Annual Report **2009**

PUMA®
puma.com

PUMA Year-on-Year Comparision

	2009 € million	2008 € million	Deviation
Sales			
Brand sales	**2,621.0**	2,767.9	-5.3%
Consolidated sales	**2,460.7**	2,524.2	-2.5%
Result of operations			
Gross profit	**1,262.4**	1,306.6	-3.4%
EBIT [1)]	**320.2**	350.4	-8.6%
EBT	**184.1**	326.4	-43.6%
Net earnings	**128.2**	232.8	-44.9%
Profitability			
Gross profit margin	**51.3%**	51.8%	-0.5%pt
EBT margin	**7.5%**	12.9%	-5.5%pt
Net margin	**5.2%**	9.2%	-4.0%pt
Return on capital employed (ROCE)	**41.4%**	41.0%	0.4%pt
Return on equity (ROE)	**10.3%**	19.8%	-9.5%pt
Balance sheet information			
Shareholders' equity	**1,239.8**	1,177.2	5.3%
- Equity ratio	**61.6%**	62.0%	-0.4%pt
Working capital	**393.1**	436.4	-9.9%
- in % of Consolidated sales	**16.0%**	17.3%	-1.3%pt
Cashflow and investments			
Gross cashflow	**373.2**	391.1	-4.6%
Free cashflow (before acquisition)	**255.8**	110.7	131.1%
Investments (before acquisition)	**54.5**	119.2	-54.3%
Acquisition investment	**84.4**	24.9	238.9%
Value management			
Cashflow Return on Investment (CFROI)	**17.2%**	21.7%	-4.5%pt
Absolute value contribution	**154.7**	200.0	-22.6%
Employees			
Employees on yearly average	**9.747**	9.503	2.6%
Sales per employee (T€)	**252.5**	265.6	-4.9%
PUMA share			
Share price (in €)	**231.84**	140.30	65.2%
Average outstanding shares (in million)	**15.082**	15.360	-1.8%
Number of shares outstanding (in million)	**15.082**	15.082	0.0%
Earnings per share (in €)	**8.50**	15.15	-43.9%
Market capitalization	**3,497**	2,116	65.2%
Average trading volume (amount/day)	**38,996**	57,310	-32.0%

