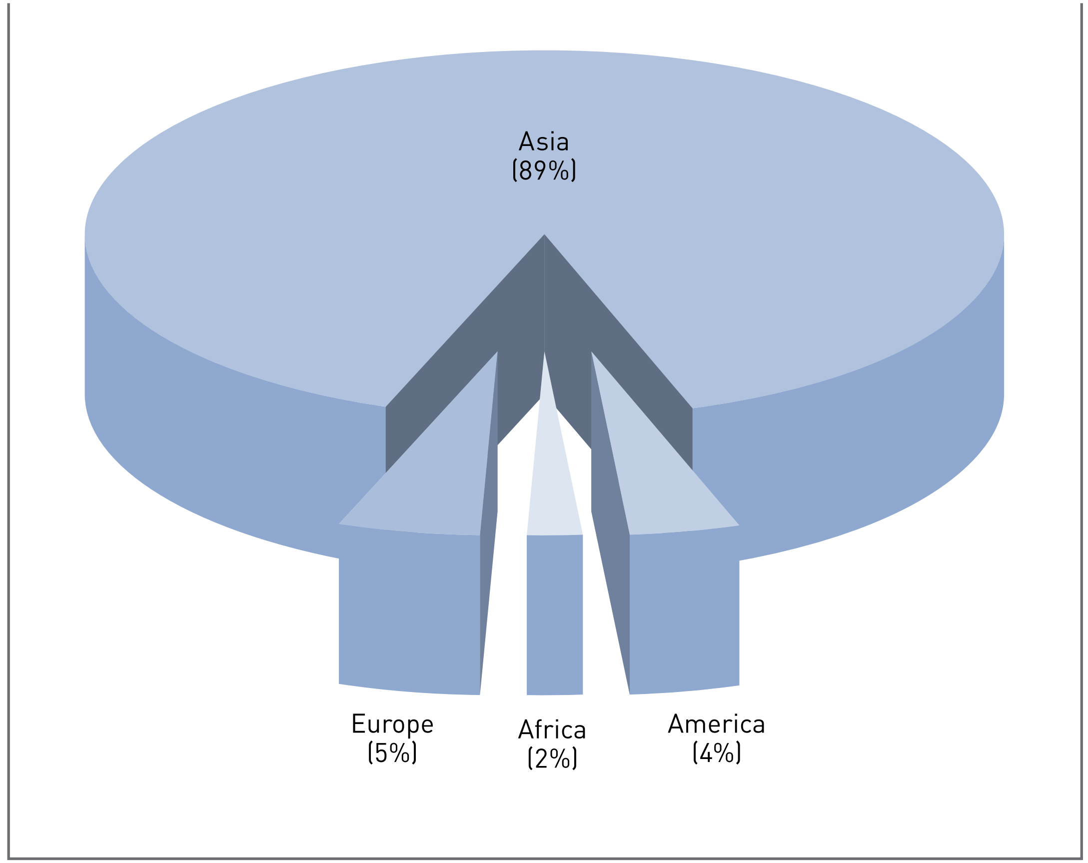
Procurement

Procurement refers to the central management of the purchasing of products for PUMA and the Group's own brands, Cobra and Tretorn. The necessary procurement tasks are carried out centrally by the Group company **World Cat Ltd.** in Hong Kong. World Cat Ltd. acts as a purchasing agent here and provides support for the respective brands in order to furnish the respective sales organizations with products and the necessary materials for the manufacture of these products at a standardized level of quality and at a competitive price.
World Cat Ltd. manages the various branches located around the world from Hong Kong. In addition to the registered offices in Hong Kong, the various locations in China, Vietnam, Bangladesh, India, Turkey, Brazil and El Salvador manage the collaboration with suppliers and also monitor the production processes on site.
Processes are continuously improved in line with the six core principles of partnership, transparency, flexibility and speed, simplicity, accuracy and effectiveness, thus satisfying the aim of offering service at a high level for all PUMA brands and creating a sustainable production and supply chain. In order to further strengthen the link between customer demands, product design and production, product knowledge is moved closer to production, thus ensuring any developments in the market can be adapted to more quickly. This was particularly evident in the decision to close down the PUMA Village in Vietnam as a regional center for the development of sample footwear production items once again in 2014 after a period of four years, thus moving the product experts closer to the factories in order to reduce development times.

The Procurement Markets

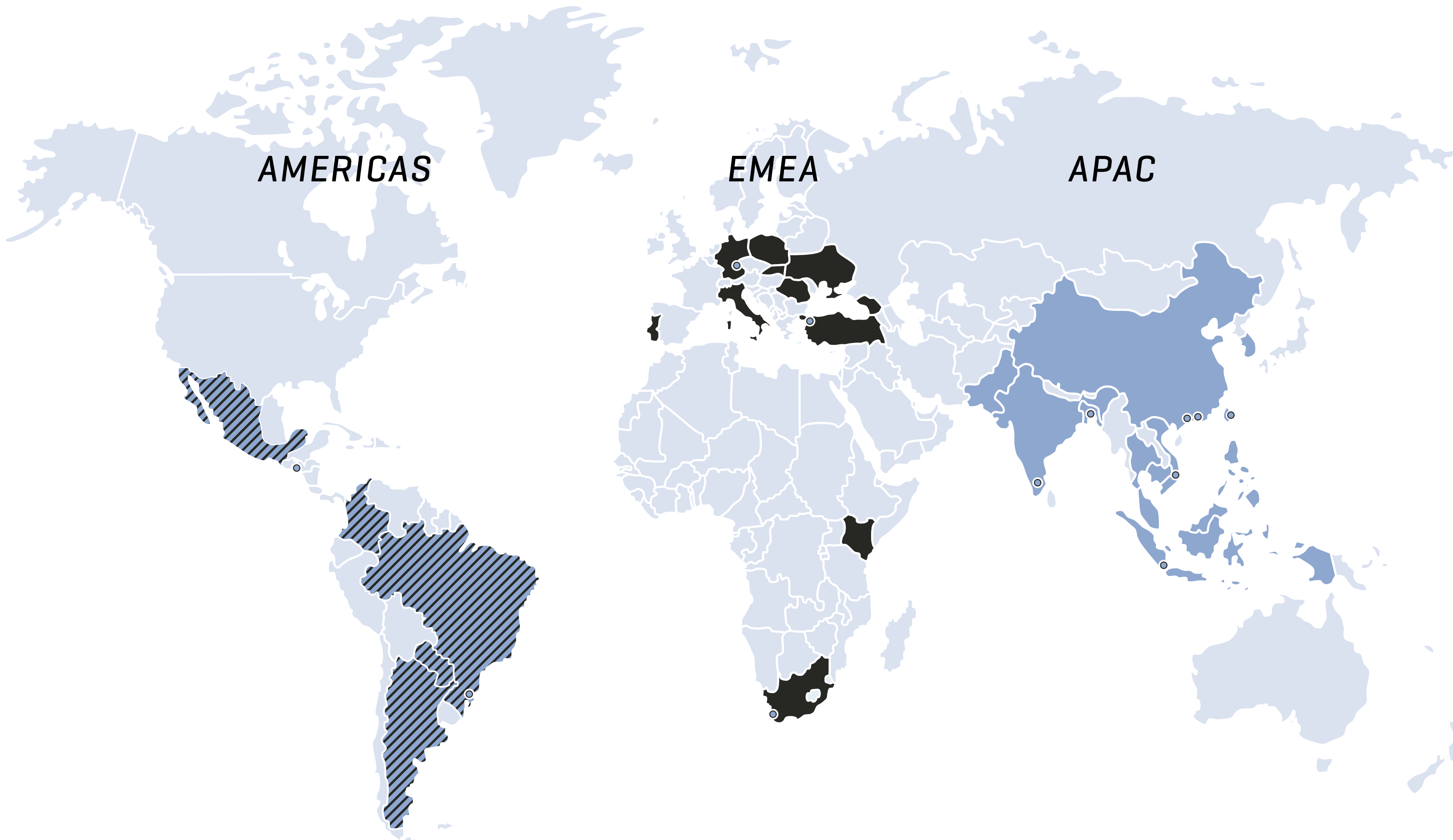
World Cat optimizes the supply chain with independent suppliers within its global production network, from the purchase of materials to production, right through to the delivery of products.
The aim is to offer an optimum service to the various PUMA brands in order to meet, and continue to improve, global requirements for quality and safety along with environmental aspects in production. At the same time, continuous improvements are being

F.1 Sourcing Regions 2013



made in its role as purchasing agent and partner with respect to costs, flexibility and delivery reliability.
During the financial year 2013, World Cat worked together with 178 suppliers in 32 countries and delivered to 44 destinations. The strategic cooperation with long-term partners was one of the key competitive advantages in 2013, ensuring stable procurement in turbulent market conditions. The geographic focus of the production sites located in China as the primary sourcing country has shifted slightly to Southeast Asia.
Asia remains the strongest procurement region overall with 89% of the total volume, followed by Europe with 5%, America with 4% and Africa with 2%, with the latter's percentage on the increase.
As a result, the five most important sourcing countries (79% of the total volume) are all located on the Asian continent. China remained in first place in 2013 with a total of 32%, despite a reduction in volume of 8% compared to the previous year. Vietnam then followed with a total of 20%, a figured that was reduced by 3% compared to the previous year. Cambodia was in third place with a total of 10%. Indonesia, which focuses on footwear production, also produces 10% of the total volume, and Bangladesh, which focuses on clothing, contributes 7%.
Rising labor costs, political unrest and extreme weather conditions all had a negative impact on procurement markets in 2013. This therefore increases the need to take into account the risks in these factors of influence in the production allocation. World Cat Ltd. will also continue to position itself geographically in such a way so that it can take advantage of fiscal benefits in key markets such as the USA and the EU. This is the crucial component of a future procurement strategy in order to ensure the secure and competitive procurement of products.

World Cat's Sourcing Regions and Locations



Employees

Number of employees

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

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

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

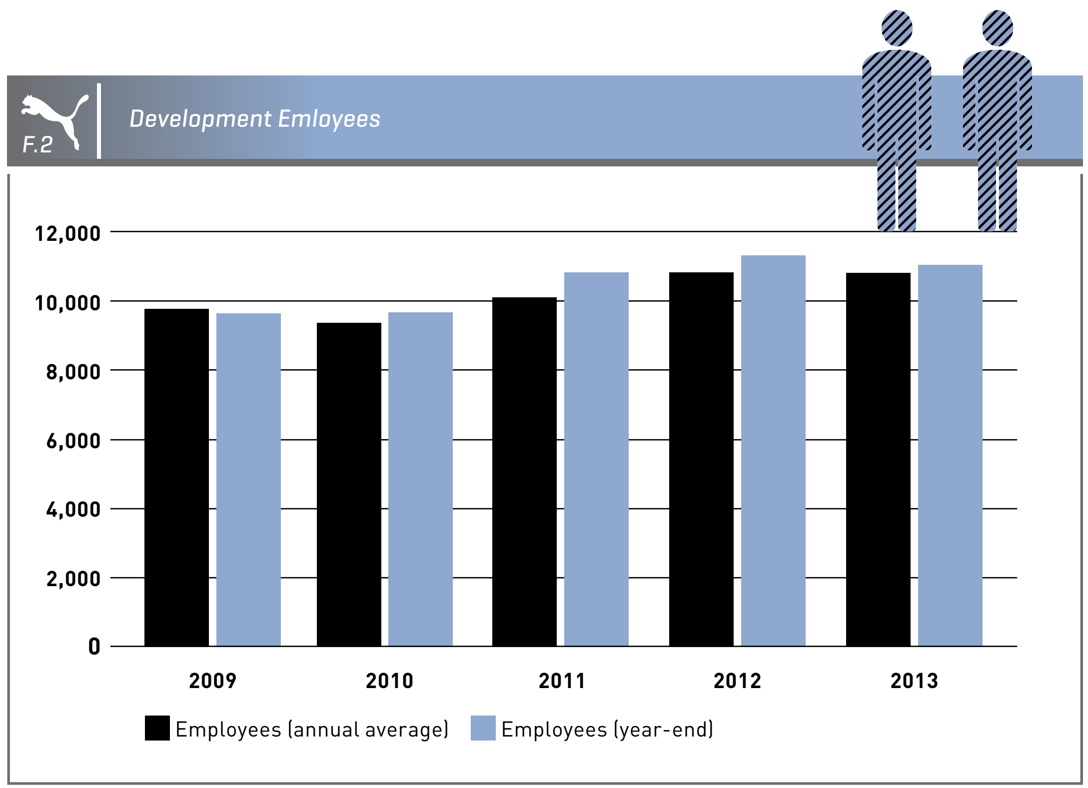
In the Marketing/Retail segment, the number of employees decreased by 2.8% to 5,090 employees. In Sales, the number of employees fell by 3.1% to 2,324. In the Product Development/Design segment, the number of employees decreased by 5.4% to 872 employees. In the administrative and general units, the number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

Talent Identification and Development

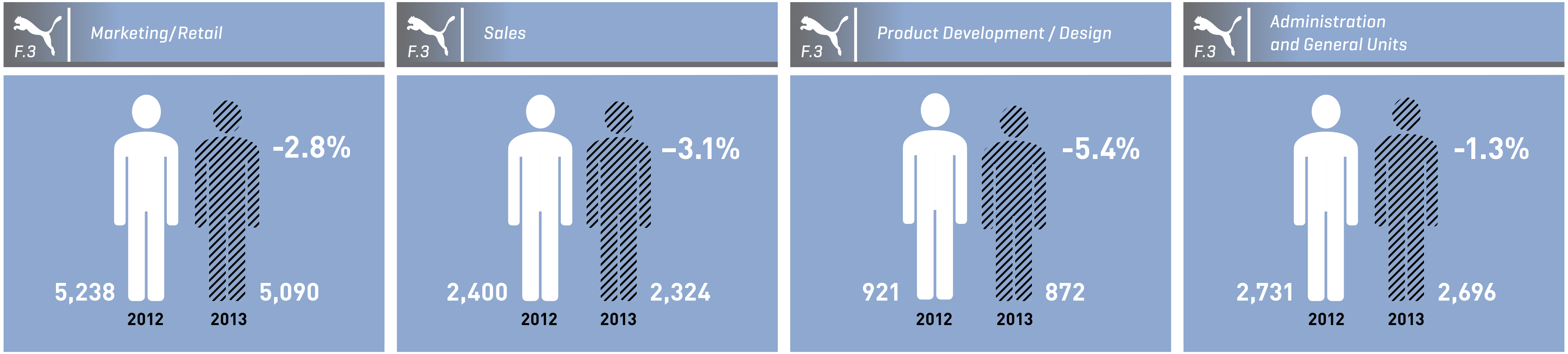
We are convinced that each individual employee can make an important contribution to the success of our Company. As a result, the various training and development measures address employees and executive staff of all levels with the aim of providing the necessary knowledge, acquiring the required skills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

The global uniform Performance Management process provides the basis for

F.2 Development Emloyees



Employees (year-end)



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

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

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

Executive Staff Development

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

Performance-based Compensation System

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

Management System

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

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

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

We use the indicator **free cash flow** in order to determine the change in cash and cash equivalents after deducting all expenses incurred to maintain or expand the organic business of the PUMA Group. Free cash flow is calculated from the cash flow from operating activities and investment activities. We also use the indicator **free cash flow before acquisitions**, which goes beyond free cash flow and includes an adjustment for payments that are associated with acquisitions. We use the indicator **working capital** in order to assess the financial position. The term "working capital", which is often referred to in German as "Betriebskapital", is the difference between current assets - including in particular inventories and trade receivables - and current liabilities. Amounts that are received in connection with financing activities and special items are not included here.

Economic Report

General Economic Conditions

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

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

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

Sales

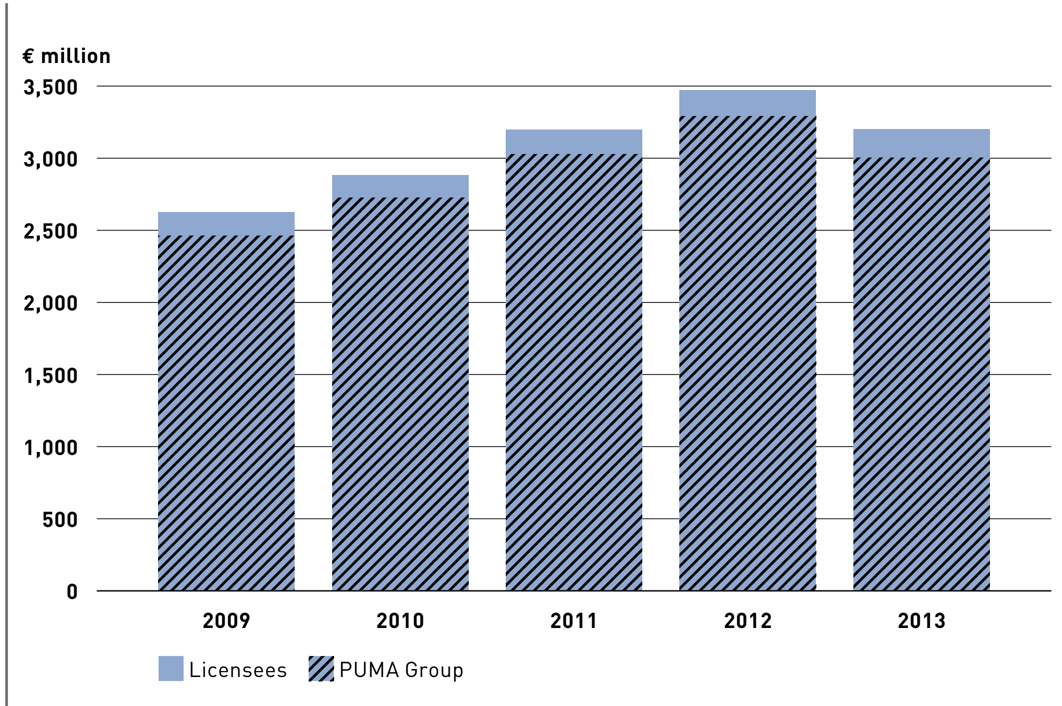
Illustration of Sales Development in 2013 Compared to 2012 Outlook

