

**Explanatory Report of the PUMA AG Rudolf Dassler Sport Board of Management  
pursuant to Section 175 (2) AktG concerning Takeover-Related Disclosure  
Requirements pursuant to Sections 289 (4), 315 (4) HGB  
as of the December 31, 2007 Balance Sheet Date**

In the context of implementing the European Transparency Directive, [Transparenzrichtlinie], German legislation introduced Sections 289 (4), 315 (4) into the German Commercial Code [HGB]. The disclosures required pursuant to these sections are contained in both the management report and the group management report of PUMA AG. In this way, parties that are potentially interested in taking over PUMA AG are to be provided with company information that is relevant to such a take-over.

The relations and conditions which we stated in the management report and the group management report are consistent with those that actually existed in the financial year ended. Specifically, the information provided concerns subscribed capital, direct and indirect capital participations that exceed 10% of the voting rights as well as legal provisions and regulations stipulated in the Company's Articles of Incorporation with respect to the appointment and dismissal of Management Board members, and changes in the Articles of Incorporation, as well as the authorisations of the Management Board, in particular the authorisation to issue or repurchase shares of stock.

The Articles of Incorporation also define the composition of subscribed capital and the rights pertaining to the bearer shares issued by the Company. We were informed on January 11, 2008, that SAPARDIS S.A. holds 63.05% (represents 63.55 % of outstanding shares) of the voting rights or the subscribed capital of PUMA AG as of December 31, 2007. In conformity with the relevant provisions of the Stock Corporation Act as referred to in the management report and group management report, Management Board members are appointed and dismissed by the Supervisory Board. The Articles of Incorporation do not deviate from this provision. A change in the Articles of Incorporation requires a resolution by the shareholders' meeting with a majority of at least three quarters of the share capital represented when the resolution is passed. Pursuant to the Articles of Incorporation, the Supervisory Board is authorised to adjust the version of the Articles of Incorporation.

On the basis of the authorisation resolutions adopted within the scope of the shareholders' meeting, the Company's Board of Management is authorised to issue or repurchase shares. In particular, authorisation resolutions were passed on April 11, 2007 governing an increase in share capital by a total of up to € 15.0 million (Authorised Capital I and II), split up into up to € 7.5 million, respectively, and the acquisition of PUMA AG shares by up to 10% of the share capital.

The other disclosures required pursuant to Sections 289 (4), 315 (4) HGB concern circumstances that do not exist at PUMA AG, and are therefore not dealt with either in the management report or in the group management report. Neither voting right limitations exist nor are there any voting right controls by employees participating in the Company's capital. The Company has not concluded compensation agreements with Management Board members and employees that apply in the event of a take-over bid and there are no shares equipped with special rights with vested control authorisations.

Herzogenaurach, February 11, 2008

Board of Management

**Zeitz**

**Harris-Jensbach**

**Bock**

Deputy Board of Management

**Bertone**

**Seiz**