1) EBIT before special items

PUMA Group Development

	2009 € million	2008 € million	2007 € million	2006 € million	2005 € million	2004 € million	2003 € million	2002 € million	2001 € million	2000 € million	1999 € million
Sales											
Brand sales	**2,621.0**	2,767.9	2,738.8	2,755.1	2,387.0	2,016.6	1,691.5	1,380.0	1,011.7	831.1	714.9
- Change in %	**-5.3%**	1.1%	-0.6%	15.4%	18.4%	19.2%	22.6%	36.4%	21.7%	16.2%	10.4%
Consolidated sales	**2,460.7**	2,524.2	2,373.5	2,369.2	1,777.5	1,530.3	1,274.0	909.8	598.1	462.4	372.7
- Change in %	**-2.5%**	6.3%	0.2%	33.3%	16.2%	20.1%	40.0%	52.1%	29.3%	24.1%	23.2%
- Footwear	**1,327.8**	1,434.3	1,387.9	1,420.0	1,175.0	1,011.4	859.3	613.0	384.1	270.9	209.0
- Apparel	**852.9**	899.3	827.3	795.4	473.9	416.0	337.0	238.5	169.5	163.5	139.0
- Accessories	**280.0**	190.6	158.3	153.8	128.6	102.9	77.7	58.3	44.5	28.0	24.7
Result of operations											
Gross profit	**1,262.4**	1,306.6	1,241.7	1,199.3	929.8	794.0	620.0	396.9	250.6	176.4	141.7
- Gross profit margin	**51.3%**	51.8%	52.3%	50.6%	52.3%	51.9%	48.7%	43.6%	41.9%	38.2%	38.0%
Royalty and commission income	**20.6**	25.7	35.6	37.0	55.7	43.7	40.3	44.9	37.2	28.9	23.9
EBIT [1)]	**320.2**	350.4	372.0	368.0	397.7	359.0	263.2	125.0	59.0	22.8	16.3
- EBIT margin	**13.0%**	13.9%	15.7%	15.5%	22.4%	23.5%	20.7%	13.7%	9.9%	4.9%	4.4%
EBT	**184.1**	326.4	382.6	374.0	404.1	364.7	264.1	124.4	57.4	21.2	14.4
- EBT margin	**7.5%**	12.9%	16.1%	15.8%	22.7%	23.8%	20.7%	13.7%	9.6%	4.6%	3.9%
Net earnings	**128.2**	232.8	269.0	263.2	285.8	258.7	179.3	84.9	39.7	17.6	9.5
- Net margin	**5.2%**	9.2%	11.3%	11.1%	16.1%	16.9%	14.1%	9.3%	6.6%	3.8%	2.6%
Expenses											
Marketing/retail	**494.1**	528.6	448.3	439.5	285.3	223.5	169.7	125.1	86.9	67.0	61.0
Product development/design	**58.1**	55.1	58.1	57.3	42.5	37.2	30.3	24.2	19.9	18.2	15.2
Personnel	**320.2**	306.4	278.0	265.7	199.4	163.4	126.6	103.0	81.1	64.4	51.5
Balance sheet											
Total assets	**2,014.1**	1,898.7	1,863.0	1,714.8	1,321.0	942.3	700.1	525.8	395.4	311.5	266.6
Shareholders' equity	**1,239.8**	1,177.2	1,154.8	1,049.0	875.4	550.2	383.0	252.2	176.7	131.3	112.2
- Equity ratio	**61.6%**	62.0%	62.0%	61.2%	66.3%	58.4%	54.7%	48.0%	44.7%	42.1%	42.1%
Working capital	**393.1**	436.4	406.5	401.6	255.7	148.4	155.7	114.0	110.3	78.8	76.6
- thereof: inventories	**348.5**	430.8	373.6	364.0	238.3	201.1	196.2	167.9	144.5	95.0	85.1
Cashflow											
Free Cashflow	**171.4**	85.8	208.8	10.4	134.4	256.6	107.4	100.1	3.0	9.1	0.8
Net cash position	**448.8**	325.3	461.2	393.6	430.4	356.4	173.8	94.3	-7.8	4.8	1.1
Investment (incl. Acquisitions)	**138.9**	144.1	112.9	153.9	79.8	43.1	57.3	22.5	24.8	9.4	14.3
Profitability											
Return on equity (ROE)	**10.3%**	19.8%	23.3%	25.1%	32.6%	47.0%	46.8%	33.7%	22.5%	13.4%	8.5%
Return on capital employed (ROCE)	**41.4%**	41.0%	54.8%	58.0%	96.7%	156.5%	120.7%	81.1%	32.8%	20.6%	17.8%
Cashflow return on investment (CFROI)	**17.2%**	21.7%	22.4%	24.0%	32.0%	42.1%	43.5%	32.2%	20.3%	13.8%	11.1%
Additional information											
Number of employees (year-end)	**9,646**	10,069	9,204	7,742	5,092	3,910	3,189	2,387	2,012	1,522	1,424
Number of employees (annual average)	**9,747**	9,503	8,338	6,831	4,425	3,475	2,826	2,192	1,717	1,524	1,383
PUMA share											
Share price (in €)	**231.84**	140.30	273.00	295.67	246.50	202.30	140.00	65.03	34.05	12.70	17.20
Earnings per share (in €)	**8.50**	15.15	16.80	16.39	17.79	16.14	11.26	5.44	2.58	1.14	0.62
Average outstanding shares (in million)	**15.082**	15.360	16.018	16.054	16.066	16.025	15.932	15.611	15.392	15.390	15.390
Number of shares outstanding (in million)	**15.082**	15.082	15.903	16.114	15.974	16.062	16.059	15.846	15.429	15.390	15.390
Market capitalization	**3,497**	2,116	4,341.5	4,764.3	3,937.6	3,249.3	2,248.2	1,030.5	525.4	195.5	264.7