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

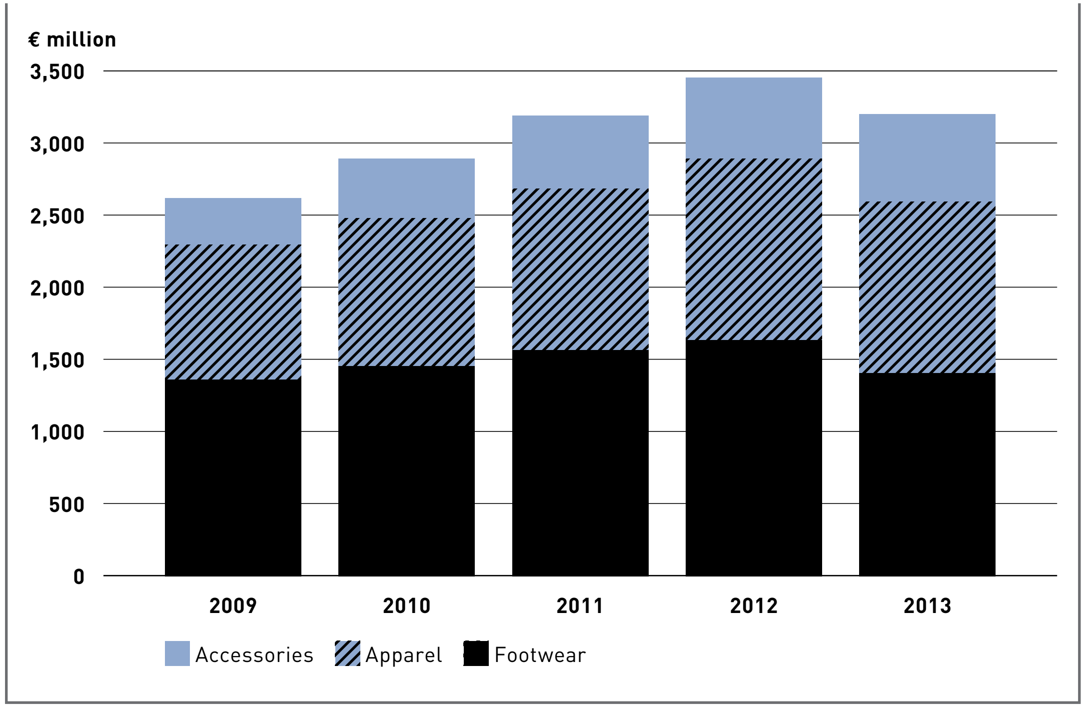
Brand sales

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

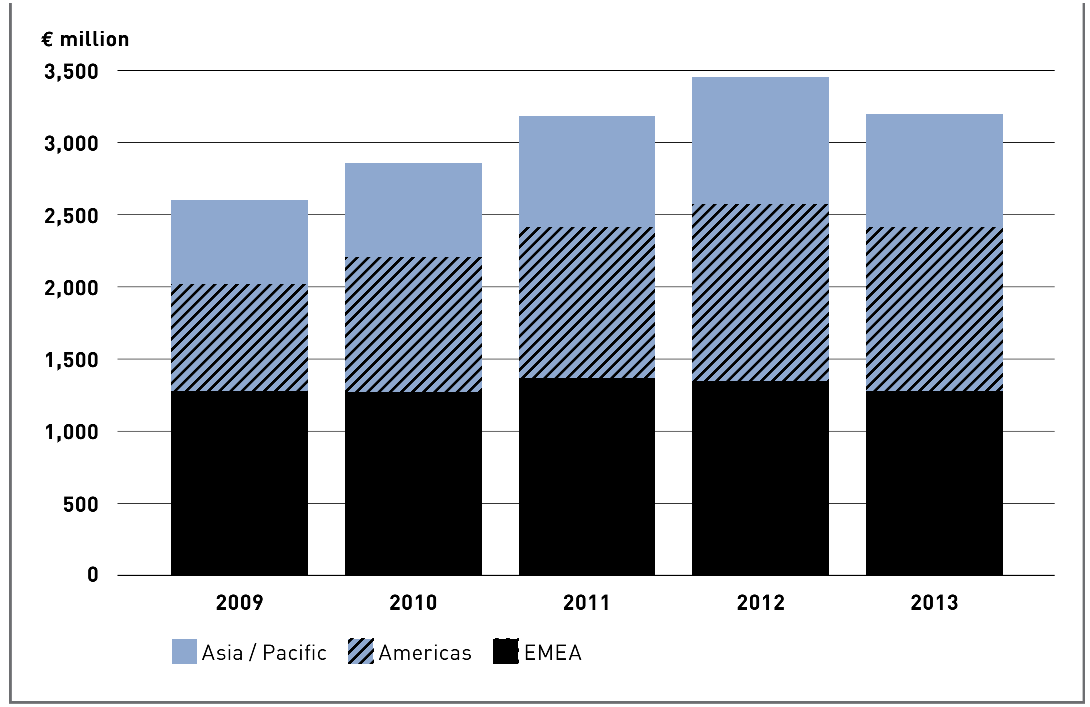
F.4 Brand Sales



F.5 Brand Sales by Product Segment



F.6 Brand Sales by Region

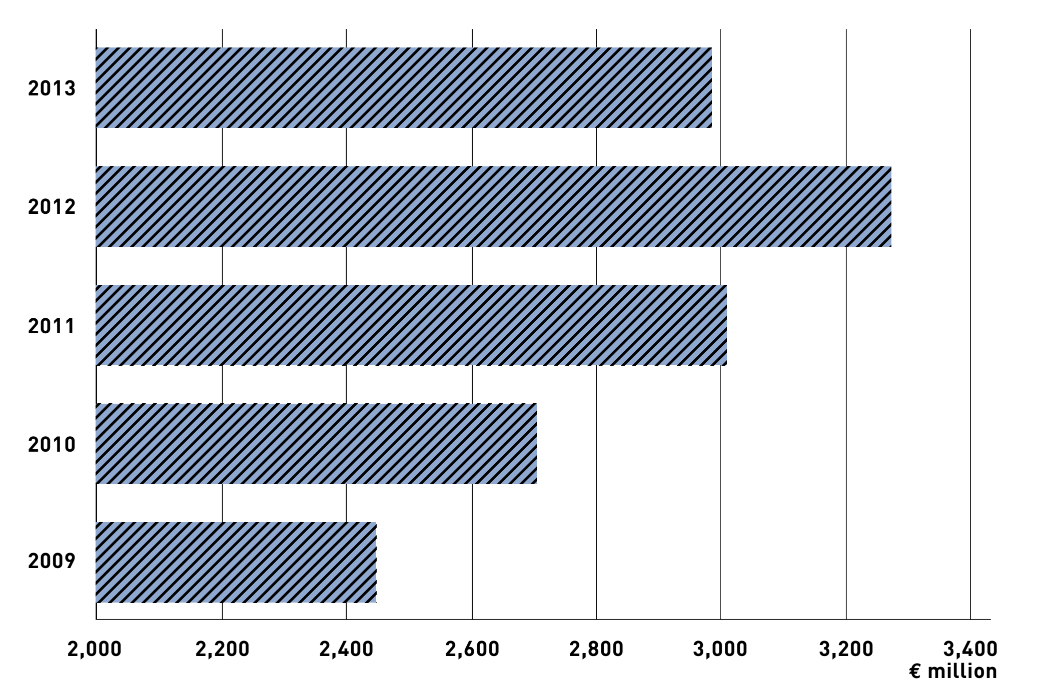


Footwear sales decreased currency-adjusted by 8.2% to € 1,403.4 million. In contrast, apparel sales increased currency-adjusted by 0.7% to € 1,170.2 million and accessories sales increased currency-adjusted by 7.6% to € 605.2 million.

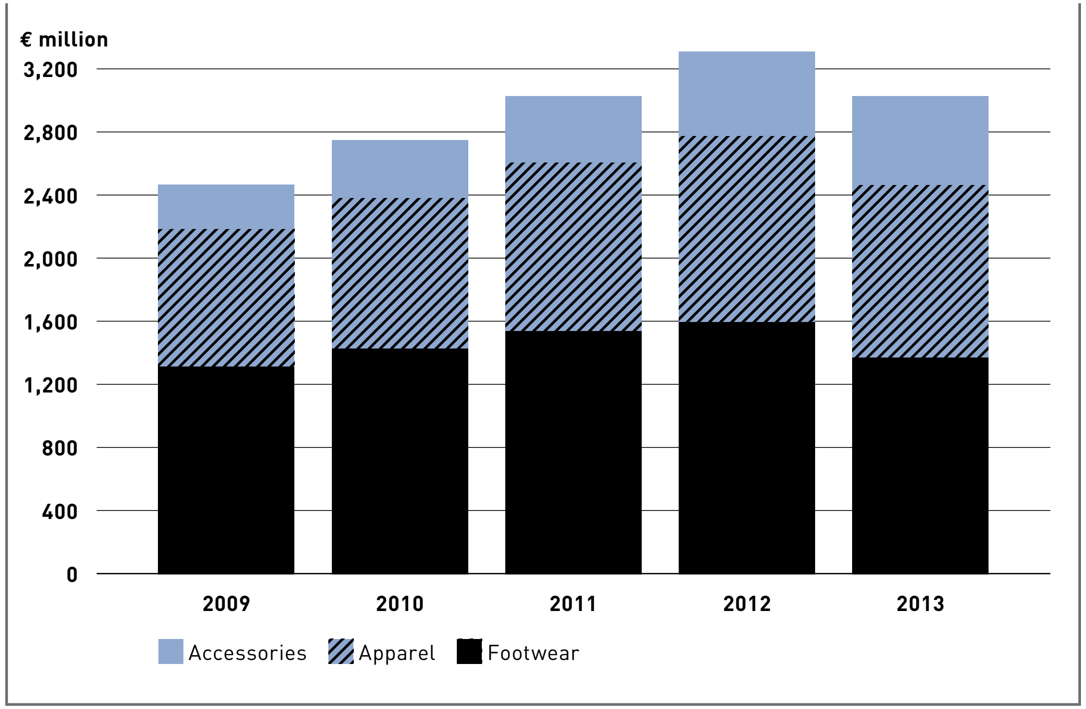
Footwear accounted for 44.1% (47.1%) of brand sales, apparel for 36.8% (36.0%) and accessories for 19.0% (17.0%).

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

F.7 Consolidated Sales



F.8 Consolidated Sales by Product Segment



Consolidated Sales

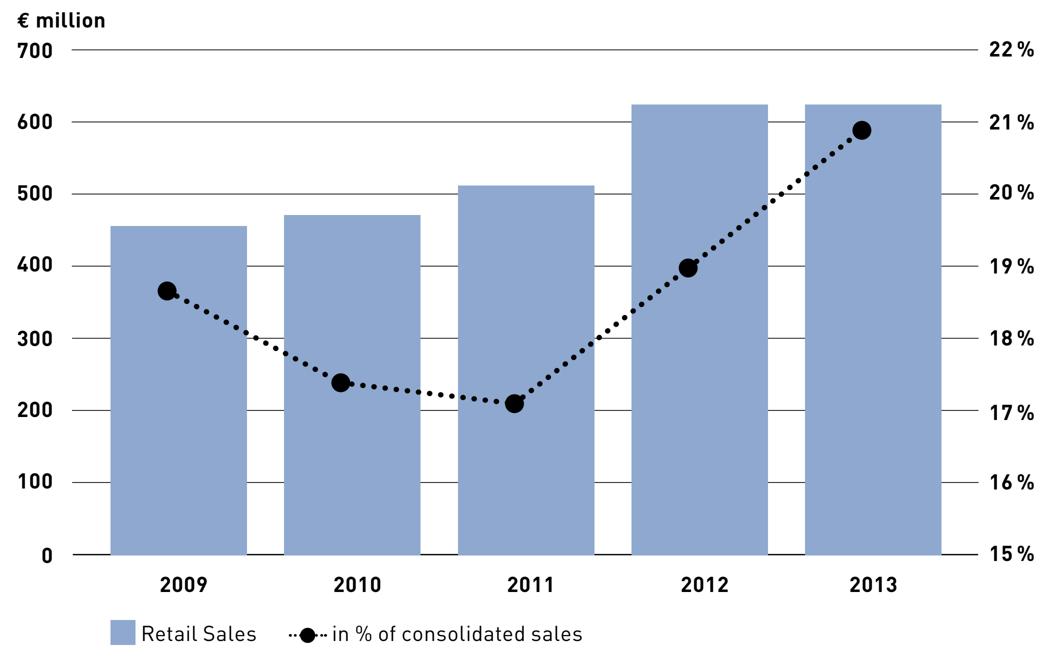
During the financial year 2013, consolidated sales decreased currency-adjusted by 3.0% and by 8.7% inreported terms, to € 2,985.3 million. The decline was in line with expectations and was as a result of difficult economic conditions, particularly in many parts of Europe, as well as the closure of retail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

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

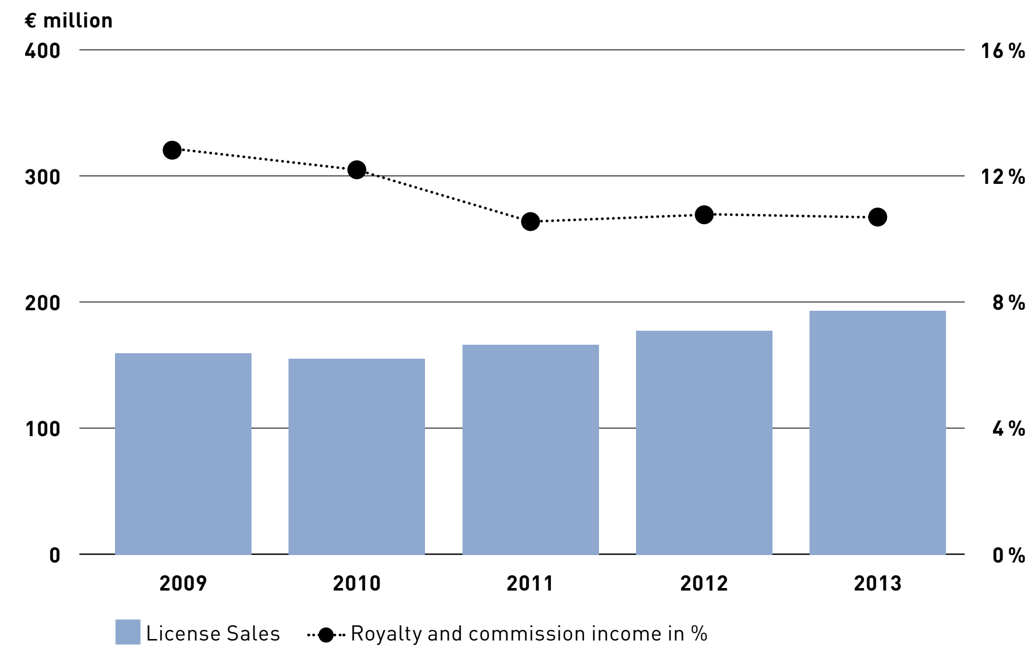
APPAREL: Currency-adjusted sales in the apparel product segment fell slightly by 1.2% and by 7.6% in reported terms to € 1,063.8 million. This share accounted for 35.6% of consolidated sales in 2013, compared to 35.2% in theprevious year.

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

F.9 Retail Sales



F.10 License Sales / Royalty and Commission Income in %



Retail businesses

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

Licensing business

For various product segments, such as fragrances, eyewear, and watches, PUMA issues licenses authorizing independent partners to design, develop and sell these products. Revenue from license agreements also includes some sales licenses for various markets. Currency-adjusted sales rose in 2013 by 10.1% to € 193.5 million. In the reporting currency of the Euro, this corresponds to an increase of 8.7%.

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

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

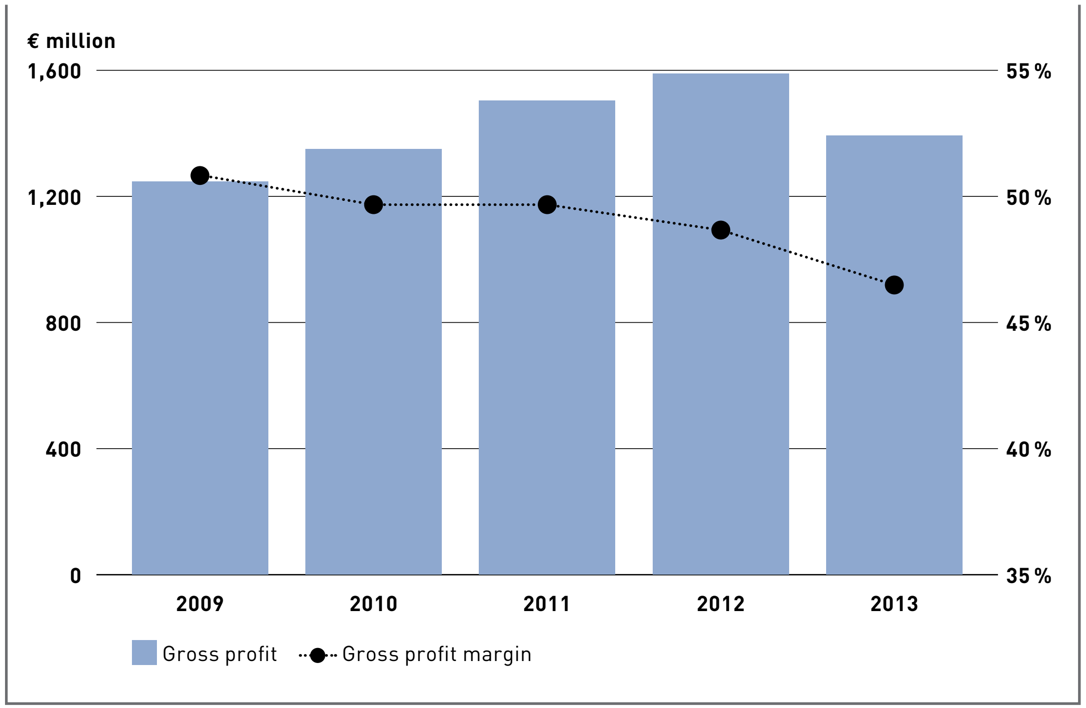
Results of Operations

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

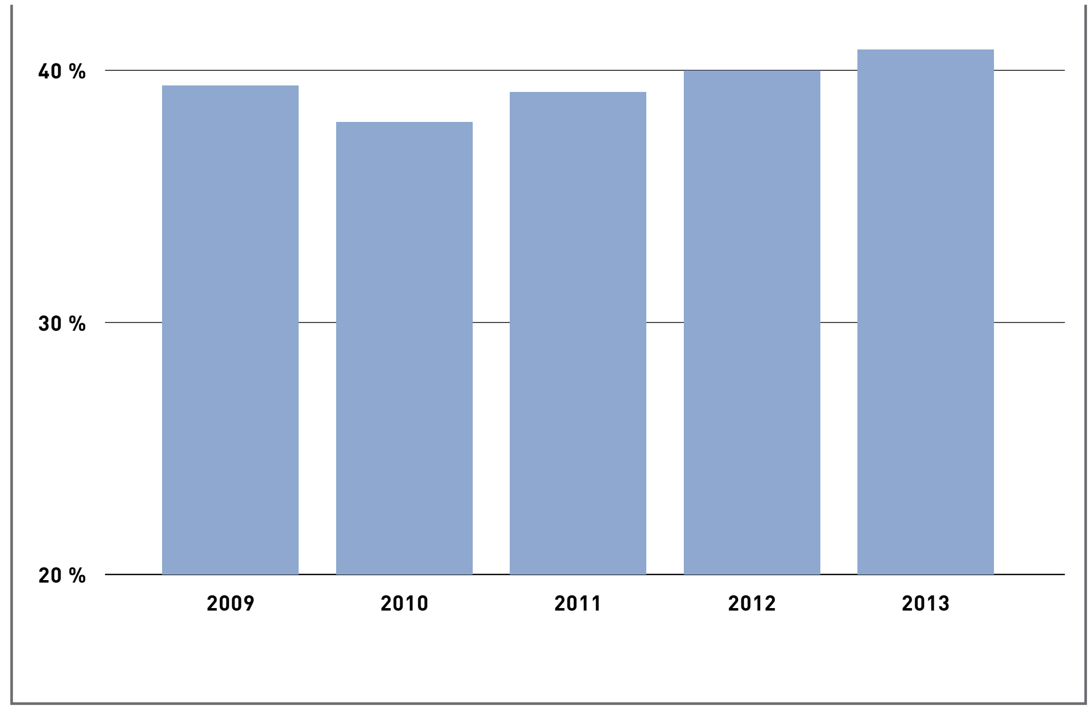
Illustration of Earnings Development in 2013 Compared to the 2012 Outlook

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

F.11 Gross profit / Gross profit margin



F.12 Operating Expenses as a % of Consolidated Sales



Gross Profit Margin

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

Other Operating Income and Expenses

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

In terms of sales expenditure, expenditure for marketing/retail purposes decreased by 10.7% from € 609.3 million to € 544.1 million. This decrease is in relation to the closure of retail stores as part of the transformation and cost reduction program. The expense ratio declined from 18.6% to 18.2% of sales. Other sales expenditures decreased, due to the fall in sales revenue, by 6.8% to € 401.7 million and the expense ratio went up slightly from 13.2% to 13.5% of sales. Expenditure related to product development and design fell from € 84.9 million to € 80.7 million. However, the expense ratio increased from 2.6% to 2.7% of sales.

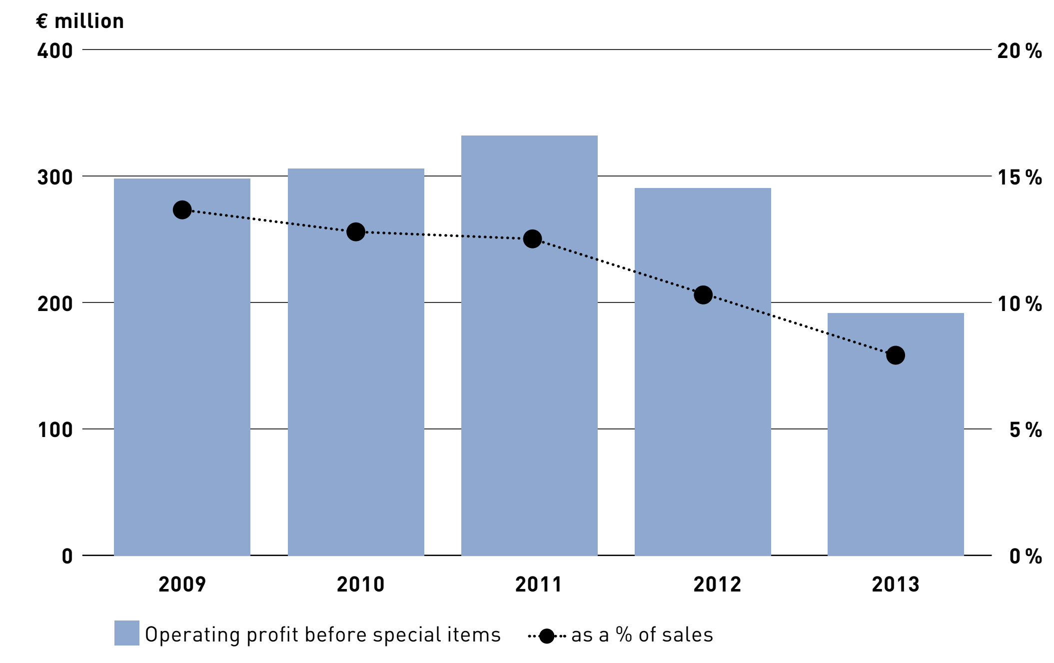
Administrative and general expenses rose slightly by 1.5% to € 208.1 million. The expense ratio in percentage of sales increased from 6.3% to 7.0%. Other operating income was also made with € 17.7 million (previous year: € 22.9 million).

Depreciation/amortization totaling € 53.8 million (previous year: € 59.5 million) is included under the respective cost items. This represents a fall in depreciation/amortization of 9.6% compared to the previous year.

Operating Income (EBIT) before Special Items

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

F.13 Operational Result – EBIT before Special Items



Special Items

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

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

Operating Income (EBIT)

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

Financial Result

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

Earnings before Tax (EBT)

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

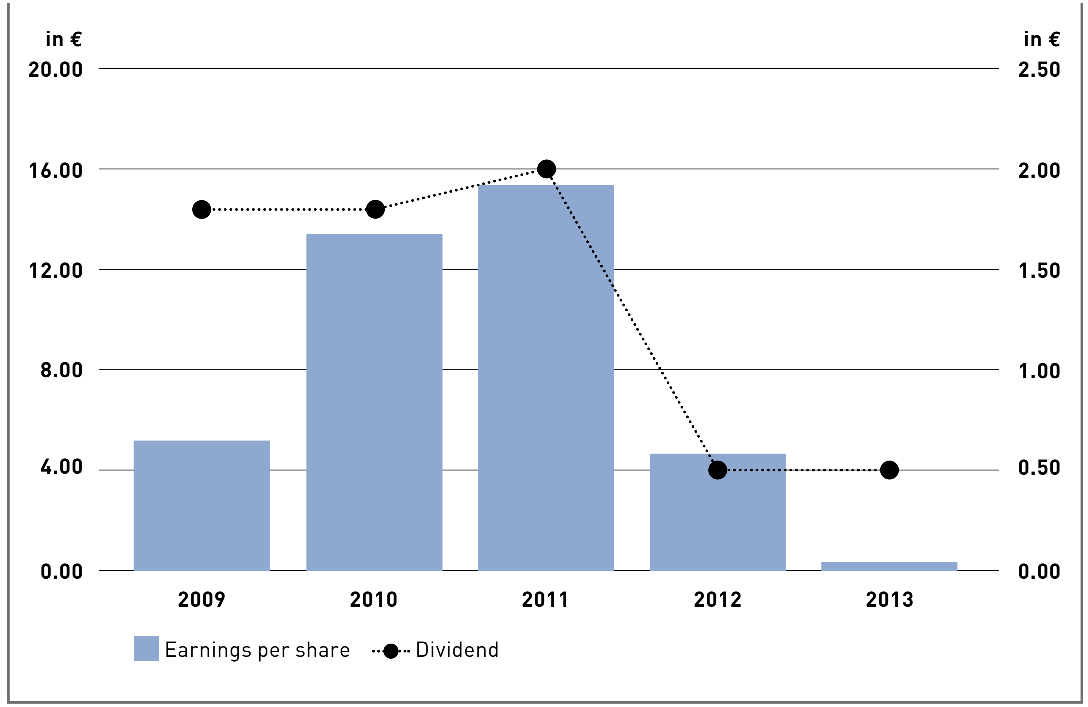
Group Earnings

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

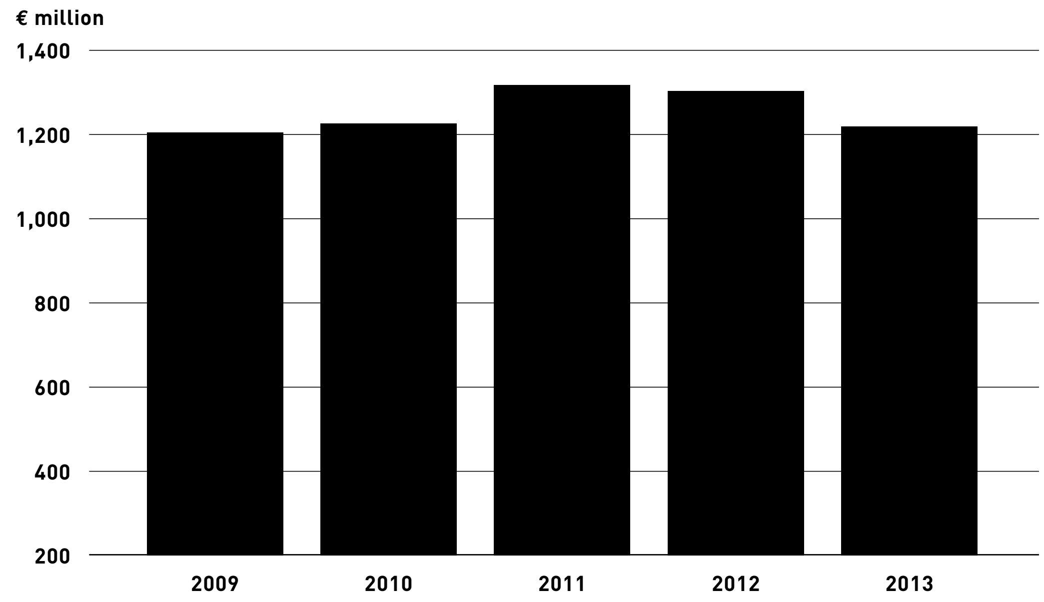
Dividends

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

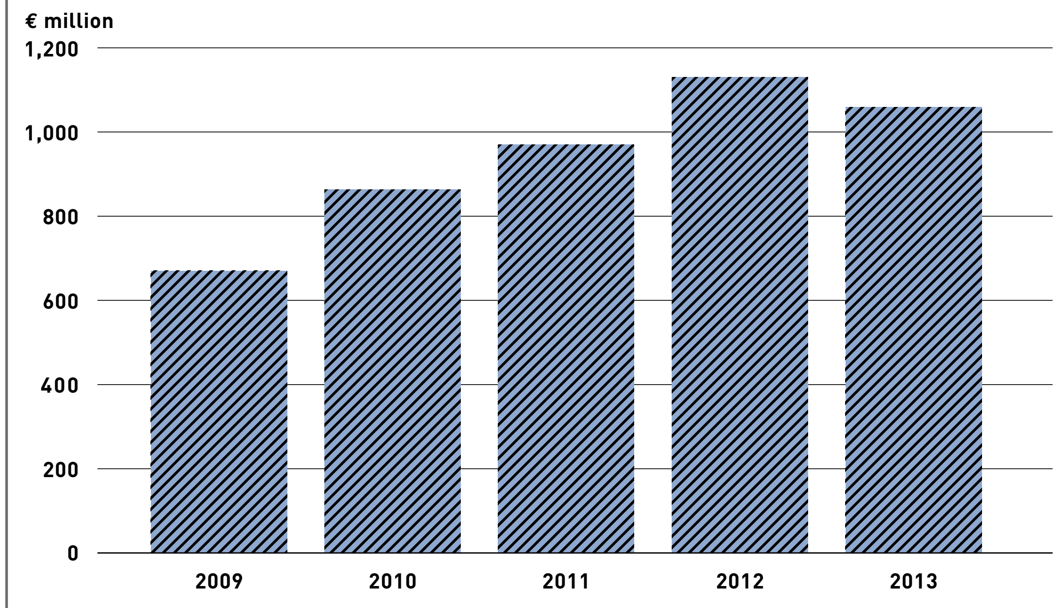
F.14 Earnings / Dividend per Share



F.15 EMEA Sales



F.16 Americas Sales

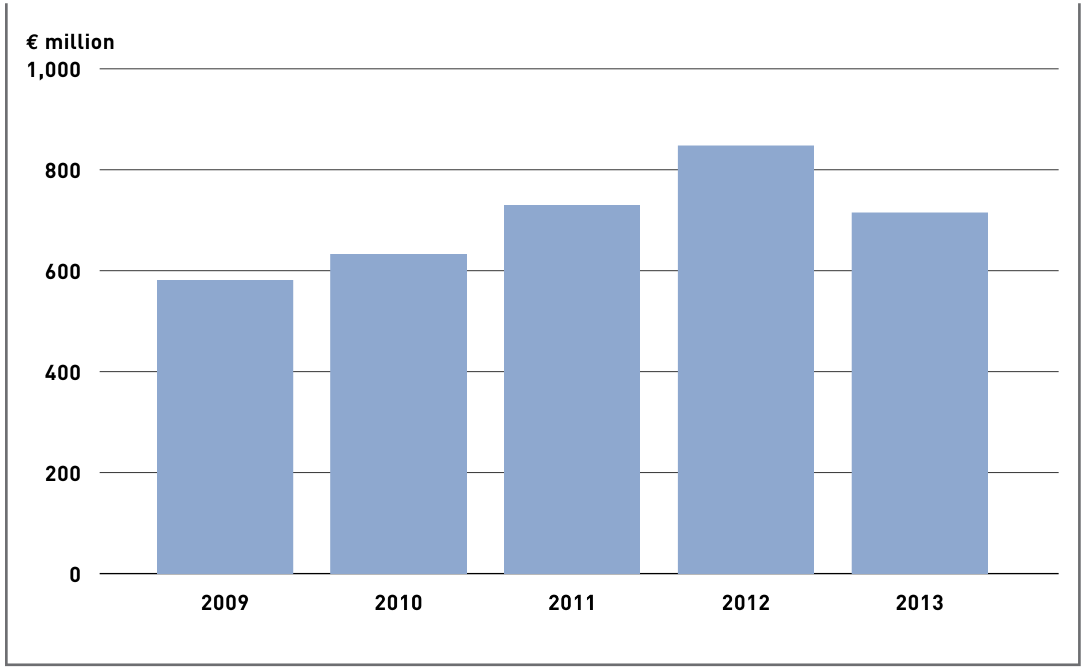


Regional Development

EMEA In the EMEA region, currency-adjusted sales fell by 4.4% to € 1,218.4 million due to the macro-economic difficulties in many parts of Europe. In the reporting currency, the Euro, sales fell by 6.4%. As a percentage of consolidated sales, the EMEA region accounted for 40.8%, compared to 39.8% in the previous year.
A breakdown by product segment shows that currency-adjusted footwear sales were down by 6.8% and currency-adjusted apparel sales were down by 6.5%. However, currency-adjusted accessories sales were up by 5.0%.
EMEA's gross profit margin registered at 46.0%, compared to 48.7% in the previous year.

AMERICAS In the Americas region, currency-adjusted sales fell slightly by 0.7% to € 1,056.0 million. However, in the reporting currency, the Euro, sales fell by 6.3%. This share accounted for 35.4% of consolidated sales compared to 34.5% in the previous year.
Currency-adjusted footwear sales fell by 10.8%. However, apparel sales were up by 8.2%. Accessories sales were up significantly by 25.0%. This can be attributed in particular to the companies PUMA Wheat Accessories and Janed (socks and bodywear).
The gross profit margin was equal to 45.2% compared to 46.4% in the previous year.

F.17 Asia / Pacific Sales



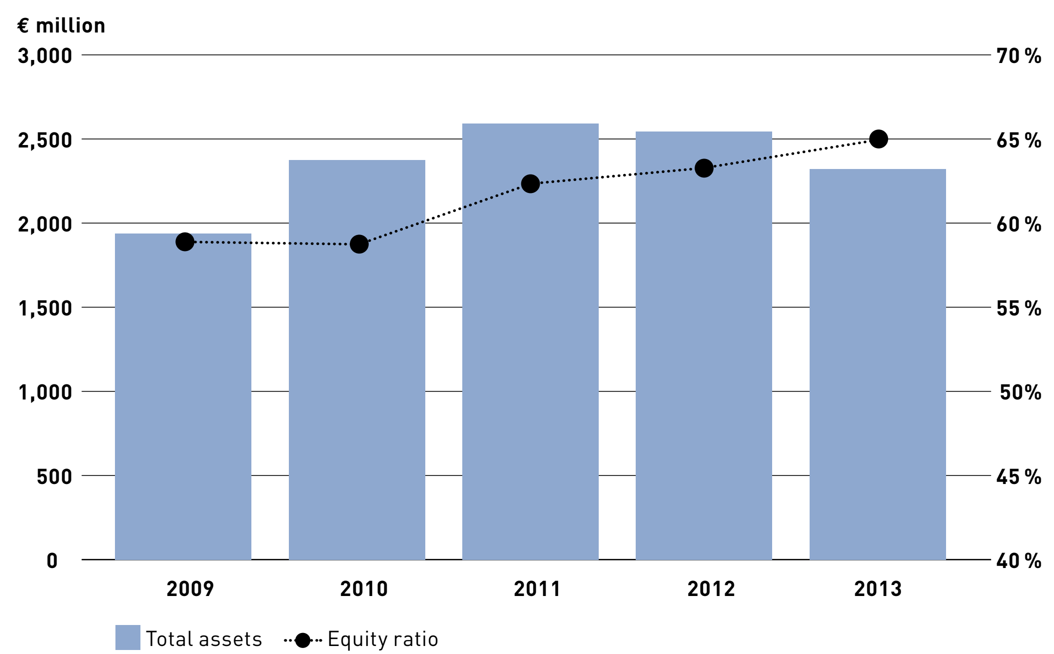
ASIA/PACIFIC Currency-adjusted sales in the Asia/Pacific region fell by 4.0% to €710.9 million. In the reporting currency, the Euro, sales were 15.5% lower than the year before, which was due in particular to the weakness of the Japanese Yen against the Euro. This share accounted for 23.8% of consolidated sales compared to 25.7% in the previous year.
Currency-adjusted footwear sales fell by 7.3%, apparel sales fell by 1.3% and accessories sales fell by 3.5%.
The gross profit margin also fell from 50.2% to 49.1%, which was also influenced by the unfavorable foreign currency exchange movements.

Net Assets and Financial Position

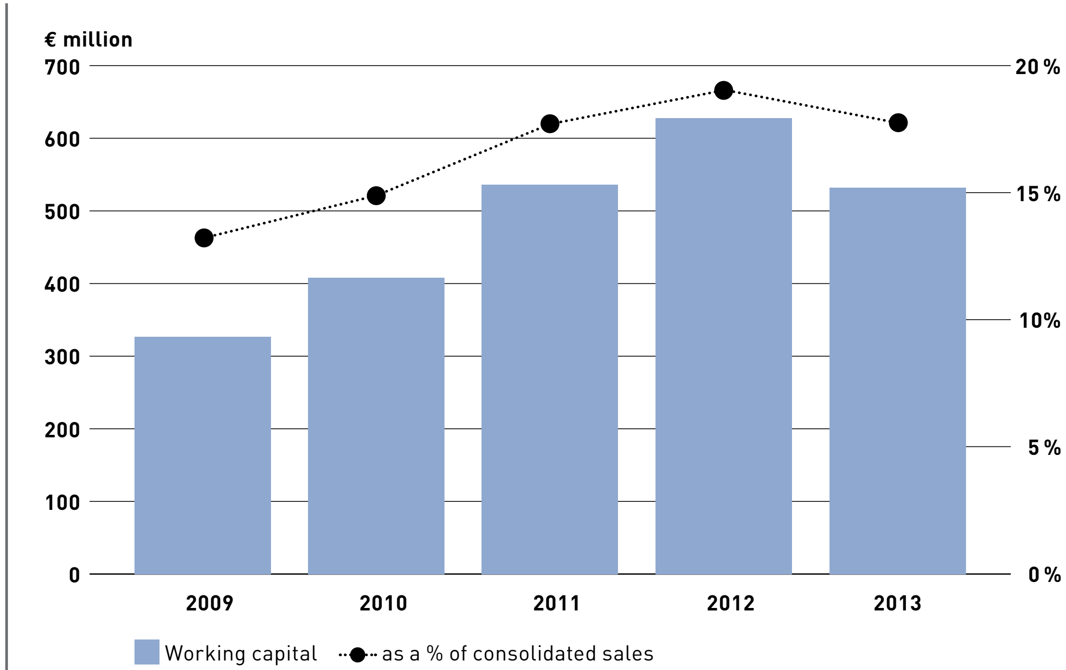
T.2 Balance Sheet

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

F.18 Total Assets / Equity Ratio



F.19 Working Capital



Equity Ratio

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

Working Capital

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

Other assets

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

Cashflow

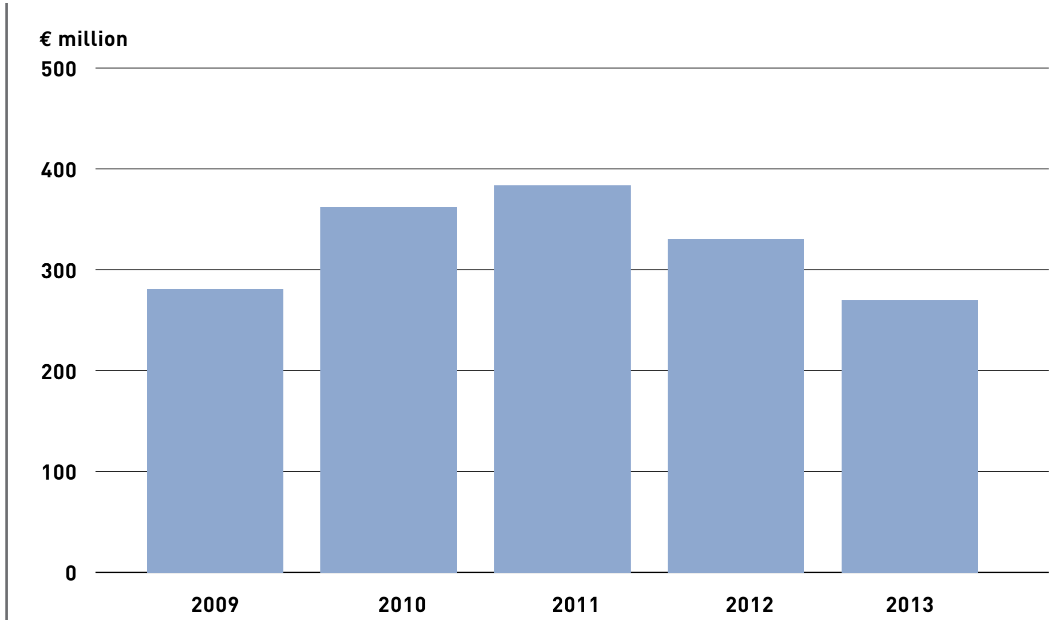
T.3 Cashflow Statement

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

Gross cash flow during the 2013 financial year decreased by 29.6% to € 230.6 million. The decrease resulted from the decline in profit before tax as well as from the lower non-cash special items compared to the previous year.
The change in net working capital* reflected a cash outflow of € 45.0 million in 2013 compared to € 91.5 million in the previous year. Taxes and interest payments totaled € 76.3 million in the 2013 financial year, compared to € 79.4 million in the previous year, thus resulting in a reduced cash inflow from current business activity totaling € 109.3 million compared to € 156.7 million in the previous year.

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

F.20 Gross Cashflow



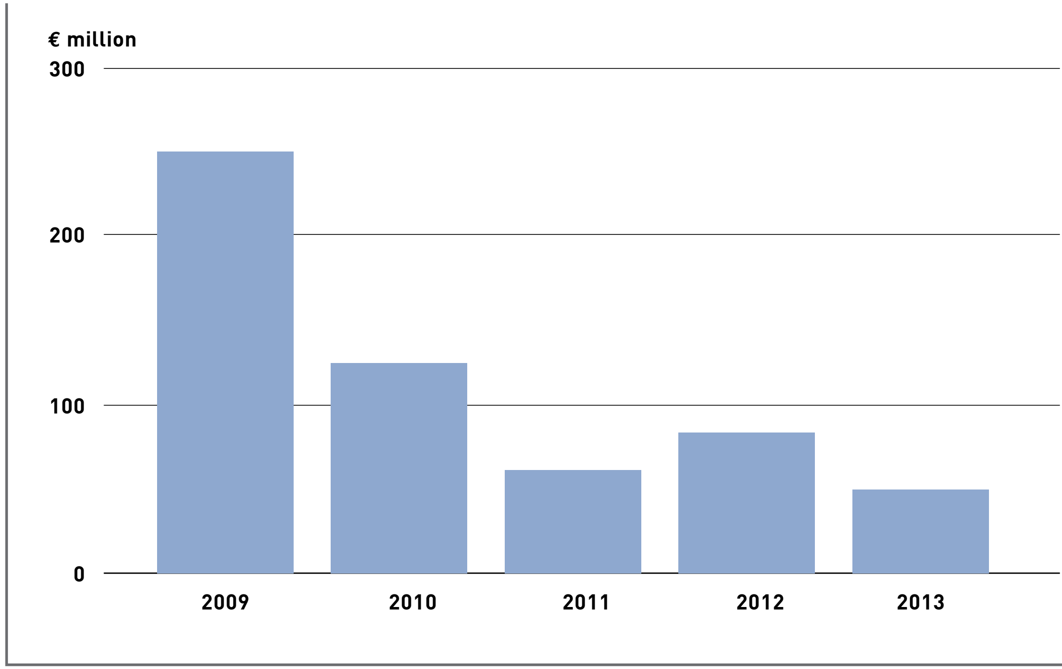
The cash outflow from investment activity fell from € 164.9 million to € 80.1 million. This fall is linked in particular to the purchase of the remaining outstanding shares in Dobotex during the previous financial year. In addition, current investments in fixed assets fell from € 81.2 million to € 55.7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

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

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

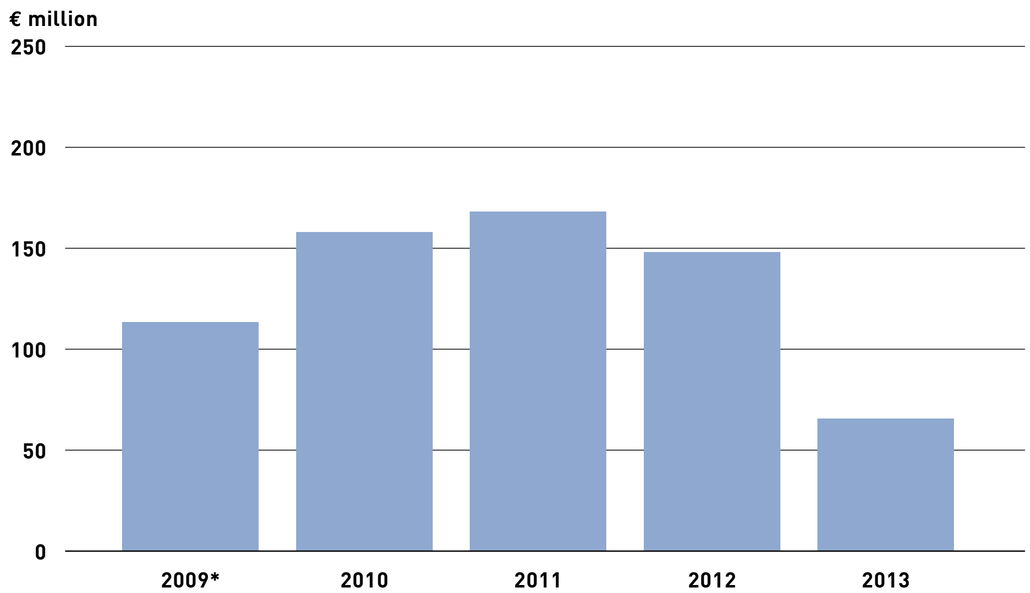
Cash and cash equivalents decreased from € 407.3 million at the beginning of the year to € 390.1 million as of December 31, 2013. The PUMA Group also has credit facilities totaling € 347.0 million as of December 31, 2013, (previous year: € 347.9 million), and the non-utilized credit facilities totaled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

F.21 Free Cashflow (before Acquisitions)



Value Management

F.22 Absolute Value Contribution



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

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

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

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

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

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

T.4 Calculation of Weighted Average Capital Costs (WACC)	2013	2012	2011	2010	2009*
Cost of stockholders equity	**7.0%**	**6.9%**	**7.0%**	**7.7%**	**8.4%**
Cost of liabilities after tax	**3.0%**	**2.8%**	**3.2%**	**3.4%**	**3.8%**
Calculation					
Market Capitalization	3,510.9	3,365.3	3,370.7	3,715.3	3,496.7
Share of equity	**84.9%**	**83.3%**	**85.7%**	**87.8%**	**86.8%**
Calculatetd liabilities	607.0	667.4	563.4	514.9	535.8
Share of liabilities	**14.7%**	**16.5%**	**14.3%**	**12.2%**	**13.3%**
WACC after tax	**6.4%**	**6.2%**	**6.5%**	**7.1%**	**7.8%**

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

T.5 CFROI and CVA	2013 € million	2012 € million	2011 € million	2010 € million	2009* € million
Gross cashflow	**185.2**	**269.4**	**300.1**	**289.7**	**235.0**
Gross investment basis	**1,872.9**	**1,976.7**	**2,053.7**	**1,860.7**	**1,572.8**
Cashflow return on investment (CFROI)	**9.9%**	**13.6%**	**14.6%**	**15.6%**	**14.9%**
CFROI - WACC	**3.5%**	**7.4%**	**8.1%**	**8.4%**	**7.2%**
Cash Value Added (CVA)	**65.0**	**146.5**	**166.8**	**156.7**	**112.5**

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

Compensation Report

Managing Directors

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

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

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

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

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

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

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

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

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

Administrative Board

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

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

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

Risk and Opportunity Management

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

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

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

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

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

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

Risk and Opportunity Categories

Macroeconomic Developments

As an international company, PUMA is directly exposed to global macroeconomic developments. Developments in the broader economy can have a direct impact on consumer behavior. For example, political crises, changes to the legal framework and social influences may have a direct positive or negative effect on consumer behavior.
PUMA counters these risks through geographic diversification and a balanced product portfolio that leaves its own creative mark and should thus set the Company apart from the competition in a positive manner.