1) EBIT before special items


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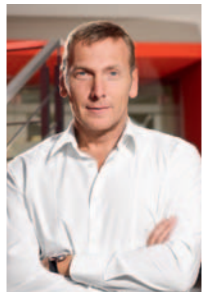
PUMAVision | Management Report | Share | Brand | Financial Statements | Report of the Supervisory Board | Board of Management 07
Foreword



Dear Shareholders,

2009 was an eventful and challenging year – not only for PUMA but for the world economy and the sportlifestyle industry as a whole. The impacts of the financial crisis that were felt around the world did not spare PUMA. However, we managed to get through this situation as best as possible by taking the necessary actions. After 14 years of consecutive growth, we focused in 2009 on consolidating our business and aligning our cost structure with the market environment. We took measures to protect PUMA's long-term growth in the light of the difficult market situation and introduced a restructuring program. But we capitalized on the few competitions that took place and enjoyed our moments of success at the Volvo Ocean Race and the Athletics World Championships increasing our brand visibility as well as strengthening the long-term growth potential of our brand. In 2009, we as a company introduced our sustainability concept PUMAVision, which will make PUMA the most desirable and sustainable sportlifestyle company.

But first let me look back on the 2009 highlights that PUMA saw in business as well as in sports.

At the beginning of 2009 we introduced our sustainability concept PUMAVision to manifest and provide a practical framework for our long-standing work and efforts in Corporate Social Responsibility. At PUMA we believe that our position as the creative leader in Sportlifestyle gives us the opportunity and the responsibility to contribute to a better world for the generations to come. A better world in our vision – the PUMAVision – would be safer, more peaceful, and more creative than the world we know today. Through the programs of puma.safe, puma.peace and puma.creative, we are providing real and practical expressions of this vision and 2009 saw many initiatives, projects and activities going live that contributed to protecting the environment, raising awareness for peace worldwide as well as supporting artists and their works.

2009 included two key sporting highlights for us as a brand: In June, PUMA's eye-catching sailing yacht "il mostro" and the PUMA Ocean Racing Crew finished their maiden Volvo Ocean Race in second place in St. Petersburg. PUMA's sport performance and lifestyle Sailing Collections, the innovative marketing initiatives launched at the numerous stop-over ports, the unique mobile architecture of PUMA City and the successful performance of the PUMA Ocean Racing Crew generated extensive media coverage that more than offset PUMA's investment in the Volvo Ocean Race. Our participation in the race known as the "Everest of Sailing" was the most innovative marketing campaign PUMA has ever launched and provided an extremely successful entry into the sailing category.

Two months later we once again witnessed three-time Olympic gold medalist Usain Bolt re-write sporting history by shattering his own 100m and 200m world records at the World Athletics Championships in Berlin. Usain kicked off his memorable Berlin campaign by breaking the 100m world record set in Beijing last year with a stunning time of 9.58 seconds. Just a few days later, he cemented his reputation as a global icon by smashing his 200 meter world record of last year to become the World Champion with a time of 19.19 seconds. He then finished an amazing week by adding another gold medal and World Championship title to his record after the Jamaican team won the 4x100 relay. In total the PUMA-equipped Jamaican team won seven gold medals in Berlin, underpinning PUMA's position as one of the leading running brands.

In September, we did a historic hand shake: In support of the peace initiative PEACE ONE DAY we shook hands with our competitor adidas for the first time after six decades and as a sign of fun and amicable cooperation, employees of both companies played football together on United Nations Peace Day, 21 September raising further awareness for the day all around the world. Kofi Annan once said that ‚individuals can make a difference and collectively we can make a major contribution'. I believe that is the case also for companies. And our unity, in support of Peace Day, is a small step in a positive direction as well as an expression of the united power of sport in a world which we are all responsible for.