Brand Image

As a branded consumer products company, PUMA is well aware of the importance of a strong brand image. PUMA has created an enviable brand image through its innovative and sustainable brand communication. Brand image is extremely important: it can have a positive impact on consumer behavior, but also a negative one to the detriment of the brand.
PUMA came up with a new mission statement in 2013 ("Forever Faster") in order to ensure PUMA's sporting roots are emphasized even further in future and to sharpen its perception as a sports brand. This new mission statement should help to revitalize the PUMA brand and ensure it is kept in the minds of consumers as the "fastest sports brand in the world".

Counterfeit Products

Counterfeit products can damage consumer confidence in the brand substantially and lead to a negative brand image for PUMA.
The PUMA brand's extremely high profile means that product counterfeiters are focusing on it. The fight against brand piracy is one of the top priorities at PUMA. PUMA's intellectual property team does more than just protect a strong global intellectual property portfolio of trademarks, designs and patents. Its global network of brand protection officers, external law firms and private investigation agencies also battles an increasing number of counterfeit products that damage PUMA's image and sales.
In order to counter product piracy effectively, PUMA also works closely with customs and other law- enforcement authorities around the world and provides input regarding the implementation of effective laws to protect intellectual property.

Reporting In the Media

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

Personnel Department

Creative potential, commitment and performance of its employees are important pillars and significant opportunities at the same time for the success of any corporate development. PUMA encourages independent thinking and acting, which is key in a trust-based corporate culture with a flat hierarchy.
PUMA's human-resources strategy seeks to ensure the long-term sustainability of this successful philosophy. To achieve this goal, a control process is in place to detect and assess human-resources risks. Accordingly, special attention has been paid to talent management, identifying key positions and talented individuals, as well as optimum talent placement and succession planning. PUMA has instituted additional national and global regulations and guidelines to ensure compliance with legal provisions.
PUMA will continue to make targeted investments in the human resources need for particular functions or regions in order to meet the future requirement of its corporate strategy.

Procurement Department

Most products are produced in the emerging markets of Asia. Production in these countries is associated with various risks. For instance, certain risks may result from factors such as fluctuations in exchange rates, changes in taxes and customs duties, trade restrictions, natural disasters and political instability. Risks may also result from an overdependence on individual manufacturers.
The portfolio is regularly reviewed and adjusted to avoid creating a dependence on individual suppliers and procurement markets. In order to ensure that the necessary future production capacity will be available, framework agreements are generally concluded for extended periods.
Applying the principles of sustainable development, the PUMA Safe Team was founded 14 years ago to support the optimum integration of environmental protection and social responsibility into PUMA's core business areas and to reconcile these two pillars of sustainable development with economic development.

Product and Market Environment

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

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

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

Retail

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

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

Organizational Challenges

PUMA's decentralized organization supports the Company's global orientation. As PUMA evolves, its organizational structure is becoming ever more complex. To keep pace with this development, the Company has developed an integrated IT, logistics and human resources infrastructure. In addition, business processes will need to be continually optimized and adjusted as the Company grows.

PUMA continued with its transformation and cost reduction program in 2013. From an organizational perspective, it focuses on creating a regional business model as well as warehouse consolidation, for example.

Currency Risks

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

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

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

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

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

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

Currency sensitivity analyses are based on the following assumptions:

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

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

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

Interest Rate Risks

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

Default Risks

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

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

Liquidity Risks

A liquidity reserve in the form of cash or cash equivalents as well as confirmed credit lines is maintained in order to ensure the Company's solvency at all times, its financial flexibility and the presence of a strategic liquidity buffer. Confirmed credit lines are made available until further notice or with a maturity period of less than one year. PUMA continually runs an analysis of short-term capital requirements in the form of a rolling cash flow planning at the level of the individual companies in coordination with the central Treasury. Thanks to the solid liquidity of the PUMA Group and a central financing approach, any capital requirements are covered by internal financing, where and whenever possible. The central Treasury prepares medium-term liquidity planning as part of its budget process.

Capital Risks

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

Risk of Acts of Misconduct

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

Summary

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

Main Features of the Internal Control and Risk Management System as it relates to the Group's Accounting Process

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

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

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

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

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

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

Information Concerning Takeovers

Section 315 (4)(1) HGB

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

Section 315 (4)(3) HGB

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

Section 315 (4)(6) HGB

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

Section 315 (4)(7) HGB

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

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

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

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

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

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

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

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

Supplemental Report and Outlook

Supplemental Report

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

Outlook

Global Economic Situation

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

Outlook

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

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

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

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

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

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

Investments

Investments totaling around € 70 million are planned for 2014. The major portion will go to investments in infrastructure to create the operative preconditions for the planned sustainable growth as well as towards expanding our core markets and selective investments in retail stores.

In addition, there are current purchase price liabilities from corporate acquisitions that could presumably result in a cash outflow of € 0.5 million in 2014.

Foundation for Long-term Growth

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

Corporate Governance Report / Statement on Corporate Governance

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

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

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

1. Particulars of the Single-Tier Corporate Governance Systems

According to Art. 43 – 45 SE-VO, in conjunction with Sections 20 et seq. SEAG, under the single-tier system, management of the SE is the responsibility of a single company organ, the Administrative Board (see Para. 7 of the Code's Preamble). The Administrative Board manages the Company, determines the Company's basic business strategies and monitors the implementation of said strategies by the Managing Directors. The Managing Directors manage the Company's business, represent the Company in and out of court and are bound by instructions from the Administrative Board.
Basically, PUMA SE takes those parts of the Code that used to apply to the Supervisory Board and applies them to the Administrative Board and takes those parts of the Code that used to apply to the Board of Management and applies them to its Managing Directors. The following exceptions apply with respect to the legal framework for the single-tier system:

- In derogation of No. 2.2.1 p.1 of the Code, the Administrative Board must submit the annual financial statements and the consolidated financial statements to the Annual General Meeting, Section 48 (2) p. 2 SEAG.
- In derogation of Nos. 2.3.1 p. 1 and 3.7(3) of the Code, the Administrative Board is responsible for convening the Annual General Meeting; Sections 48 and 22(2) SEAG.
- The duties of the Board of Management listed in Sections 4.1.1 (Corporate Governance), 4.1.2 in conjunction with 3.2 half-sentence 1 (Development of the Company's Strategic Orientation) of the Code are the responsibility of the Administrative Board, Section 22(1) SEAG.
- The powers of the Board of Management governed by Sections 2.3.3 p. 2 (Proxy Bound by Instructions), 3.7(1) (Statement on a Takeover Bid) and 3.7(2) (Conduct

during a Takeover Bid), as well as 3.10 (Corporate Governance Report), 4.1.3 (Compliance) and 4.1.4 (Risk Management and Controlling) of the Code shall be the responsibility of PUMA SE's Administrative Board; Section 22(6) SEAG.

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

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

2. *Exceptions to the Code's Recommendations*

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

→ In derogation of No. 4.2.3(2) p. 6 of the Code in the version dated May 13, 2013, the compensation of the Managing Directors does not show the maximum amount limits in total or their variable compensation components. The employment contracts of the Managing Directors were concluded in accordance with the current version of the Code and are deemed to be proper and correct by PUMA SE.

→ In derogation of No. 4.2.3(5) of the Code in the version dated May 15, 2012, and (6) of the Code in the version dated May 13, 2013, no limits on severance payments for premature termination as a Managing Director due to a change of control have been agreed, because an agreement drawn up in advance would not be able to take into account the specific situation that gave rise to a premature termination or the other circumstances of the individual case of termination.

→ In accordance with the authorization by the Annual General Meeting on April 22, 2008, pursuant to Section 286(5) HGB, the Company did not publish the amounts of compensation for individual Managing Directors until the authorization expired (Sections 4.2.4 and 4.2.5 of the Code). The authorization applies to the Managing Directors.
In accordance with the authorization by the Annual General Meeting on May 07, 2013, pursuant to Section 286(5) HGB, the Company shall not publish the amounts of compensation for individual Managing Directors until the authorization expires (Sections 4.2.4 and 4.2.5 of the Code). The Managing Directors shall adhere to the authorization when they prepare the annual financial statements.
Based on the authorization of the Annual General Meeting, and in derogation of No. 4.2.5 (3) of the Code in the version dated May 13, 2013, the information stated in this Section regarding the compensation of the Managing Directors is not included in the Compensation Report.

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

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

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

Relevant Disclosures of Corporate Governance Practices that are applied beyond the Regulatory Requirements

The Company is managed by the **Administrative Board ("single-tier system")**, which determines the Company's basic business strategies and monitors their implementation by the **Managing Directors**.
In order to ensure that the Company's value will increase in a sustainable way, guidelines have been developed and these have been summarized in PUMAVision (see http://about.PUMA.com under **"Sustainable Development"**). The PUMA "Code of Ethics" and "Code of Conduct" (see http://about.PUMA.com under **"Sustainable Development"**) prescribed ethical standards and environmental standards with which both employees and suppliers are required to comply.

Taking Diversity and our International Culture into Account

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

The members of the Administrative Board have strong international backgrounds. Some of them have international ties of many years' standing all over the world and have amassed extensive international experience through various assignments abroad.
The Administrative Board has established the goal of ensuring that future members of the Board will also have international backgrounds by requiring that proposed candidates to the Administrative Board must also have a strong international background and the relevant networks, international experience and orientation. Likewise, a reasonable percentage of women on the Administrative Board should be guaranteed, if possible, by nominating a corresponding percentage of female candidates.
The Administrative Board prevents potential conflicts of interests of its members by regularly monitoring and critically scrutinizing its members' other activities.
The Administrative Board shall also act to ensure diversity in the composition of the Managing Directors and shall endeavor to ensure that women comprise a reasonable percentage of the Managing Directors. In the future, the inclusion of women amongst the Managing Directors shall be guaranteed in the event of a new appointment, in particular by giving special consideration to women from among several equally qualified applicants. If a position has to be filled by outside candidates, we will take special care to consider properly qualified female candidates.
The same applies when filling management positions. When filling positions, the Managing Directors shall act to ensure diversity and shall endeavor to ensure that women comprise a reasonable percentage of the candidates considered. Today, there are several women in various management positions. In order to include even more women in management positions in the future, PUMA SE is using part-time and half-day models, as well as flexible working hours and the provision of more childcare places to promote a better balance between work and family life.
Members of PUMA SE's Administrative Board, its Managing Directors and other executives have the opportunity to attend appropriate training and continuing education programs.

Description of the Working Practices of the Administrative Board and the Managing Directors and the Composition and Working Practices of their Committees

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

Administrative Board

In accordance with the Articles of Association, the Administrative Board consists of at least three members. The members of the Administrative Board are appointed by the Annual General Meeting, a third of them pursuant to the German Codetermination Act based on binding nominations by employee representatives.
The following individuals were members of the Administrative Board in 2013:

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

The members of the Administrative Board are appointed for a period up to the close of the Annual General Meeting that adopts the resolution approving the actions of the Board for the fourth financial year after the term of office began (the financial year in which the term of office begins is not counted) and no later than six years after the respective Administrative Board member was appointed. Administrative Board members may not be reappointed.
Meetings of the Administrative Board must be held at least every three months. Meetings must also be held if required for the Company's wellbeing or if a member of the Administrative Board demands that a meeting be convened.
The Administrative Board met four times ordinarily and twice extraordinarily in 2013.
The Administrative Board has established various committees to perform its duties and receives regular reports on their work.

Executive Committee

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

Personnel Committee

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

Audit Committee

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

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

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

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

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

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

Sustainability Committee

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

Nominating Committee

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

Herzogenaurach, February 7, 2014

MANAGING DIRECTORS

GULDEN

CAROTI

KÖHLER

LÄMMERMANN

Declaration by the Legal Representatives

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

DECEMBER 31 2013

Consolidated Financial Statements

PUMA SE

International Financial
Reporting Standards – IFRS

Usain Bolt

Consolidated Financial Statements

4 Chapter

T.1 Consolidated Statement of Financial Position

	Notes	31.12.2013 € million	31.12.2012 € million
ASSETS			
Cash and cash equivalents	3	390.1	407.3
Inventories	4	521.3	552.5
Trade receivables	5	423.4	507.0
Income tax receivables	22	70.8	58.1
Other current financial assets	6	38.4	32.9
Other current assets	7	70.1	84.8
Current assets		**1,514.2**	**1,642.6**
Deferred taxes	8	164.2	152.0
Property, plant and equipment	9	212.8	226.8
Intangible assets	10	374.1	463.4
Investments in associates	11	13.9	24.0
Other non-current financial assets	12	15.2	16.9
Other non-current assets	12	14.1	4.5
Non-current assets		**794.3**	**887.6**
Total assets		**2,308,5**	**2,530,3**

	Notes	31.12.2013 € million	31.12.2012 € million
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current financial liabilities	13	25.1	44.1
Trade payables	13	373.1	376.1
Income taxes	22	45.6	54.7
Other current provisions	16	105.4	118.1
Liabilities from acquisitions	17	0.5	2.6
Other current financial liabilities	13	56.2	114.1
Other current liabilities	13	85.0	93.8
Current liabilities		**690.8**	**803.5**
Deferred taxes	8	50.3	54.1
Pension provisions	15	28.1	30.7
Other non-current provisions	16	33.3	38.3
Non-current financial liabilities	13	3.9	0.0
Liabilities from acquisitions	17	2.1	3.3
Other non-current financial liabilities	13	0.2	0.2
Other non-current liabilities	13	2.5	2.9
Non-current liabilities		**120.4**	**129.4**
Subscribed capital	18	38.6	38.6
Group reserves	18	119.0	223.8
Retained earnings	18	1.355.4	1.357.6
Treasury stock	18	-31.4	-31.6
Equity attributable to the shareholders of the parent		**1,481.6**	**1,588.5**
Non-controlling interest	18	15.7	8.9
Shareholders' equity	18	**1,497.3**	**1,597.4**
Total liabilities and shareholders' equity		**2,308.5**	**2,530.3**

T.2 Consolidated Income Statement

Consolidated Income Statement	Notes	2013 € million	2012 € million
Sales	25	**2,985.3**	**3,270.7**
Cost of sales	25	-1,597.8	-1,691.7
Gross profit	25	**1,387.5**	**1,579.0**
Royalty and commission income		20.8	19.2
Other operating income and expenses	20	-1,345.8	-1,485.0
Operating income (EBIT)		**62.5**	**113.2**
Result from associated companies	21	1.3	0.6
Financial income	21	6.2	6.9
Financial expenses	21	-16.2	-8.4
Financial result		**-8.7**	**-0.9**
Earnings before taxes (EBT)		**53.7**	**112.3**
Taxes on income	22	-32.5	-32.5
Consolidated net earnings for the year		**21.2**	**79.8**
attributable to: Non-controlling interest	18	-15.9	-9.6
attributable to: **Equity holders of the parent (net earnings)**		**5.3**	**70.2**
Earnings per share (€)	23	0.36	4.69
Earnings per share (€) - diluted	23	0.36	4.69
Weighted average shares outstanding (in million)	23	14.940	14.967
Weighted average shares outstanding, diluted (in million)	23	14.941	14.968

T.3 Consolidated Statement of Comprehensive Income*

	After tax 2013 € million	Tax impact 2013 € million	Before tax 2013 € million	After tax 2012 € million	Tax impact 2012 € million	Before tax 2012 € million
Net earnings before attribution	**21.2**		**21.2**	**79.8**		**79.8**
Currency changes	-113.3	-2.6	-110.6	-31.5	0.4	-31.9
Cashflow hedge						
Release to the income statement	6.4	-0.1	6.5	-19.8	7.0	-26.8
Market value for cashflow hedges	-3.2	0.1	-3.3	-6.4	0.1	-6.5
Share in the other comprehensive income of at equity accounted investments	0.1		0.1	-0.7		-0.7
Items expected to be reclassified to the income statement in the future	**-109.9**	**-2.7**	**-107.3**	**-58.3**	**7.6**	**-65.9**
Remeasurements of the net defined benefit liability	0.8	-0.3	1.1	-1.6	0.4	-1.9
Items not expected to be reclassified to the income statement in the future	**0.8**	**-0.3**	**1.1**	**-1.6**	**0.4**	**-1.9**
Other result	**-109.1**	**-2.9**	**-106.1**	**-59.9**	**8.0**	**-67.8**
Comprehensive income	**-87.9**	**-2.9**	**-84.9**	**19.9**	**8.0**	**12.0**
attributable to: Non-controlling interest	15.2		15.2	9.4		9.4
Equity holder of the parent	-103.1	-2.9	-100.2	10.6	8.0	2.6

*Presentation adjusted in accordance with revised IAS 1

T.4 Consolidated Statement of Cashflows

	Notes	2013 € million	2012 € million
Operating activities			
Earnings before tax (EBT)		53.7	112.3
Adjustments for:			
Depreciation	9, 10	53.8	76.1
Non-realized currency gains/losses, net		-1.7	1.1
Result from associated companies	11	-1.3	-0.6
Financial income	21	-6.2	-4.4
Financial expenses	21	7.8	8.4
Changes from the sale of fixed assets		0.5	-1.3
Changes to pension accruals	15	-1.9	-2.3
Other cash effected expenses/incomes		125.8	138.4
Gross Cashflow	26	**230.6**	**327.6**
Changes in receivables and other current assets	5, 6, 7	32.9	-5.7
Changes in inventories	4	-9.0	-24.0
Changes in trade payables and other current liabilities	13	-68.9	-61.8
Cash inflow from operating activities		185.6	236.1
Interest paid	21	-6.6	-6.4
Income taxes paid	22	-69.7	-73.0
Net cash from operating activities	26	**109.3**	**156.7**
Investing activities			
Payment for acquisitions	17	-20.6	-91.7
Purchase of property and equipment	9, 10	-55.7	-81.2
Proceeds from sale of property and equipment		2.0	4.3
Changes in other non-current assets	12	-12.0	-0.8
Interest received	21	6.2	4.6
Cash outflow from investing activities		**-80.1**	**-164.9**
Financing activities			
Changes in non-current liabilities	13	0.0	-0.2
Raising/ (-) Repayment of current financial liabilities	13	-12.8	10.1
Raising of non-current financial liabilities	13	3.9	0.0
Dividend payments to equity holders of the parent	18	-7.5	-29.9
Dividend payments to non-controlling interests	18	-8.5	-1.1
Cash outflow from financing activities	26	**-24.8**	**-21.2**
Exchange rate-related changes in cash flow		-21.6	-11.7
Change in cash and cash equivalents		**-17.2**	**-41.0**
Cash and cash equivalents at beginning of the financial year		407.3	448.2
Cash and cash equivalents at the end of the financial year	3, 26	**390.1**	**407.3**

T.5 Statement of Changes in Equity € 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					
December 31. 2011	**38.6**	**187.6**	**66.7**	**6.4**	**19.8**	**0.8**	**1,317.3**	**-32.6**	**1,604.5**	**0.7**	**1,605.2**
Net Earnings							**70.2**		**70.2**	9.6	79.8
Net income directly recognized in equity			-1.6	-31.2	-26.2	-0.7			**-59.6**	-0.2	-59.9
Total comprehensive income			-1.6	-31.2	-26.2	-0.7	**70.2**		**10.6**	9.4	19.9
Dividends paid to equity holders of the parent company / non-controlling interests							**-29.9**		**-29.9**	-1.1	-31.0
Valuation from option programs		3.2				0.0			**3.3**		3.3
Conversion of options		-1.0						1.0	**0.0**		0.0
December 31. 2012	**38.6**	**189.8**	**65.1**	**-24.9**	**-6.4**	**0.2**	**1,357.6**	**-31.6**	**1,588.5**	**8.9**	**1,597.4**
Net Earnings							**5.3**		**5.3**	15.9	21.2
Net income directly recognized in equity			0.8	-112.6	3.2	0.1			**-108.4**	-0.7	-109.1
Total comprehensive income			0.8	-112.6	3.2	0.1	**5.3**		**-103.1**	15.2	-87.9
Dividends paid to equity holders of the parent company / non-controlling interests							**-7.5**		**-7.5**	-8.5	-16.0
Valuation from option programs		3.7							**3.7**		3.7
Conversion of options		-0.1						0.1	**0.0**		0.0
December 31. 2013	**38.6**	**193.3**	**66.0**	**-137.5**	**-3.2**	**0.3**	**1,355.4**	**-31.4**	**1,481.6**	**15.7**	**1,497.3**

Appendix to the Notes to the Consolidated Financial Statements

T.6 Changes in Fixed Assets 2012

	Purchase costs					Accumulated depreciation					Carrying amounts	
	Balance Jan 1, 2012 € million	Currency changes and other changes	Additions/ retransfers	Disposals	Balance Dec 31, 2012 € million	Balance Jan 1, 2012 € million	Currency changes and other changes	Additions/ retransfers[1]	Disposals	Balance Dec 31, 2012 € million	Balance Dec 31, 2012 € million	Balance Dec 31, 2011 € million
PROPERTY, PLANT AND EQUIPMENT												
Land, land rights and buildings including buildings on third party land	172.3	-1.1	2.5	-1.6	172.1	-38.8	0.1	-8.3	1.1	-45.9	126.2	133.5
Technical equipment and machines	9.7	-0.7	2.4	-0.3	11.1	-4.4	0.3	-1.5	0.2	-5.4	5.7	5.3
Other equipment, factory and office equipment	304.1	-3.4	53.2	-43.7	310.2	-210.5	2.8	-52.8	42.4	-218.1	92.1	93.6
Payments on account and assets under construction	2.6	-2.4	3.7	-1.1	2.8						2.8	2.5
	488.7	**-7.6**	**61.8**	**-46.7**	**496.2**	**-253.7**	**3.2**	**-62.6**	**43.7**	**-269.4**	**226.8**	**234.9**
INTANGIBLE ASSETS												
Goodwill	319.3	-6.4	0.1	-3.4	309.6	-20.3	0.1			-20.2	289.4	299.0
Intangible fixed assets with an indefinite useful life	109.9	-2.1	17.6		125.4	0.0				0.0	125.4	109.9
Other intangible fixed assets	104.5	1.0	19.4	-2.7	122.2	-61.2	-1.4	-13.4	2.4	-73.6	48.6	43.3
	533.7	**-7.5**	**37.1**	**-6.1**	**557.2**	**-81.5**	**-1.3**	**-13.4**	**2.4**	**-93.8**	**463.4**	**452.2**

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

T.6 Changes in Fixed Assets 2013

	Purchase costs					Accumulated depreciation					Carrying amounts	
	Balance Jan 1, 2013 € million	Currency changes and other changes	Additions/ retransfers	Disposals	Balance Dec 31, 2013 € million	Balance Jan 1, 2013 € million	Currency changes and other changes	Additions/ retransfers[1]	Disposals	Balance Dec 31, 2013 € million	Balance Dec 31, 2013 € million	Balance Dec 31, 2012 € million
PROPERTY, PLANT AND EQUIPMENT												
Land, land rights and buildings including buildings on third party land	172.1	-2.7	0.9	-2.2	168.1	-45.9	0.8	-10.2	1.8	-53.5	114.6	126.2
Technical equipment and machines	11.1	-1.9	1.0	-1.3	8.9	-5.4	0.9	-1.4	1.3	-4.6	4.3	5.7
Other equipment, factory and office equipment	310.2	-21.2	32.0	-41.5	279.5	-218.1	15.4	-33.8	39.7	-196.8	82.7	92.1
Payments on account and assets under construction	2.8	-2.5	11.0	-0.1	11.2						11.2	2.8
	496.2	**-28.3**	**44.9**	**-45.1**	**467.7**	**-269.4**	**17.1**	**-45.4**	**42.8**	**-254.9**	**212.8**	**226.8**
INTANGIBLE ASSETS												
Goodwill	309.6	-16.8	0.4	-0.6	292.6	-20.2	0.5	-29.9		-49.6	243.0	289.4
Intangible fixed assets with an indefinite useful life	125.4	-4.7			120.7	0.0		-17.6		-17.6	103.1	125.4
Other intangible fixed assets	122.2	0.1	10.8	-22.3	110.8	-73.6	-1.7	-29.6	22.1	-82.8	28.0	48.6
	557.2	**-21.4**	**11.2**	**-22.9**	**524.1**	**-93.8**	**-1.2**	**-77.1**	**22.1**	**-150.0**	**374.1**	**463.4**

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

Notes to the Consolidated Financial Statements

1. General

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

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

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

T.7

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

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

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

T.8

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

* Adjusted by EU endorsement, if applicable

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

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

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

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

2. Significant Consolidation, Accounting and Valuation Principles

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

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

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

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

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

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

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

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

T.9

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

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

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

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

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

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

T.10 *The Group companies are allocated to regions as follows: as of Dezember 31st 2013*

No.	Companies/Legal Entities	Country	Capital	Share-holder	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%
4.	Wilderness Holdings Ltd.	Botswana	Maun	direct	20,1%
5.	PUMA Bulgaria EOOD	Bulgaria	Sofia	indirect	100%
6.	PUMA Sport Hrvatska d.o.o.	Croatia	Zagreb	indirect	100%
7.	PUMA Czech Republic s.r.o.	Czech Republic	Prag	indirect	100%
8.	PUMA Denmark A/S	Denmark	Skanderborg	indirect	100%
9.	PUMA Estonia OU	Estonia	Talin	indirect	100%
10.	PUMA Finland Oy	Finland	Espoo	indirect	100%
11.	Tretorn Finland Oy	Finland	Espoo	indirect	100%
12.	Brandon Oy	Finland	Helsinki	indirect	100%
13.	PUMA FRANCE SAS	France	Illkirch	indirect	100%
14.	PUMA Speedcat SAS	France	Illkirch	indirect	100%
15.	Dobotex France SAS	France	Paris	indirect	100%
16.	PUMA Vertrieb GmbH	Germany	Herzogenaurach	direct	100%
17.	PUMA Sprint GmbH	Germany	Herzogenaurach	direct	100%
18.	PUMA Mostro GmbH	Germany	Herzogenaurach	indirect	100%
19.	Brandon Germany GmbH	Germany	Herzogenaurach	indirect	100%
20.	Dobotex Deutschland GmbH	Germany	Düsseldorf	indirect	100%
21.	PUMA UNITED KINGDOM LTD	Great Britain	Leatherhead	indirect	100%
22.	PUMA Premier Ltd	Great Britain	Leatherhead	indirect	100%
23.	Dobotex UK Ltd	Great Britain	Manchester	indirect	100%
24.	Brandon Merchandising UK Ltd.	Great Britain	London	indirect	100%
25.	Sport Equipm. Hellas S. A. of Footwear, Apparel and Sportswear	Greece	Athens	direct	100%[1]
26.	PUMA Cyprus Ltd.	Cyprus	Nicosia	direct	100%[1]
27.	PUMA Hungary Kft.	Hungary	Budapest	indirect	100%
28.	Tretorn R&D Ltd.	Ireland	Dublin	indirect	100%
29.	PUMA Italia S.r.l.	Italy	Milan	indirect	100%

30.	Dobotex Italia S.r.l.	Italy	Milano	indirect	100%
31.	PUMA Sport Israel Ltd.	Israel	Hertzeliya	indirect	100%
32.	PUMA Baltic UAB	Lithuania	Vilnius	indirect	100%
33.	PUMA Malta Ltd	Malta	St.Julians	indirect	100%
34.	PUMA Blue Sea Ltd	Malta	St.Julians	indirect	100%
35.	PUMA Racing Ltd	Malta	St.Julians	indirect	100%
36.	PUMA Benelux B.V.	Netherlands	Leusden	direct	100%
37.	PUMA International Sports Marketing BV	Netherlands	Leusden	direct	100%
38.	Dobotex International BV	Netherlands	Tilburg	direct	100%
39.	Dobotex BV	Netherlands	s-Hertogenbosch	indirect	100%
40.	Dobo Logic BV	Netherlands	Tilburg	indirect	100%
41.	Dobotex Licensing Holding BV	Netherlands	s-Hertogenbosch	indirect	100%
42.	PUMA Norway AS	Norway	Oslo	indirect	100%
43.	Tretorn Norway AS	Norway	Oslo	indirect	100%
44.	PUMA Polska Spolka z o.o.	Poland	Warsaw	indirect	100%
45.	PUMA Sport Romania s.r.l.	Romania	Bucharest	indirect	100%
46.	PUMA-RUS Ltd.	Russia	Moscow	indirect	100%
47.	PUMA Serbia DOO	Serbia	Belgrade	indirect	100%
48.	PUMA Slovakia s.r.o.	Slovakia	Bratsilava	indirect	100%
49.	PUMA SPORTS DISTRIBUTORS (PTY) LIMITED	South Africa	Cape Town	indirect	100%
50.	PUMA Sports S.A.	South Africa	Cape Town	indirect	100%
51.	PUMA Iberia S.L.U	Spain	Barcelona	direct	100%
52.	Dobotex Spain S.L.	Spain	Barcelona	indirect	100%
53.	Brandon Company AB	Sweden	Gothenburg	direct	100%
54.	Brandon AB	Sweden	Gothenburg	indirect	100%
55.	2Expressions Merchandise Svenska AB	Sweden	Gothenburg	indirect	100%
56.	Hunt Sport AB	Sweden	Helsingborg	indirect	100%
57.	Tretorn AB	Sweden	Helsingborg	direct	100%
58.	PUMA Nordic AB	Sweden	Helsingborg	indirect	100%
59.	Tretorn Sweden AB	Sweden	Helsingborg	indirect	100%
60.	Mount PUMA AG (Schweiz)	Switzerland	Oensingen	direct	100%
61.	PUMA Retail AG	Switzerland	Oensingen	indirect	100%
62.	PUMA Schweiz AG	Switzerland	Oensingen	indirect	100%
63.	Dobotex Switzerland AG	Switzerland	Oensingen	indirect	100%
64.	PUMA Spor Giyim Sananyi ve Ticaret A.S.	Turkey	Istanbul	indirect	100%
65.	PUMA Ukraine Ltd.	Ukraine	Kiew	indirect	100%

66.	PUMA Middle East FZ LLC	United Arab Emirates	Dubai	indirect	100%
67.	PUMA UAE LLC	United Arab Emirates	Dubai	indirect	100%
	Americas				
68.	Unisol S.A.	Argentina	Buenos Aires	direct	100%
69.	PUMA Sports Ltda.	Brazil	Sao Paulo	indirect	100%
70.	PUMA Canada, Inc.	Canada	Montreal	indirect	100%
71.	PUMA CHILE S.A.	Chile	Santiago	direct	100%
72.	PUMA SERVICIOS SPA	Chile	Santiago	indirect	100%
73.	PUMA Mexico Sport S.A. de C.V.	Mexico	Mexico City	direct	100%
74.	Servicios Profesionales RDS S.A. de C.V.	Mexico	Mexico City	indirect	100%
75.	Importaciones RDS S.A. de C.V.	Mexico	Mexico City	direct	100%
76.	Dobotex de Mexico SA de C.V.	Mexico	Mexico City	indirect	100%
77.	Distruibuidora Deportiva PUMA S.A.C.	Peru	Lima	indirect	100%
78.	Distribuidora Deportiva PUMA Tacna S.A.C	Peru	Tacna	indirect	100%
79.	PUMA Retail Peru S.A.C	Peru	Lima	indirect	100%
80.	PUMA Sports LA S.A.	Uruguay	Montevideo	direct	100%
81.	PUMA Suede Holding, Inc.	USA	Westford	indirect	100%
82.	PUMA North America, Inc.	USA	Westford	indirect	100%
83.	Brandon USA, Inc.	USA	Chicago	indirect	100%
84.	Cobra Golf Inc.	USA	Carlsbad	indirect	100%
85.	PUMA Wheat Accessories, Ltd	USA	San Diego	indirect	51%
86.	Janed, LLC	USA	New York	indirect	51%
	Asia/Pacific				
87.	PUMA Australia Pty. Ltd.	Australia	Moorabbin	indirect	100%
88.	White Diamond Australia Pty. Ltd.	Australia	Moorabbin	indirect	100%
89.	White Diamond Properties	Australia	Moorabbin	indirect	100%
90.	Kalola Pty Ltd.	Australia	Moorabbin	indirect	100%
91.	Liberty China Holding Ltd	British Virgin Islands		indirect	100%
92.	Brandon Trading (Shanghai)Ltd.	China	Shanghai	indirect	100%
93.	PUMA China Ltd	China	Shanghai	indirect	100%
94.	Dobotex China Ltd.	China	Shanghai	indirect	100%

95.	Guangzhou World Cat Information Consulting Services Co., Ltd	China	Guangzhou	indirect	100%
96.	World Cat Ltd.	Hongkong		direct	100%
97.	Development Services Ltd.	Hongkong		direct	100%
98.	PUMA Asia Pacific Ltd.	Hongkong		direct	100%
99.	PUMA Hong Kong Ltd	Hongkong		indirect	100%
100.	Dobotex Ltd.	Hongkong		indirect	100%
101.	Brandon Hong Kong Ltd.	Hongkong		indirect	100%
102.	PUMA Sports India Pvt Ltd.	India	Bangalore	indirect	100%
103.	PUMA India Retail Pvt Ltd.	India	Bangalore	indirect	100%[1]
104.	World Cat Sourcing India Ltd.	India	Bangalore	indirect	100%
105.	PUMA JAPAN K.K.	Japan	Tokio	indirect	100%
106.	PUMA Korea Ltd.	Korea	Seoul	direct	100%
107.	Dobotex Korea Ltd.	Korea	Seoul	indirect	100%
108.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Kuala Lumpur	direct	100%
109.	PUMA New Zealand LTD	New Zealand	Auckland	indirect	100%
110.	PUMA Sports Singapore Pte. Ltd.	Singapore		direct	100%
111.	PUMA Taiwan Sports Ltd.	Taiwan	Taipei	indirect	100%[1]
112.	World Cat Vietnam Co. Ltd.	Vietnam	Long An Province	indirect	100%
113.	World Cat Vietnam Sourcing & Development Services Co. Ltd.	Vietnam	Ho Chi Minh City	indirect	100%

[1] subsidiaries which are assigned to be economically 100% PUMA Group

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

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

The significant conversion rates per Euro are as follows:

T.11

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

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

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

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

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

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

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

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

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

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

PROPERTY, PLANT AND EQUIPMENT Property, plant and equipment are stated at acquisition costs, net of accumulated depreciation. The depreciation period depends on the expected useful life of the respective item. The straight-line method of depreciation is applied. The useful life depends on the type of the assets involved. Buildings are subject to a useful life of between ten and fifty years, and a useful life of between three to ten years is assumed for movable assets.

Repair and maintenance costs are recorded as an expense as of the date on which they were incurred. Substantial improvements and upgrades are capitalized to the extent that the criteria for capitalization of an asset item apply.

As a general rule, lease objects, the contractual basis of which is to be classified as a finance lease are shown under property, plant and equipment; initially they are accounted for at fair value or the lower present value of the minimum lease payments and net of accumulated depreciation in subsequent accounting periods.

GOODWILL Goodwill resulting from a business acquisition is calculated based on the difference between the purchase price and the fair value of the acquired asset and liability items. Goodwill from acquisitions is largely attributable to the intangible infrastructure acquired and the associated opportunity to make a positive contribution to corporate value. Goodwill amounts are allocated to the Group's cash-generating units that are expected to benefit from the synergy effects resulting from the business combination.

An impairment test of goodwill per cash-generating unit (usually the countries) is performed once a year as well as whenever there are indicators of impairment and can result in an impairment loss. There is no reversal of an impairment loss for goodwill.

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

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

HOLDINGS IN ASSOCIATED COMPANIES Associated companies represent shareholdings, over which PUMA has a significant influence, but which do not qualify as subsidiaries or joint ventures. Significant influence is generally assumed when PUMA holds, directly or indirectly, at least 20 percent, but less than 50 percent, of the voting rights.
Holdings in associated companies are accounted for using the equity method. Here, the shares are initially recognized at their acquisition cost and are subsequently adjusted for the prorata changes in the Company's net assets that are attributable to PUMA. Any recognized goodwill is shown in the carrying amount of the associated company.
Within the scope of the impairment test, the carrying amount of a company valued at equity is compared with its recoverable amount provided that there is an indication that the asset has decreased in value. If the recoverable amount is lower than the carrying amount, the difference is recorded as an impairment loss. If the reasons for the previously recorded impairment no longer apply, a write-up is recognized in the income statement.

FINANCIAL DEBT, OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES As a general rule, these entries are recognized at their acquisition cost, taking into account transaction costs and subsequently recognized at amortized cost. Non-interest or low-interest-bearing liabilities with a term of at least one year are recognized at present value, taking into account an interest rate in line with market conditions, and are compounded until their maturity at their repayment amount. Liabilities from finance lease agreements are recorded as of the beginning of the lease transaction at the amount of the present value of the minimum lease amount, or at the lower fair value, and are adjusted by the repayment amount of the lease installments.
As a general rule, current financial liabilities also include those long-term loans that that have a maximum residual term of up to one year.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS In addition to defined benefit plans, some companies apply defined contribution plans, which do not result in any additional pension commitment other than the current contributions. The pension provision under defined benefit plans is generally calculated using the projected unit credit method. This method takes into account not only known pension benefits and pension rights accrued as of the reporting date, but also expected future salary and pension increases. The defined benefit obligation (DBO) is calculated by discounting expected future cash outflows at the rate of return on senior, fixed-rate corporate bonds. The currencies and maturity periods of the underlying corporate bonds are consistent with the currencies and maturity periods of the obligations to be satisfied. In some of the plans, the obligation is accompanied by a plan asset. The pension provision shown is reduced by the plan asset.
Revaluations, consisting of actuarial profits and losses, changes resulting from use of the asset ceiling and return on plan assets (without interest on the net debt) are immediately recorded under Other Comprehensive Income and are thus directly included in the balance sheet. The revaluations recorded in Other Comprehensive Income are part of the retained earnings and are no longer reclassified into calculation of profit and loss. Past service costs are recorded as an expense if changes are made to the plan.

OTHER PROVISIONS Provisions are recognized if the Group, as a result of a past event, has a current obligation and this obligation is likely to result in an outflow of resources with economic benefits, the amount of which can be reliably estimated. The provisions are recognized at their settlement value as determined on the basis of the best possible assessment and are not offset by income. Provisions are discounted if the resulting effect is significant.
Provisions for the expected expenses from warranty obligations pursuant to the respective national sales contract laws are recognized at the time of sale of the relevant products, according to the best estimate in relation to the expenditure needed in order to fulfill the Group's obligation.

Provisions are also recognized to account for onerous contracts. An onerous contract is assumed to exist where the unavoidable costs for fulfilling the contract exceed the economic benefit arising from this contract.
Provisions for restructuring measures are also recorded if a detailed, formal restructuring plan has been produced, which has created a justified expectation that the restructuring measures will be carried out by those concerned due to its implementation starting or its major components being announced.

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

EQUITY COMPENSATION PLANS/MANAGEMENT INCENTIVE PROGRAM In accordance with IFRS 2, stock-based compensation systems are recognized at fair value and recorded under personnel costs. PUMA has stock-based compensation systems in the form of stock options (SOP) involving compensation in shares and in the form of virtual shares with cash compensation.
The expenses associated with the SOP are determined from the fair value of the options as of the grant date, without taking into account the impact of non-market-oriented exercise hurdles (e.g. forfeited options if the eligible employee leaves the company prematurely). The expense is recorded by distributing it as personnel costs over the vesting period until the options are vested and is recognized as a capital reserve. Non-market-oriented exercise hurdles are adjusted in accordance with current expectations and the assessment of expected exercisable options is reviewed on each balance sheet date. The resulting gains and losses are recognized in the income statement and recorded through a corresponding adjustment in equity over the remaining period up to the vesting date.
For share-based remunerations with cash compensation, a liability is recorded for the services received and measured with its fair value upon addition. Until the debt is cleared, its fair value is recalculated on every balance sheet date and on the settlement date and all changes to the fair value are recognized in the income statement.

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

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

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

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

FINANCIAL RESULT The financial results include the results from associated companies as well as interest income from financial investments and interest expense from loans. Financial results also include interest expenses from discounted non-current liabilities and from pension provisions that are associated with acquisitions of business enterprises or arise from the valuation of pension commitments.
Exchange rate effects that can be directly allocated to an underlying transaction are shown in the respective income statement item.

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

DEFERRED TAXES Deferred taxes resulting from temporary valuation differences between the IFRS and tax balance sheets of individual Group companies and from consolidation procedures are charged to each taxable entity and shown either as deferred tax assets or deferred tax liabilities. Deferred tax assets may also include claims for tax reductions that result from the expected utilization of existing losses carried forward to subsequent years and which is sufficiently certain to materialize. Deferred tax assets or liabilities may also result from accounting treatments that do not affect net income. Deferred taxes are calcu-

lated on the basis of the tax rates that apply to the reversal in the individual countries and that are in force or adopted as of the balance sheet date.
Deferred tax assets are shown only to the extent that the respective tax advantage is likely to materialize. Value adjustments are recognized on the basis of the past earnings situation and the business expectations for the foreseeable future, if this criterion is not fulfilled.

ASSUMPTIONS AND ESTIMATES The preparation of the consolidated financial statements requires some assumptions and estimates that have an impact on the amount and disclosure of the recognized assets and liabilities, income and expenses, as well as contingent liabilities. The assumptions and estimates are based on premises, which in turn are based on currently available information. In individual cases, the actual values may deviate from the assumptions and estimates made. Consequently, future periods involve a risk of adjustment to the carrying amount of the assets and liabilities concerned. If the actual performance is different from the expected performance, the premises and, if necessary, the carrying amounts of the assets and liabilities concerned will be adjusted and recognized in the income statement.
All assumptions and estimates are continuously reassessed. They are based on historical experience and other factors, including expectations regarding future global and industry-related trends that appear reasonable under the current circumstances. Assumptions and estimates concern, in particular, goodwill, pension obligations, derivative financial instruments and deferred taxes. The most significant forward-looking assumptions and sources of estimation and uncertainty as of the reporting date concerning the above-mentioned items are discussed below.

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

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

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

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

3. Cash and Cash Equivalents

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

4. Inventories

Inventories are allocated to the following main groups:

T.12	2013 € million	2012 € million
Raw materials, consumables and supplies	13.3	11.4
Finished goods and merchandise/inventory		
Footwear	164.4	181.8
Apparel	145.5	163.5
Accessories/Other	85.5	82.8
Goods in transit	112.6	113.1
Total	**521.3**	**552.6**

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

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

5. Trade Receivables

This item consists of:

T.13	2013 € million	2012 € million
Trade receivables, gross	477.3	564.1
less value adjustments	-53.9	-57.1
Trade receivables, net	**423.4**	**507.0**

Allowances for trade receivables developed as follows:

T.14	2013 € million	2012 € million
Status of value adjustments as of January 1	**57.1**	**48.3**
Exchange rate differences	-1.1	0.0
Allocations	13.3	23.3
Utilization	-9.6	-6.8
Reversals	-5.8	-7.7
Status of value adjustments as of December 31	**53.9**	**57.1**

The age structure of the trade receivables is as follows:

T.15

Gross values 2013

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

T.16

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

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

6. Other Current Financial Assets

This item consists of:

T.17

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

7. Other Current Assets

This item consists of:

T.18

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

The amount shown is due within one year. The fair value corresponds to the carrying amount. Other receivables mainly include VAT receivables amounting to € 19.5 million (previous year: € 21.9 million).

8. Deferred Taxes

Deferred taxes relate to the items shown below:

T.19

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

Of the deferred tax assets, € 77.3 million (previous year € 87.7 million) and, from the deferred tax liabilities, € 5.8 million (previous year € 6.0 million) are short term.
As of December 31, 2013, tax losses carried forward amounted to a total of € 455.8 million (previous year: € 334.1 million). This results in a deferred tax asset of € 127.4 million (previous year: € 87.2 million). Deferred tax liabilities were recognized for these items in the amount at which the associated tax advantages are likely to be realized in the form of future profits for income tax purposes. Accordingly, deferred tax receivables for tax losses of € 55.9 million were carried forward (previous year: € 33.6 million) have not been recognized; these are non-forfeitable. In addition, no deferred taxes were recognized for deductible temporary differences amounting to € 11.1 million (previous year: € 13.0 million).
Deferred tax liabilities for withholding taxes from possible dividends on retained earnings of subsidiaries that serve to cover the financing needs of the respective company were not accumulated, since it is most likely that such temporary differences will not be cleared in the near future.

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

T.20	2013 € million	2012 € million
Deferred tax assets	164.2	152.0
Deferred tax liabilities	50.3	54.1
Deferred tax assets, net	**113.9**	**97.9**

The changes in deferred tax assets were as follows:

T.21	2013 € million	2012 € million
Deferred tax assets, previous year	152.0	109.1
Recognition in the income statement	20.4	37.4
Adjustment against other comprehensive income	-8.2	5.5
Deferred tax assets	**164.2**	**152.0**

The changes in deferred tax liabilities were as follows:

T.22	2013 € million	2012 € million
Deferred tax liabilities, previous year	54.1	63.6
Recognition in the income statement	1.5	-7.0
Adjustment against other comprehensive income	-5.3	-2.5
Deferred tax liabilities	**50.3**	**54.1**

9. Property, Plant and Equipment

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

T.23	2013 € million	2012 € million
Land and buildings, including buildings on third-party land	114.6	126.2
Technical equipment and machinery	4.3	5.7
Other equipment, factory and office equipment	82.7	92.1
Assets under constructions	11.2	2.8
Total	**212.8**	**226.8**

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

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

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

10. Intangible Assets

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

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

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

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

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

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

T.24

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

Assumptions used in conducting the impairment test in 2013:

T.25

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

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

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

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

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

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

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

T.26	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
EEA	24.5%-26.3%	9.4%-13.0%	7.6%-10.6%
EEMEA	20.0%-28.0%	16.5%-17.2%	13.0%-13.5%
EMEA	**20.0%-28.0%**	**9.4%-17.2%**	**7.6%-13.5%**
North America	28.3%-39.5%	9.8%-11.4%	7.8%-7.9%
Latin America	18.5%-35.0%	11.3%-33.7%	9.6%-22.6%
Americas	**18.5%-39.5%**	**9.8%-33.7%**	**7.8%-22.6%**
Asia/Pacific	**17.0%-30.0%**	**9.6%-13.3%**	**6.8%-10.6%**

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

11. Holdings in Associated Companies

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

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

T.27	2013 € million	2012 € million
Total assets	78.8	81.8
Total liabilities	42.9	46.5
Shareholders' equity	35.9	35.3
Net sales	120.1	120.3
Net earnings	6.6	3.0

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

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

12. Other Non-Current Assets

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

T.28	2013 € million	2012 € million
Other loans	0.1	0.8
Other financial assets	15.1	16.1
Total of Other Non-current Financial Assets	**15.2**	**16.9**
Other non-current non-financial assets	14.1	4.5
Other Non-Current Assets, Total	**29.3**	**21.4**

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

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

13. Liabilities

The residual terms of liabilities are as follows:

T.29

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

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

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

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

Liabilities to banks can be repaid at any time.

T.30 *Cash flows from Non-derivative and Derivative Financial Liabilities*

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

The following values were determined in the previous year:

T.31 *Cash flows from Non-derivative and Derivative Financial Liabilities*

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

14. Additional Information on Financial Instruments

T.32

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

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

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

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

The market values of derivative assets or liabilities were determined on the basis of Level 2.
Cash and cash equivalents, trade receivables and other assets have a short residual maturity. Accordingly, as of the reporting date, the carrying amount approximates fair value. Receivables are stated at nominal value, taking into account deductions for default risk.
Accordingly, as of the reporting date, the carrying amount of loans receivable approximates fair value.
The fair values of other financial assets correspond to their carrying amount, taking into account prevailing market interest rates. Other financial assets include €15.3 million (previous year: €18.6 million) that were pledged as rental deposits at usual market rates.
Liabilities to banks can be terminated at any time and thus have a short maturity. Accordingly, as of the reporting date, the carrying amount approximates fair value.
Trade payables have a short residual maturity. The recognized values approximate fair value.
Pursuant to the contracts entered into, purchase price liabilities associated with acquisitions of business enterprises lead to prorata payments. The resulting nominal amounts were discounted at a reasonable market interest rate, depending on the expected date of payment. As of the end of the financial year, the market interest rate only affects one company and is 2.3% (previous year: 2.3%).
The fair values of other financial liabilities are determined based on the present values, taking into account the prevailing interest rate parameters.
The fair values of derivatives with hedging relationships as of the balance sheet date are determined taking into account the prevailing market parameters. The discounted result of the comparison of the forward price on the reporting date with the forward price on the valuation date is included in the measurement.

Net income by measurement categories:

T.33	2013 € million	2012 € million
Loans and receivables (LAR)	-8,0	-10,7
Other liabilities (OL)	-8,1	-4,0
Derivatives without hedging relationship	1,4	-1,7
Total	**-14,7**	**-15,4**

The net income was determined by taking into account interest rates, currency exchange effects, impairment losses as well as gains and losses from sales.
General administrative expenses include write-downs of receivables.

15. Pension Provisions

Pension provisions result from employees' claims for benefits, which are based on the statutory or contractual regulations applicable in the respective country, in the event of invalidity, death or when a certain retirement age has been reached. Pension commitments in the PUMA Group include both benefit- and contribution-based pension systems and include both obligations from current pensions and rights to pensions payable in the future. Benefit-based pension systems are financed by bother provisions and funds.
The risks associated with the pension systems mainly concern the usual risks of benefit-based pension plans in relation to possible changes in the discount rate and, to a minor degree, inflation trends and recipient longevity. In order to limit the risks of changed capital market conditions and demographic developments, plans with the maximum obligations were agreed a few years ago in Germany and the UK for new hires.

T.34	Germany € million	UK € million	Other Companies € million	PUMA Group € million
Present Value of Pension Claims 12/31/2013				
Salary-based obligations Annuity	0,0	30,0	8,8	38,8
One-off payment	0,0	0,0	4,0	4,0
Non-salary-based obligations Annuity	19,9	0,0	0,0	19,9
One-off payment	6,0	0,0	0,0	6,0

The main pension regulations are described below:
The general pension regulations of PUMA SE generally provide for pension payments to a maximum amount of € 127.82 per month and per eligible employee. They have been in place for new hires since 1996. In addition, PUMA SE provides individual commitments (fixed sums in different amounts) as well as contribution-based individual commitments (in part from salary conversion). The contribution-based commitments are insured plans. There are no statutory minimum funding requirements. The scope of the obligations attributable to domestic pension claims (PUMA SE) in the end amounts to € 25.9 million and thus accounts for 37.7% of the total obligation. The fair value of the plan assets relative to domestic obligations amounts to € 10.5 million. The corresponding pension provision amounts to € 15.4 million.
The defined benefit plan in the UK has been in place for new hires since 2006. This defined benefit plan includes salary and length of service-based commitments to provide old-age, invalidity and surviving dependents' retirement benefits. Partial capitalization of the old-age pension is permitted. There are statutory minimum funding requirements. The obligations regarding pension claims under the defined benefit plan in the UK amount to € 29.9 million at the end of 2013 and thus accounts for 43.6% of the total obligation. The obligation is covered by assets amounting to € 26.1 million. The provisions amount to € 3.8 million.

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

T.35	2013 € million	2012 € million
Present Value of Pension Claims January 1	**69.4**	**64.4**
Cost of the pension claims earned in the reporting year	2.6	2.6
Past service costs	-0.7	-1.1
(Profits) and losses from settlements	0.0	0.0
Interest expense on pension claims	2.4	2.6
Employee contributions	0.5	0.5
Benefits paid	-3.8	-3.5
Effects from transfers	-0.2	0.0
Actuarial (gains) and losses	-0.4	3.0
Currency exchange effects	-1.1	0.9
Present Value of Pension Claims December 31	**68.8**	**69.4**

The changes in the plan assets are as follows:

T.36	2013 € million	2012 € million
Plan Asset January 1	**38.7**	**34.6**
Interest income on plan assets	1.5	1.6
Actuarial gains and (losses)	0.7	1.1
Employer contributions	2.3	1.8
Employee contributions	0.5	0.5
Benefits paid	-2.5	-1.5
Effects from transfers	0.0	0.0
Currency exchange effects	-0.5	0.6
Plan Asset December 31	**40.7**	**38.7**

The pension provision for the Group is derived as follows:

T.37	2013 € million	2012 € million
Present value of pension claims from benefit plans	68.8	69.4
Fair value of plan assets	-40.7	-38.7
Financing Status	**28.1**	**30.7**
Amounts not recorded due to the maximum limit applicable to assets	0.0	0.0
Pension Provision December 31	**28.1**	**30.7**

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

The changes in pension provisions are as follows:

T.38	2013 € million	2012 € million
Pension Provision January 1	**30.7**	**29.8**
Pension expense	3.0	2.5
Actuarial (gains) and losses recorded in Other Comprehensive Income	-1.1	1.9
Employer contributions	-2.3	-1.8
Direct pension payments made by the employer	-1.5	-2.0
Transfer values	-0.2	0.0
Currency exchange differences	-0.6	0.3
Pension Provision December 31	**28.1**	**30.7**
of which assets	0.0	0.0
of which liabilities	28.1	30.7

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

T.39	2013 € million	2012 € million
Cost of the pension claims earned in the reporting year	2.6	2.6
Past service costs	-0.7	-1.1
Expense from plan settlements	0.0	0.0
Interest expense on pension claims	2.4	2.6
Interest income on plan assets	-1.5	-1.6
Administration costs	0.1	0.0
Expenses for Defined Benefit Plans	**2.9**	**2.5**
Paid Contributions for Defined Contribution Plans	**8.6**	**9.4**
Total Expenses for Old-age Pension	**11.5**	**11.9**
of which personnel costs	10.6	10.9
of which financial costs	0.9	1.0

Actuarial gains and losses recorded in Other Comprehensive Income:

T.40	2013 € million	2012 € million
Revaluation of Pension Commitments	**-0.4**	**3.0**
Actuarial (gains) and losses resulting from changes in demographic assumptions	0.0	1.0
Actuarial (gains) and losses resulting from changes in financial assumptions	0.6	1.0
Actuarial (gains) and losses due to adjustments based on experience	-1.0	1.0
Revaluation of Plan Assets	**-0.7**	**-1.1**
Amounts not recorded due to the maximum limit applicable to assets	0.0	0.0
Total Revaluation Amounts Recorded Directly in Other Comprehensive Income	**-1.1**	**1.9**

Plan asset investment classes:

T.41	2013 € million	2012 € million
Cash and cash equivalents	0.8	0.0
Equity instruments	0.1	6.8
Bonds	9.8	10.6
Investment funds	15.6	8.0
Real estate	3.1	3.1
Insurance	10.6	9.7
Other	0.7	0.5
Total Plan Assets	**40.7**	**38.7**

Of which investment classes with a quoted market price:

T.42	2013 € million	2012 € million
Cash and cash equivalents	0.8	0.0
Equity instruments	0.1	6.8
Bonds	9.8	10.6
Investment funds	15.4	7.8
Real estate	2.6	2.5
Insurance	0.0	0.0
Other	0.0	0.0
Plan Assets with a Quoted Market Price	**28.7**	**27.7**

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

The plan assets are used exclusively to fulfill defined pension commitments. Legal requirements exist in some countries for the type and amount of financial resources that can be chosen; in other countries (for example Germany) they can be chosen freely. In the UK, a

board of trustees made up of Company representatives and employees is in charge of asset management. Its investment strategy is aimed at long-term profits and low volatility.
The following assumptions were used to determine pension obligations and pension expenses:

T.43	2013	2012
Discount rate	3.78%	3.72%
Future pension increases	2.10%	2.05%
Future salary increases	3.90%	3.59%

The indicated values are weighted average values. A standard interest rate of 3.25% was applied for the Euro zone (previous year: 3.5%).
The following overview shows how the present value of pension claims from benefit plans would have been affected by changes to significant actuarial assumptions.

T.44	2013 € million
Effect on present value of pension claims if	
the discount rate were 50 basis points higher	-5.6
the discount rate were 50 basis points lower	5.5

Salary and pension trends have only a negligible effect on the present value of pension claims due to the structure of the benefit plans.
The weighted average duration of pension commitments is 18 years.

16. Other Provisions

T.45	2012	Currency Adjust-ments*	Addition	Utiliza-tion	Reversal	2013
	€ million	€ million	€ million	€ million	€ million	€ million
Provisions for:						
Warranties	**6,8**	3,5	2,0	-1,2	-1,7	**9,4**
Purchasing risks	**6,1**	-0,2	3,9	-4,4	0,0	**5,4**
Restructuring	**95,2**	-1,8	4,8	-59,5	-8,9	**29,8**
Other	**48,3**	-6,5	71,3	-12,9	-6,1	**94,1**
Total	**156,4**	**-5.0**	**82.1**	**-78.0**	**-16.7**	**138.8**

* incl. Retransfers

The warranty provision is determined on the basis of the historical value of sales generated during the past six months. It is expected that the majority of these expenses will fall due within the first six months of the next financial year. The provision for warranties includes non-current provisions € 4.6 million (previous year: € 0.0 million).
Purchasing risks relate primarily to materials and molds that are required for the manufacturing of shoes. The provision will probably result in a payment in the following year.
The provision for restructuring includes expenses associated with the package of measures as part of the company-wide transformation and cost reduction program. The provision for restructuring includes € 7.7 million in non-current provisions (previous year: € 8.1 million).
Other provisions consist primarily of risks associated with legal disputes (€ 32.9 million), provisions for anticipated losses from pending business and other risks. Other provisions include € 21.0 million in non-current provisions (previous year: € 30.2 million).

17. Liabilities from the Acquisition of Business Enterprises

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

The purchase price liability consists of:

T.46	2013 € million	2012 € million
Due within one year	0.5	2.6
Due in more than one year	2.1	3.3
Total	**2.6**	**5.9**

18. Shareholders' Equity

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

Changes in the circulating shares:

T.47		2013	2012
Circulating Shares as of January 1	**Share**	**14,939,279**	**14,934,633**
Conversion from Management Incentive Program	Share	634	4,646
Share buy-back	Share	0	0
Circulating Shares as of December 31	**Share**	**14,939,913**	**14,939,279**

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

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

RESERVE FROM THE DIFFERENCE RESULTING FROM CURRENCY CONVERSION The equity item for currency conversion serves to record the differences from the conversion of the financial statements of subsidiaries with non-Euro accounting compared to the date of first consolidation of the subsidiaries.

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

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

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

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

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

CONDITIONAL CAPITAL Pursuant to the resolution passed by the Annual General Meeting of April 22, 2008, the share capital can be increased by up to €1.5 million through the issuance of up to 600,000 new shares. The contingent capital increase shall be used exclusively for granting subscription rights (stock options) to former members of the Supervisory Board and the Managing Directors of the Company as well as other executives of the company and subordinate associated companies.
As of December 31, 2013, conditional capital was still available in a total amount of €1.5 million (previous year: €1.5 million).

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

Appropriation of the Net Income of PUMA SE:

T.48		2013	2012
Net income of PUMA SE as of December 31	€ million	53.1	85.0
Dividends per share	€	0.50	0.50
Number of circulating shares *	Share	14,939,913	14,939,279
Total dividend *	€ million	7.5	7.5
Carried forward to the new accounting period *	€ million	45.7	77.5

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

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

CAPITAL MANAGEMENT The Group's objective is to retain a strong equity base in order to maintain both investor and market confidence and to strengthen future business performance.
Capital management relates to the consolidated equity of PUMA. This is shown in the consolidated balance sheet as well as the reconciliation statement concerning "Changes in Equity."

19. Equity Compensation Plans/Management Incentive Program

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

EXPLANATION OF "SOP" Pursuant to the resolution of the Annual General Meeting of April 22, 2008, a stock option program, "SOP 2008", was accepted in the form of a "Performance Share Program". Conditional capital was created for this purpose and the Supervisory Board and the Board of Management of PUMA AG (as of July 25, 2011 change of form into SE) were authorized to grant subscription rights to the members of the Board of Management and other executives of the Company and of affiliated subsidiary companies for five years (after the registration of the conditional capital in the commercial register), but for at least three months after the end of the Annual General Meeting in 2013.

The term of the subscription rights issued and to be issued is five years and these subscription rights can be exercised after two years at the earliest, provided, however, that the price of the PUMA share has increased by at least 20% as of the date granted. In contrast to traditional stock option programs, the equivalent amount of the increase in value of the PUMA share since the date granted is serviced with shares, whereby the beneficiary pays an option price of €2.56 per share granted if the share was issued as part of a capital increase. If employees leave the company, their options rights shall expire.

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

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

The following parameters were used to determine the fair value:

T.49 SOP	2008 Tranche I	2008 Tranche II	2008 Tranche III	2008 Tranche IV	2008 Tranche V
Share price as of the date granted	€ 199.27	€ 147.27	€ 250.50	€ 199.95	€ 265.00
Expected volatility	29.1%	47.7%	34.5%	29.2%	26.80%
Expected dividend payment	1.50%	2.31%	1.30%	1.30%	0.80%
Risk-free interest rate, former members of the Board of Management/current Managing Directors	4.60%	1.97%	1.60%	2.40%	0.30%
Risk-free interest rate, executive staff	4.60%	1.97%	1.60%	2.40%	0.30 %

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

Changes in the "SOP" during the financial year:

T.50 SOP	2008 Tranche I	2008 Tranche II	2008 Tranche III	2008 Tranche IV	2008 Tranche V
Issue date	7/21/2008	4/14/2009	4/22/2010	4/15/2011	4/30/2012
Amount issued	113,000	139,002	126,184	151,290	145,375
Exercise price	€ 0.00	€ 0.00	€ 2.56	€ 2.56	€ 2.56
Residual term	0.00 years	0.29 years	1.31 years	2.29 years	3.33 years
Circulating as of 1/1/2013	**1,500**	**2,500**	**98,693**	**103,463**	**114,969**
Exercised	-1,000	-1,000	0	0	0
Ø Share price when exercised	€ 220.83	€ 214.57	n.a.	n.a.	n.a.
Expired	-500	0	0	0	-1,500
Circulating as of 12/31/2013	**0**	**1,500**	**98,693**	**103,463**	**113,469**
Exercisable options as of the reporting date	0	0	0	0	0

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

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

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

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

Pursuant to the allocation, the average fair value per option was €40.14 for "Tranche IV – 2008". Taking into account the vesting period and the expiration, the expenses for the current financial year amount to a total of €0.6 million. A total of 86,463 options belong to

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

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

T.51 *Virtual Shares*

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

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

20. Other Operating Income and Expenses

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

T.52

	2013 € million	2012 € million
Sales and distribution expenses	977.6	1.152.4
Product development/design	80.8	93.9
Administrative and general expenses	305.1	261.5
Other operating expenses	**1,363.5**	**1,507.8**
Other operating income	**17.7**	**22.8**
Total	**1,345.8**	**1,485.0**
Of which systematic depreciation	53.8	59.7
Of which impairment expenses	79.1	16.3

Within the sales and distribution expenses, marketing/retail expenses account for a large proportion of the operating expenses. In addition to advertising and promotional expenses, they also include expenses associated with the Group's retail activities. Other sales and distribution expenses include warehousing expenses and other variable sales and distribution expenses.
Administrative and general expenses include expenses for the statutory auditor of PUMA SE in the amount of €0.6 million (previous year: €0.7 million). Of this, €0.5 million is allocated to auditing expenses (previous year: €0.5 million), €0.1 million to tax advisory services (previous year: €0.1 million) and €0.0 million to other assurance services (previous year: €0.1 million).
Other operating income includes €17.3 million in income from the allocation of development costs (previous year: €20.9 million) and €0.4 million in other income (previous year: €1.9 million).

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

T.53	2013 € million	2012 € million
Wages and salaries	336.6	376.1
Social security contributions	47.5	53.7
Expenses from share-based remuneration with compensation in shares	1.1	2.8
Expenses from share-based remuneration with compensation in cash	0.4	0.0
Expenses for old-age pension and other personnel expenses	39.7	43.4
Total	**425.3**	**476.0**

In addition, cost of sales includes personnel costs in the amount of €18.2 million (previous year: €16.4 m).
The annual average number of full-time employees was as follows:

T.54	2013	2012
Marketing/retail/sales	7,176	7,265
Product development/design	882	935
Administrative and general units	2,692	2,735
Total annual average	**10,750**	**10,935**

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

21. Financial Result

This financial result consists of:

T.55	2013 € million	2012 € million
Income from Associated Companies	**1.3**	**0.6**
Interest income	6.2	4.4
Income from currency conversion differences, net	0.0	2.5
Financial Income	**6.2**	**6.9**
Interest expense	-6.7	-7.2
Interest accrued on purchase price liabilities from acquisitions of business enterprises	-0.1	-0.2
Valuation of pension plans	-1.0	-1.0
Expenses from currency conversion differences, net	-8.4	0.0
Financial Expenses	**-16.2**	**-8.4**
Financial Result	**-8.7**	**-0.9**

Income from associated companies results exclusively from the shareholding in Wilderness Holdings Ltd. (see also paragraph 11).
Interest income results from financial investments.
Interest expenses relate to short-term financing liabilities.
Moreover, the financial result includes €8.4 million in expenses from currency conversion differences (previous year: income of €2.5 million), which are attributable to financing activities.

22. Income Taxes

T.56	2013 € million	2012 € million
Current income taxes		
Germany	10.7	11.9
Other countries	40.7	64.9
Total current income taxes	**51.4**	**76.8**
Deferred taxes	**-18.9**	**-44.3**
Total	**32.5**	**32.5**

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

T.57	2013 € million	2012 € million
Earnings Before Income Tax	**53.7**	**112.3**
Theoretical tax expense		
Tax rate of SE = 27.22% (previous year: 27.22%)	14.6	30.6
Taxation difference with respect to other countries	-4.1	-13.4
Other tax effects:		
Income tax for previous years	-6.7	2.6
Losses and temporary differences, for which no tax claims were recognized	20.5	20.7
Changes in tax rate	0.1	0.9
Non-deductible expenses for tax purposes and non-taxable income and other effects	8.1	-8.9
Effective Tax Expense	**32.5**	**32.5**
Effective tax rate	60.5%	28.9%

The tax effect resulting from items that are directly credited or debited to equity is shown directly in the statement of comprehensive income.
Other effects include withholding taxes in the amount of €9.9 million (previous year: €13.1 million).

23. Earnings per Share

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

T.58		2013	2012
Consolidated net earnings	€ million	5.3	70.2
Average number of circulating shares	in units	14,939,515	14,966,658
Diluted number of shares	in units	14,941,089	14,967,848
Earnings per share	(€)	0.36	4.69
Earnings per share, diluted	(€)	0.36	4.69

24. Management of the Currency Risk

In the 2013 financial year, PUMA designated "forward purchase USD" currency derivatives as cash flow hedges in order to hedge the amount payable of purchases denominated in USD, which is converted to Euros.
The nominal amounts of open rate-hedging transactions, which relate mainly to cash flow hedges, refer to currency forward transactions in a total amount of €581.8 million (previous year: €626.1 million).
Cash flows for the underlying transactions are expected in 2014.

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

T.59	2013 € million	2012 € million
Forward currency contracts, assets (see paragraph 6)	11.6	8.4
Forward currency contracts, liabilities (see paragraphs 13 and 14)	-14.5	-16.1
Net	**-2.9**	**-7.7**

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

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

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

Currency sensitivity analyses are based on the following assumptions:

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

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

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

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

25. Segment Reporting

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

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

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

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

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

Operating Segments 1-12/2013

T.60

Regions	External Sales 1-12 / 2013 € million	External Sales 1-12 / 2012 € million	EBIT 1-12 / 2013 € million	EBIT 1-12 / 2012 € million	Investments 1-12 / 2013 € million	Investments 1-12 / 2012 € million
EMEA	1,125.0	1,213.7	-14.7	0.8	23.6	55.5
Americas	952.0	1,033.3	71.5	96.7	19.7	24.3
Asia/Pacific	576.5	710.3	18.1	34.2	8.5	12.3
Central units/consolidation	331.9	313.4	116.5	159.0	4.3	6.8
Special items			-129.0	-177.5		
Total	2,985.3	3.270.7	62.5	113.2	56.1	99.0

T.61

Regions	Depreciation 1-12 / 2013 € million	Depreciation 1-12 / 2012 € million	Inventories 1-12 / 2013 € million	Inventories 1-12 / 2012 € million	Trade Receivables 1-12 / 2013 € million	Trade Receivables 1-12 / 2012 € million
EMEA	15.8	17.5	248.8	271.2	151.2	192.9
Americas	12.7	13.7	143.7	157.3	142.2	161.7
Asia/Pacific	9.0	10.0	62.8	76.1	74.5	103.4
Central units/consolidation	16.3	18.3	66.1	48.0	55.4	48.9
Total	53.8	59.5	521.3	552.5	423.4	507.0

T.62

Product	External Sales 1-12 / 2013 € million	External Sales 1-12 / 2012 € million	Gross Profit Margin 1-12 / 2013 € million	Gross Profit Margin 1-12 / 2012 € million
Footwear	1,372.1	1,595.2	43.7%	46.5%
Apparel	1,063.8	1,151.9	48.3%	49.8%
Accessories	594.4	523.6	49.8%	50.5%
Total	2,985.3	3,270.7	46.5%	48.3%

T.63 Bridge to EBT

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

26. Notes to the Cash Flow Statement

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

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

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

27. Contingencies and Contingent Liabilities

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

CONTINGENT LIABILITIES As in the previous year, there were no reportable contingent liabilities.

28. Other Financial Obligations

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

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

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

T.64

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

FURTHER OTHER FINANCIAL OBLIGATIONS Furthermore, the Company has other financial obligations associated with license, promotional and advertising agreements, which give rise to the following financial obligations as of the balance sheet date:

T.65

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

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

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

29. Managing Directors and Administrative Board

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

Pursuant to the resolution of the Annual General Meeting of May 7, 2013, the Company was authorized to refrain from disclosures pursuant to Section 285(9)(a) sentences 5 – 8 and Section 314 (1)(6)(a) sentences 5-8 of the HGB with respect to the financial year beginning on January 1, 2013 and all subsequent financial years ending December 31, 2017 at the latest. The Managing Directors and the Administrative Board are of the opinion that the shareholders' justified interest in information is sufficiently accounted for by the disclosure of the total compensation of the Managing Directors. The Administrative Board will ensure that individual compensation is appropriate in accordance with its statutory duties.

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

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

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

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

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

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

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

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

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

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

In accordance with the Articles of Association, each member of the Administrative Board receives fixed annual compensation in the amount of € 25,000. Fixed remuneration is increased by an additional fixed annual amount of € 25,000 for the Chairman of the Admin-

istrative Board, € 12,500 for the Vice Chairman of the Administrative Board, € 10,000 for the Chairman of a committee (with the exception of the Nominating Committee) and € 5,000 for each member of a committee (with the exception of the Nominating Committee).
In addition, each Administrative Board member receives performance-based compensation equal to € 20.00 for each € 0.01 by which the earnings per share figure as disclosed in the consolidated financial statements exceeds a minimum amount of € 16.00 per share. The performance-based compensation amounts to a maximum of € 10,000 per year. The Chairman of the Administrative Board receives twice this amount (maximum € 20,000); the Vice Chairman receives one and a half times this amount (maximum € 15,000) in compensation. Since earnings per share are below the minimum amount in the financial year, no performance-based compensation is paid.

30. Relationships to Related Companies and Parties

In accordance with IAS 24, relationships to related companies and parties that control or are controlled by the PUMA Group must be reported, unless such related parties are already included as consolidated companies in the consolidated financial statements of PUMA SE. Control is defined as the ability to determine an entity's financial and business policies and benefit from its activities.
SAPARDIS SE, Paris, a wholly-owned subsidiary of Kering S.A. (formerly PPR S.A.), presently holds over 75% of the subscribed capital of PUMA SE. Kering S.A. is controlled by Artémis S.A., Paris, which in turn is a wholly-owned subsidiary of Financière Pinault S.C.A., Paris. Consequently, all companies that are directly or indirectly controlled by Artémis S.A. and are not included in the consolidated financial statements of PUMA SE are defined as related companies.
In addition, the disclosure obligation pursuant to IAS 24 extends to transactions with associated companies as well as transactions with other related companies and parties. These include non-controlling shareholders in particular.
Transactions with related companies and parties largely concern the sale of goods and services. These sales were concluded under normal market conditions that are also customary with third parties.

The following overview illustrates the scope of the business relationships:

T.67

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

T.68

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

Receivables from related companies and parties are, with one exception, not subject to value adjustments. Only with respect to the receivables from a non-controlling shareholder and its group of companies were gross receivables in the amount of € 52.2 million adjusted in value for a subsidiary of PUMA SE in Greece as of December 31, 2013 (previous year: € 52.2 million). In the 2013 financial year, expenses in the amount of € 0.0 million (previous year € 0.0 million) were recorded in this regard.
The Managing Directors as well as the members of the Administrative Board of the PUMA Group are related parties within the meaning of IAS 24. The services and compensation of this group of individuals is shown in paragraph 29.

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

31. Corporate Governance

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

32. Events after the Balance Sheet Date

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

33. Declaration by the Legal Representatives

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

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

Herzogenaurach, February 7, 2014

MANAGING DIRECTORS

GULDEN *CAROTI*

KÖHLER *LÄMMERMANN*

Auditor's Certificate

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

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

Our audit has not led to any reservations.

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

Munich, February 12, 2014

**DELOITTE & TOUCHE GMBH
AUDITING COMPANY**

(STADTER)
German Public Auditor

(BESLI)
German Public Auditor

Managing Directors & Administrative Board of PUMA SE /
Report by the Administrative Board

Managing Directors & Administrative Board of PUMA SE / Report by the Administrative Board

5 Chapter

Managing Directors of PUMA SE

BJÖRN GULDEN
(CEO) from July 1, 2013
Membership of other supervisory boards and controlling bodies:
• Tchibo, Hamburg
• Ecornes ASA, Ikornnes/Norway

ANDREAS KÖHLER
(COO)
from June 1, 2013

FRANZ KOCH
(CEO)
until March 31, 2013

MICHAEL LÄMMERMANN
(CFO)

STEFANO CAROTI
(CCO)

REINER SEIZ
(Procurement)
until January 31, 2013

Administrative Board of PUMA SE
Herzogenaurach

JEAN-FRANÇOIS PALUS
(Chairman)
Paris, France
Directeur Général Délégué and member of the Conseil d'Administration of KERING, Paris/France,
responsible for Strategy, Operation and Organization
MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND CONTROLLING BODIES:
KERING AMERICAS, Inc., USA
Volcom Inc., Costa Mesa/USA
L.G.I. S.A., Cadempino/Switzerland
KERING Luxembourg S.A., Luxembourg
Brioni S.p.a., Penne/Italy
KERING TOKYO INVESTMENT LTD (Japan)
POMELLATO S.p.A, Italy
VOLCOM LUXEMBOURG HOLDING SA, Luxembourg
SOWIND GROUP SA, La Chaux-de-Fonds/Switzerland

FRANÇOIS-HENRI PINAULT
(Vice Chairman)
Paris, France
Président-Directeur Général of KERING, Paris/France
MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND CONTROLLING BODIES:
Artémis S.A., Paris/France
Financière Pinault S.C.A., Paris/France
Société Civile du Vignoble de Château Latour S.C., Pauillac/France
Christie's International Ltd., London/United Kingdom
Bouygues S.A., Paris/France
Sowind Group S.A., La Chaux-de-Fonds/Switzerland
Soft Computing S.A., Paris/France
Boucheron Holding S.A.S, Paris/ France
Yves Saint Laurent S.A.S., Paris/ France
KERING HOLLAND N.V. (previously named Gucci Group N.V.), Amsterdam/Netherlands
FNAC S.A., Ivry sur Seine/France (until 6/18/2013)
SAPARDIS SE, Paris/ France
Volcom Inc., Costa Mesa/USA
Stella McCartney Limited, Haywards Heath/West Sussex/United Kingdom
Brioni S.p.a., Italy
KERING INTERNATIONAL LIMITED, London/ United Kingdom

THORE OHLSSON
Falsterbo, Sweden
President of Elimexo AB, Falsterbo/Sweden
MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND CONTROLLING BODIES:
Nobia AB, Stockholm/Sweden
Bastec AB, Malmö/Sweden
Elite Hotels AB, Stockholm/Sweden
Tomas Frick AB, Vellinge/Sweden
Tjugonde AB, Malmö/Sweden
Tretorn AB, Helsingborg/Sweden
Cobra Golf Inc., Carlsbad/USA

TODD HYMEL
Paris, France
COO of the Sport & Lifestyle Division (Pôle Sport & Lifestyle) of KERING, Paris/France
MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND CONTROLLING BODIES:
Volcom Inc., Costa Mesa/California/USA
COBRA GOLF Inc., Wilmington, Delaware/USA

MICHEL FRIOCOURT

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

MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND CONTROLLING BODIES:

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

JEAN-MARC DUPLAIX

Paris, France (since May 8, 2013)
Chief Financial Officer of KERING, Paris/France

MEMBERSHIP OF OTHER SUPERVISORY BOARDS AND CONTROLLING BODIES:

- SAPARDIS SE, Paris/ France
- GPo HOLDING SAS, Paris/ France
- E_Lite SpA, Italy
- KERING Italia SpA, Italy
- POMELLATO SpA, Italy
- KERING JAPAN LTD, Japan
- KERING TOKYO INVESTMENT LTD, Japan
- KERING Luxembourg SA, Luxembourg
- Qeelin Holding Luxembourg, Luxembourg
- e_Kering Lux, Luxembourg

BERND ILLIG

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

MARTIN KÖPPEL

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

GUY BUZZARD

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

Report by the Administrative Board

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

Dear Shareholders,

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

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

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

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

The Administrative Board is convinced that 2014 will mark the start of PUMA's turnaround. Below we will discuss the most important activities of the Administrative Board and its committees from January 1 to December 31, 2013.

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

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

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

FOCUS ON MANAGERIAL, MONITORING AND ADVISORY ACTIVITIES At each individual Administrative Board meeting, in addition to the ongoing business development, there were numerous topics on the agenda that the Administrative Board discussed extensively with the Managing Directors. These discussions did not give rise to any doubts that the Managing Directors were managing the Group in anything other than a lawful and proper manner.
In the last PUMA SE financial year, the focus was primarily on the following topics:

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

To address these topics, the Administrative Board reviewed the Company's financial reports and records.
The Administrative Board has established various committees to perform its duties and receives regular reports on their work.

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

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

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

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

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

Corporate Governance

In the 2013 financial year the Administrative Board discussed the amendments to the German Corporate Governance Code (GCGC), which contains key legal requirements and recommendations for the management and supervision of listed companies and standards for responsible company management. The corporate governance standards have long been a

part of the corporate routine. None of this will change as a result of the single-tier corporate governance system now in place at PUMA.
Pursuant to paragraph 3.10 of the GCGC, the Managing Directors also report to the Administrative Board on corporate governance in the Corporate Governance Report, which is part of the Annual Report. With very few exceptions, the Company satisfies the requirements of the GCGC and discloses these exceptions, as well as deviations from the GCGC resulting from PUMA's single-tier system, in the Statement of Compliance. The Statement of Compliance is available to our shareholders at any time on the Company's website.

Annual Financial Statements Approved

The annual financial statements for PUMA SE prepared by the Managing Directors in accordance with the German Commercial Code (Handelsgesetzbuch/HGB), the Management Report for the 2013 financial year and the consolidated financial statements prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS), as well as the Group Management Report for the 2013 financial year, have been audited by the statutory auditors who were appointed at the Annual General Meeting on May 7, 2013 and commissioned by the Administrative Board to audit the separate annual financial statements and the consolidated financial statements, Deloitte & Touche GmbH, Munich, and have been given an unqualified auditor's opinion.
In their report, the statutory auditors conclude that PUMA's institutionalized risk management system, in accordance with Section 91(2) of the German Stock Corporation Act (Aktiengesetz/AktG), is capable of detecting at an early stage and countering any developments that might jeopardize the continuity of the Company as a going concern. The Administrative Board has been regularly updated by the Managing Directors on all relevant risks in this regard, in particular their assessments of market and procurement risks, financial risks (including currency risks) and organizational risks.
The accounting records, the audit reports from the auditors and the Managing Directors' recommendation on the appropriation of retained earnings were made available to all members of the Administrative Board in a timely manner. At the meeting of the Audit Committee on February 18, 2014 and at the subsequent Administrative Board meeting held on the same day, the auditors reported the key results of their audit and discussed them in detail with the Managing Directors and the members of the Administrative Board. No discrepancies were detected. Further, at today's meeting, the Managing Directors explained to the Administrative Board the disclosures made in the Management Report pursuant to Sections 289(4) and 289(5) and Section 315(4) of the German Commercial Code (HGB).
Following a thorough audit of the annual financial statements for the legal entity, the Management Report, the consolidated financial statements and the Consolidated Management Report, the Administrative Board approved the auditors' results and in accordance with the Audit Committee's recommendation, approved the annual financial statements for the legal entity and the consolidated financial statements for the 2013 financial year, which are thereby adopted.
The Administrative Board likewise agrees with the Managing Directors' proposal to distribute a dividend of €0.50 per share to the shareholders for the 2013 financial year. The dividend will be funded from cash and cash equivalents, which will not jeopardize the Company's liquidity. A total amount of €7.5 million will be paid out in dividends from PUMA SE's retained earnings. The remaining retained earnings of €47.5 million are to be carried forward.

Report on Relationships with Affiliated Companies

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

> *"We have duly examined and assessed the report and hereby certify that:*
> 1. *the information contained in the report is correct;*
> 2. *the payments made by the corporation in the legal transactions listed in the report were not unduly high."*

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

Thanks to the Managing Directors and Employees

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

Herzogenaurach, February 18, 2014

On behalf of the Administrative Board

JEAN FRANÇOIS PALUS

CHAIRMAN

GRI Index
Global Reporting Initiative Index

Guillermo Vilas

GRI Index

6 Chapter

Global Reporting Initiative Index

The Global Reporting Initiative (GRI) has developed detailed guidance materials on sustainability reporting. These guidelines are widely recognized, for example, by the UN Global Compact. Since our first sustainability report “Perspectives”, PUMA has drawn from the GRI Guidelines for producing reports. PUMA achieved an “in accordance” status with the GRI guidelines for our 2005 sustainability report “Momentum”. Since our 2007/2008 PUMAVision Sustainability Report, all of our reports have achieved the highest possible GRI application level, “A+”.

For the fourth time, this report combines our financial and sustainability reports into one document. All financial and non-financial information has been externally verified by Deloitte, our statutory auditors.

This report covers the 2013 reporting period and addresses the further developments of the PUMA sustainability strategy. Going forward, sustainability will have a closer integration into the core business.

For the reporting boundaries in the sustainability section we have chosen the spheres where our influence is greatest. We have reported about our operations and have included data from subsidiaries and joint ventures. 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. Sub-suppliers of our manufacturing partners are included where feasible.

Links to independent sustainability reports issued by our key suppliers compliment our supply chain focus.

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **PUMA SE** has presented its report “PUMA Business and Sustainability Report” (2013) 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 G3.1 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 G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 10 April 2014

A+ GRI REPORT GRI CHECKED

Ásthildur Hjaltadóttir
Director Services
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 25 February 2014. 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	Foreword Björn Gulden	4
1.2	Description of key impacts, risks, and opportunities.	Fully	PUMAs Sustainability Strategy Targets and Scorecard Social Sustainability Economic Report Corporate Strategy Risk and Opportunity Management Corporate Governance Report Materiality Analysis	37 38 44 86 76 105 114 43

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
2. ORGANISATIONAL PROFILE				
2.1	Name of the organization.	Fully	Imprint	191
2.2	Primary brands, products, and/or services.	Fully	Corporate Strategy Product Development and Design [both financial report]	76 79
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Notes to the Consolidated Financial Statements	126
2.4	Location of organization's headquarters.	Fully	Notes to the Consolidated Financial Statements	126
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	Notes to the Consolidated Financial Statements Group Companies Procurement Economic Report	126 129 81 86
2.6	Nature of ownership and legal form.	Fully	Notes to the Consolidated Financial Statements	126
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Partially	Notes to the Consolidated Financial Statements Economic Report Sales All countries with subsidiaries are listed in the notes to the consolidated financial statement. No further explanation given due to confidentiality reasons.	126 86 87
2.8	Scale of the reporting organization.	Partially	Notes to the Consolidated Financial Statements People@PUMA Quantity of products sold not disclosed to confidentiality reasons.	126 63

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Overview 2013 Notes to the Consolidated Financial Statements	73 126
2.10	Awards received in the reporting period.	Fully	Awards and Recognitions 2013	42

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	Notes to the Consolidated Financial Statements GRI Index Calendar year	126 174
3.2	Date of most recent previous report (if any).	Fully	April 2013	
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Annual	
3.4	Contact point for questions regarding the report or its contents.	Fully	Imprint	191
3.5	Process for defining report content.	Fully	PUMAs Sustainability Strategy Materiality Analysis Issues and Highlights 2013 Stakeholder Engagement	37 43 41 58
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance..	Fully	Factory Audit Results Notes to the Consolidated Financial Statements Environmental Management at PUMA Suppliers	44 126 57
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Factory Audit Results Areas of Compliance Failures Climate Change and CO_2 Emissions Environmental Management at PUMA Suppliers	44 45 53 57
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 Audit Results Areas of Compliance Failures Environmental Management of PUMA Suppliers Notes to the Consolidated Financial Statements	44 45 57 126

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
3.9	Data measurement techniques and the bases 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	Social Sustainability Environment GRI Index	44 50 174
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 re-statements of information provided in earlier reports	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	PUMAs Sustainability Strategy Target Overview and Scorecard Factory Building Safety SAVE Closing the Loop InCycle Recycled and Organic Cotton Recycled Polyester	37 38 41 41 60 60 60, 61 60
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Index	174
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	GRI Index Notes to the Consolidated Financial Statements Independent Statutory Auditor's Report (Deloitte)	174 126 69

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.	Partially	Corporate Governance Report	114
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Notes to the Consolidated Financial Statements	126
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	Corporate Governance Report	114
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Corporate Governance Report	114
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	Notes to the Consolidated Financial Statements Employees Compensation Report	126 83 103
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Corporate Governance Report	114
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	PUMAs Sustainability Strategy Organization Governance Board is regularly updated by PUMA.Safe Global Head.	37 40 40

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	PUMAs Sustainability Strategy Target and Scorecard More Sustainable Products Code of Conduct (http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/CodeofConduct.pdf), Code of Ethics (http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/CodeofEthics.pdf)	37 38 60
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	PUMAs Sustainability Strategy Organization Governance Factory Audit Results Social Sustainability Risk and Opportunity Management Board is regularly updated by PUMA.Safe Global Head.	37 40 40 44 44 105
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Compensation Report	103
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Social Sustainability Environment Environmental Management at PUMA Suppliers	44 50 57
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Industry Collaboration Consumer Engagement	58 59
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	Industry Collaboration There is not known funding beyond membership dues.	58
4.14	List of stakeholder groups engaged by the organization.	Fully	Industry Collaboration PUMAs Sustainability Strategy Governance	58 37 40
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Industry Collaboration PUMAs Sustainability Strategy Materiality Analysis	58 37 43
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Partially	Industry Collaboration PUMAs Sustainability Strategy Materiality Analysis Engagement with most stakeholders at least once per year during Annual Stakeholder Dialogue Talks at Banz. As a regular reporter since more than 10 years, PUMA does not differentiate in the stakeholder engagement process between sustainability reporting and overall sustainability strategy and execution.	58 37 43
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	Industry Collaboration PUMAs Sustainability Strategy	58 37

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
ECONOMIC				
DMA EC				
Aspect ECONOMIC PERFORMANCE				
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	Overview 2013 Economic Report Results of Operations Dividends	73 86 91 94
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	E P&L Environment Risk and Opportunity Managemnt More Sustainable Products Reported in PUMAs response to the Carbon Disclosure Project.	50 50 105 60
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Compensation Report Notes to the Consolidated Financial Statements	103 126
EC4	Significant financial assistance received from government.	Fully	No significant assistance received during the reporting period.	
Aspect MARKET PRESENCE				
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not	Not reported as information is deemed proprietary.	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Factory Audit Results Social Sustainability Environmental Management at PUMA Suppliers	44 44 57
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Partially	Dare to be diverse Partially reported as PUMA is a globally operating company with employees of diverse background.	66

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect INDIRECT ECONOMIC IMPACTS				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	Catalyzing Positive Change Partially reported as PUMA does not disclose on the development extent of investments on communities. Community needs assessments have not been conducted.	49
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) Environment Risk and Opportunity Management	 50 105
ECOLOGY				
DMA EC				
Aspect MATERIALS				
EN1	Materials used by weight or volume.	Not	Not applicable as production is outsourced to independent suppliers. Total weight or volume of materials used is not disclosed.	
EN2	Percentage of materials used that are recycled input materials.	Partially	EKPIs Paper Waste and Recycling As PUMA is not directly producing goods, main input material is paper. More detailed information on input materials for production is contained in our Suppliers' own sustainability reports.	55 57 57

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect ENERGY				
EN3	Direct energy consumption by primary energy source.	Partially	Environmental Management at PUMA Environmental Management at PUMA Suppliers E P&L Energy Indirect reported as total energy consumption less total renewable energy consumption	50 57 50 56
EN4	Indirect energy consumption by primary source.	Not	Information is deemed not material. Indirect energy consumption for PUMA entities is reported. Production is outsourced to independent supplier factories.	
EN5	Energy saved due to conservation and efficiency improvements.	Partially	Energy Partially reported as energy saved is listed as part of total energy figures.	56
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	SAVE More Sustainable Products Partially reported as part of the product E-KPIs.	41 60
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	SAVE Environmental Management at PUMA Energy Climate Change and CO_2 Emissions Partially reported as the extent of indirect energy reductions are not reported (not material).	41 50 56 53

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect WATER				
EN8	Total water withdrawal by source.	Partially	Water E P&L Environmental Management at PUMA Not reported by source as it is not considerable for PUMA's operations.	56 50 50
Aspect BIODIVERSITY				
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	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.	
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	Environment Climate Change and CO_2 Emissions E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf)	50 53
EN13	Habitats protected or restored.	Not	No relevant direct impact from PUMA owned entities is identified.	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partially	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.	

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect EMISSIONS, EFFLUENTS AND WASTE				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	E P&L Climate Change and CO_2 Emissions EPKIs Environment Standard used is the Greenhouse Gas Protocol.	50 53 55 50
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	EPKIs Environment	55 50
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	E P&L EPKIs Environment Climate Change and CO_2 Emissions	50 55 50 53
EN19	Emissions of ozone-depleting substances by weight.	Not	Not reported as no significant emissions of ozone-depleting substances were identified.	
EN20	NO_x, SO_x, and other significant air emissions by type and weight.	Partially	E P&L Partially reported because air emissions are not considered significant for PUMA's operations.	50
EN21	Total water discharge by quality and destination.	Partially	Water E P&L Destination, treatment method and reuse of 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.	56 50

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
EN22	Total weight of waste by type and disposal method.	Partially	EKPIs Environment Consumer Engagement (Bring Me Back) Partially reported as detailed information is not material since PUMA has outsourced production to independent supplier factories. Suppliers sustainability reports are more detailed.	55 50 59
EN23	Total number and volume of significant spills.		No significant spills known during report period.	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	No internationally shipped hazardous waste is known of.	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	Not reported as no material effects on water bodies and related habitats due to discharges of water and runoff. See E P&L (http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf) for further information.	
Aspect PRODUCTS AND SERVICES				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		SAVE More Sustainable Products Industry Collaboration Environment Water InCycle E P&L Targets and Scorecard Waste and Recycling Indirectly reported as we report average EKPIs of our products.	41 60 58 50 56 60 50 38 57

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	Consumer Engagement Partially reported. Product reclaim system bring back bins, and susatinable packaging clever little bag. Data collection via I:CO.	59
Aspect COMPLIANCE				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not	No (non-) monetary value of significant fines and sanctions known of.	
Aspect TRANSPORT				
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	Materials Analysis Climate Change and CO_2 Emissions	43 53
Aspect OVERALL				
EN30	Total environmental protection expenditures and investments by type		Proprietary information. No disclosure of PUMA's environmental protection expenditures and investments.	

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Social: LABOR PRACTICES AND DECENT WORK				
DMA LA				
Aspect EMPLOYMENT				
LA1	Total workforce by employment type, employment contract, and region.	Partially	Dare to be diverse GRI Index As the gender distribution in the workforce is nearly equally split the gender reference is not material (46,33% female, 53,67% male for total workforce).	66 174
LA2	Total number and rate of employees turnover by age group, gender, and region.	Partially	Dare to be diverse Information is deemed not material. Total employee turnover and overall range of turnover are collected and reported.	66
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	No differences between full time and part time employees.	
LA15	Return to work and retention rates after parental leave, by gender.	Not	Information is deemed not material.	
Aspect LABOR/MANAGEMENT RELATIONS				
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Working Environment	66
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	Not reported due to significant differences from country to country according to respective legal obligations. Legal requirements are followed.	

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect OCCUPATIONAL HEALTH AND SAFETY				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	Not reported due to significant differences from country to country according to respective legal obligations.	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	Occupational Health and Safety Partially reported as occupational disease rate and minor injuries are not significant (not material)..	67
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Partially	Organizational Wellbeing Partially reported as counseling programs on serious diseaseas are considered not significant to PUMA's operations and production is outsourced	68
LA9	Health and safety topics covered in formal agreements with trade unions.	Not	Health and safety topics covered in formal agreements with trade unions.	
Aspect TRAINING AND EDUCATION				
LA10	Average hours of training per year per employee by employee category.	Not	People@PUMA GRI Index Fully reported are total training hours and amount of trained employees. (Average per employee per year: 7,29h)	63 174
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Not	Not reported as such programs are locally managed and not considered highly significant to PUMA's operations.	
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	People@PUMA	63

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect DIVERSITY AND EQUAL OPPORTUNITY				
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 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. The total workforce by gender category can be found in LA1.	63
LA14	Ratio of basic salary of men to women by employee category.	Not	We do not report this disclosure item as the information is proprietary.	

Social: HUMAN RIGHTS

DMA HR

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect INVESTMENT AND PROCUREMENT PRACTICES				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Fully	Social Sustainability Factory Audit Results Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf)	44 44
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	Social Sustainability Factory Audit Results Sustainability Reporting of PUMA Suppliers Code of Conduct (http://safe.puma.com/us/en/wp-content/uploads/CoC_English_Finalx.pdf), Supplier Sustainability Reporting (http://about.puma.com/puma-commits-its-strategic-suppliers-to-sustainability-reporting/)	44 44 58

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not	Not applicable as human rights aspects are covered within general trainings as well as for related staff (e.g. sourcing) on the job and in dedicated meetings.	
Aspect NON-DISCRIMINATION				
HR4	Total number of incidents of discrimination and actions taken.	Not	People@PUMA Areas of Compliance Failure Covered for suppliers, for PUMAs own entities not material.	63 45
Aspect FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
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	Areas of Compliance Failure Resolution of Complaints Industry Collaboration	45 48 58
Aspect CHILD LABOR				
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	Factory Audit Results Areas of Compliance Failure Issues and Highlights 2013	44 45 41
Aspect FORCED AND COMPULSORY LABOR				
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	Factory Audit Results Areas of Compliance Failure Industry Collaboration	44 45 58
Aspect SECURITY PRACTICES				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	Not relevant because PUMA's security personnel is not involved in supplier monitoring. Own operations do not pose significant risks in terms of human rights abuses.	

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect INDIGENOUS RIGHTS				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	No incident of violations involving rights of indigenous people were identified.	
Aspect ASSESSMENT				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	Factory Audit results	44
Aspect REMEDIATION				
HR11	"Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."	Partially	Areas of Compliance Failure Factory Audit Results Resolution of Complaints PUMA Board Member visit Cambodia Minister of Commerce in Support of Justice for Factory Shooting Partially reported. Only total number of grievances is reported. Not applicable for the Factory Shooting in Cambodia as final responsibility for resolution is unfortunately not in our hands but with the Royal Government of Cambodia.	45 44 48 48

SOCIETY

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect COMMUNITY				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Not	Stakeholder Engagement Social Sustainability Factory Audits Results Areas of Compliance Failure Resolution of Complaints Only qualitative data is reported	58 44 44 45 48
SO9	Operations with significant potential or actual negative impacts on local communities.	Not	SAVE E P&L No material as production is outsourced. For more information see Sustainability Reporting of our Suppliers (http://about.puma.com/category/sustainability/sustainability-report/)	41 50
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	SAVE Industry collaboration Consumer Engagement Sustainability Reporting of PUMA Suppliers Environment Code of Conduct Code of Ethics Handbooks & Standards (http://about.puma.com/category/sustainability/puma-standard/)	41 58 59 58 50
Aspect CORRUPTION				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Not	Code of Ethics (http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/CodeofEthics.pdf) KERING Code of Ethics (http://www.kering.com/en/sustainability/governance) No incident of corruption was identified for the reporting period.	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Not	People@PUMA KERING Code of Ethics (http://www.kering.com/en/sustainability/governance) KERING Ethics E-Learning Module was launched in Q1 of 2014 and rolled out to all employees in KERING group. Percentage of total employees trained is tracked by KERING. The percentage of total PUMA employees which completed the training is tracked internally by KERING.	63
SO4	Actions taken in response to incidents of corruption.	Not	KERING Code of Ethics (http://www.kering.com/en/sustainability/governance) No incident of corruption was identified for the reporting period.	
Aspect POLICY				
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Industry Collaboration Issues and Highlights 2013 PUMA is committed to encouraging sustainable development. See German Council for Sustainable Development for further information on our engagement.	58 41
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not	No contributions were identified.	
Aspect ANTI-COMPETITIVE BEHAVIOR				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not	No legal actions were identified.	

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect COMPLIANCE				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not	No fines or sanctions identified during the reporting period.	
PRODUCT RESPONSIBILITY				
Aspect CUSTOMER HEALTH AND SAFETY				
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.	Fully	More Sustainable Products RSL ZDHC InCycle Closing the Loop Recycled Cotton Recycled Polyester	60 51 51 60 60 60 60
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	RSL Statistic No incident of non-compliance was identified.	51
Aspect PRODUCT AND SERVICE LABELLING				
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.	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Fully	No incident of non-compliance was identified.	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Not	Not reported as exact data was not collected.	

Indicator (Core/Add)	Description	Reporting	Cross-reference and Comment	Page
Aspect MARKETING COMMUNICATIONS				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Partially	Code of Ethics (http://about.puma.com/wp-content/themes/aboutPUMA_theme/media/pdf/CodeofEthics.pdf) Partially reported as no incident of non-compliance related to marketing communications was identified (not material).	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	No incident of non-compliance identified.	
Aspect CUSTOMER PRIVACY				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	No substantiated complaints were identified.	
Aspect COMPLIANCE				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		No fines for non-compliance were identified during the reporting period.	

Further Information

7 Chapter

PUMA Year-on-Year Comparison

T.1

	2013 € million	2012 € million	Deviation
Sales			
Brand sales	**3,178.8**	3,448.6	-7.8%
Consolidated sales	**2,985.3**	3,270.7	-8.7%
Result of operations			
Gross profit	**1,387.5**	1,579.0	-12.1%
EBIT [1]	**191.4**	290.7	-34.1%
EBT	**53.7**	112.3	-52.1%
Net earnings	**5.3**	70.2	-92.4%
Profitability			
Gross profit margin	**46.5%**	48.3%	-1.8%pt
EBT margin	**1.8%**	3.4%	-1.6%pt
Net margin	**0.2%**	2.1%	-1.9%pt
Return on capital employed (ROCE)	**5.6%**	8.6%	-3.0%pt
Return on equity (ROE)	**0.4%**	4.4%	-4.0%pt
Balance sheet information			
Shareholders' equity	**1,497.3**	1,597.4	-6.3%
- Equity ratio	**64.9%**	63.1%	1.8%pt
Working capital	**528.4**	623.7	-15.3%
- in % of Consolidated sales	**17.7%**	19.1%	-1.4%pt

	2013 € million	2012 € million	Deviation
Cash flow and investments			
Gross cash flow	**230.6**	327.6	-29.6%
Free cash flow (before acquisition)	**49.8**	83.5	-40.4%
Investments (before acquisition)	**55.7**	81.2	-31.4%
Acquisition investments	**20.6**	91.7	-77.5%
Value management			
Cash flow Return on Investment (CFROI)	**9.9%**	13.6%	-3.7%pt
Absolute value contribution	**65.0**	146.5	-55.6%
Employees			
Number of employees (annual average)	**10,750**	10,935	-1.7%
Sales per employee (k€)	**277.7**	299.1	-7.2%
PUMA share			
Share price (in €)	**235.00**	224.85	4.5%
Average outstanding shares (in million)	**14,940**	14,967	-0.2%
Number of shares outstanding (in million)	**14,940**	14,939	0.0%
Earnings per share (in €)	**0.36**	4.69	-92.4%
Market capitalization	**3,511**	3,359	4.5%
Average trading volume (amount/day)	**11,086**	24,738	-55.2%

1) EBIT before special items

PUMA Group Development *(page 1)*

T.2	2013 € million	2012 € million	2011 € million	2010 € million	2009* € million	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million	2003 € million
Sales											
Brand sales	**3,178.8**	3,448.6	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
- Change in %	**-7.8%**	8.7%	10.8%	9.8%	-5.8%	1.1%	-0.6%	15.4%	18.4%	19.2%	22.6%
Consolidated sales	**2,985.3**	3,270.7	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
- Change in %	**-8.7%**	8.7%	11.2%	10.6%	-3.0%	6.3%	0.2%	33.3%	16.2%	20.1%	40.0%
- Footwear	**1,372.1**	1,595.2	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
- Apparel	**1,063.8**	1,151.9	1,035.6	941.3	846.2	899.3	827.3	795.4	473.9	416.0	337.0
- Accessories	**549.4**	523.6	433.9	340.3	279.4	190.6	158.3	153.8	128.6	102.9	77.7
Result of operations											
Gross profit	**1,387.5**	1,579.0	1,493.4	1,344.8	1,243.1	1,306.6	1,241.7	1,199.3	929.8	794.0	620.0
- Gross profit margin	**46.5%**	48.3%	49.6%	49.7%	50.8%	51.8%	52.3%	50.6%	52.3%	51.9%	48.7%
Royalty and commission income	**20.8**	19.2	17.6	19.1	20.6	25.7	35.6	37.0	55.7	43.7	40.3
EBIT[1]	**191.4**	290.7	333.2	337.8	299.7	350.4	372.0	368.0	397.7	359.0	263.2
- EBIT margin	**6.4%**	8.9%	11.1%	12.5%	12.2%	13.9%	15.7%	15.5%	22.4%	23.5%	20.7%
EBT	**53.7**	112.3	320.4	301.5	138.4	326.4	382.6	374.0	404.1	364.7	264.1
- EBT margin	**1.8%**	3.4%	10.6%	11.1%	5.7%	12.9%	16.1%	15.8%	22.7%	23.8%	20.7%
Net earnings	**5.3**	70.2	230.1	202.2	79.6	232.8	269.0	263.2	285.8	258.7	179.3
- Net margin	**0.2%**	2.1%	7.6%	7.5%	3.3%	9.2%	11.3%	11.1%	16.1%	16.9%	14.1%
Expenses											
Marketing/retail	**544.1**	609.3	550.7	501.3	501.2	528.6	448.3	439.5	285.3	223.5	169.7
Product development/design	**80.7**	84.9	77.0	63.6	58.1	55.1	58.1	57.3	42.5	37.2	30.3
Personnel	**415.7**	438.8	393.8	354.1	320.2	306.4	278.0	265.7	199.4	163.4	126.6

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.2	2013 € million	2012 € million	2011 € million	2010 € million	2009* € million	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million	2003 € million
Balance sheet											
Total assets	**2,308.5**	2,530.3	2,581.8	2,366.6	1,925.0	1,898.7	1,863.0	1,714.8	1,321.0	942.3	700.1
Shareholders' equity	**1,497.3**	1,597.4	1,605.2	1,386.4	1,133.3	1,177.2	1,154.8	1,049.0	875.4	550.2	383.0
- Equity ratio	**64.9%**	63.1%	62.2%	58.6%	58.9%	62.0%	62.0%	61.2%	66.3%	58.4%	54.7%
Working capital	**528.4**	623.7	534.0	404.5	323.2	436.4	406.5	401.6	255.7	148.4	155.7
- thereof: inventories	**521.3**	552.5	536.8	439.7	344.4	430.8	373.6	364.0	238.3	201.1	196.2
Cash flow											
Free cash flow	**29.2**	-8.2	16.8	17.1	167.3	85.8	208.8	10.4	134.4	256.6	107.4
Net cash position	**361.1**	363.2	413.1	436.8	437.3	325.3	461.2	393.6	430.4	356.4	173.8
Investments (incl. acquisitions)	**76.3**	172.9	115.3	163.6	136.3	144.1	112.9	153.9	79.8	43.1	57.3
Profitability											
Return on equity (ROE)	**0.4%**	4.4%	14.3%	14.6%	7.0%	19.8%	23.3%	25.1%	32.6%	47.0%	46.8%
Return on capital employed (ROCE)	**5.6%**	8.6%	28.7%	31.7%	20.3%	41.0%	54.8%	58.0%	96.7%	156.5%	120.7%
Cash flow return on investment (CFROI)	**9.9%**	13.6%	14.6%	15.6%	14.9%	21.7%	22.4%	24.0%	32.0%	42.1%	43.5%
Additional information											
Number of employees (year-end)	**10,982**	11,290	10,836	9,697	9,646	10,069	9,204	7,742	5,092	3,910	3,189
Number of employees (annual average)	**10,750**	10,935	10,043	9,313	9,747	9,503	8,338	6,831	4,425	3,475	2,826
PUMA share											
Share price (in €)	**235.00**	224.85	225.00	248.00	231.84	140.30	273.00	295.67	246.50	202.30	140.00
Earnings per share (in €)	**0.36**	4.69	15.36	13.45	5.28	15.15	16.80	16.39	17.79	16.14	11.26
Average outstanding shares (in million)	**14.940**	14.967	14.981	15.031	15.082	15.360	16.018	16.054	16.066	16.025	15.932
Number of shares outstanding (in million)	**14.940**	14.939	14.935	14.981	15.082	15.082	15.903	16.114	15.974	16.062	16.059
Market capitalization	**3,511**	3,359	3,360	3,715	3,497	2,116	4,342	4,764	3,938	3,249	2,248

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

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