In December we finally opened our new company headquarters in Herzogenaurach, Germany – the PUMAVision Headquarters. The complex includes a modern administration center, a Brand Center and the world's largest PUMA Store. Our German headquarters perfectly reflects what PUMA stands for as a brand – we strive to be innovative, unique and visionary, without forgetting our company's roots. The new headquarters also embodies our longstanding commitment to climate protection, as we incorporated numerous innovative energy and electricity saving concepts in the new building that limit our effect on the environment, making the PUMAVision Headquarters the first carbon neutrally operated headquarters in the sportlifestyle and sporting goods industry.

Looking back on those 2009 highlights, we can be proud to see what PUMA as a company was able to achieve in that year - despite all economic difficulties as it was a year marked by the worst economic downturn in PUMA's history. And while it was impossible for PUMA to escape the impact, we also knew that the challenge presented an opportunity, an opportunity for us to once again emerge as a stronger, more nimble and, ultimately, a more competitive organization. So we embarked on an ambitious restructuring and re-engineering program designed to give us the foundation for our next phase of growth.

We made our operational processes and our organization even more efficient, we further worked on our time-to-market for our products and we optimized our retail portfolio. In addition, we streamlined our organization across all functions, regions and countries and we executed a tight cost savings program to adjust our cost structure to market reality. Making these structural changes has been a difficult and a sometimes painful process, but we feel confident in knowing that we are making tremendous progress in building the PUMA of the future; an organization that is well-prepared to be a long-term and sustainable leader in our industry.

Next to all these efforts to adjust PUMA's organization to market reality, our focus remained firmly on getting ready for the first Football World Cup ever played on African soil, making it a real home run for PUMA. In the world of football, PUMA is synonymous with Africa. This is the result of over ten years of continued investment to further boost the image of the African game. African football is characterized by vivid colours, characteristic symbols, strong rhythms, deep heritage and most importantly a unique attitude that perfectly matches the PUMA brand.

Our first warm up of this year was the Africa Cup of Nations in Angola where we sponsored ten African national teams out of a total of 16 and – for the first time – were the Official Supplier of the tournament. In an all PUMA final Egypt won the African Cup of Nations beating the team of Ghana. While celebrating their victory for the third successive time the PUMA sponsored Pharaos wore the PUMA Africa Unity jersey, the first ever continental kit and official third kit of the twelve PUMA-sponsored African teams. A portion of the profits from sales of the replica fanwear for the Unity Kits will help fund biodiversity programs in Africa, in partnership with the United Nations Environment Programme's International Year of Biodiversity 2010.

This summer, South Africa will be the first African country to host a sport event of the magnitude of a Football World Cup. Seven national PUMA teams out of a total of 32 have qualified for the football highlight of the year. With the biggest marketing initiative in PUMA's history, we will capitalize on this opportunity to strengthen our position as the leading football supplier in Africa, as well as that of one of the three leading football brands worldwide.

As of 2010 we have brought back the spirit of the DJ in our new Brand Promise to joyfully mix the influences of Sport and Lifestyle. "Joy" is what we will try to bring to our consumers and is what will differentiate us from our competition – it's our point-of-view. While others talk about the blood, sweat and tears of sport, we recognize that they cannot be the only rewards. Rather, we will talk about the moments of joy inherent in both sport and life. But as „joy" becomes an inseparable part of the PUMA brand, so does our understanding of our responsibility and opportunity to contribute to a better world.

We have already started to find innovative ways to reduce our carbon emissions, to curtail wasteful transportation, recycle and reuse available materials, use water sparingly, become paperless to save nature and stand ready to adapt to new challenges that will present themselves as we work towards the goal of becoming an exemplary leader in sustainability. There is a lot more in the making for 2010 and beyond. We have understood that by aiming for sustainability we not only help our customers to look and feel good in our products but we expect all our stakeholders including nature to profit from long-term, sustainable returns that stem from responsible corporate behaviour.

As a company and brand PUMA will become strong through affecting good. We will become successful by inspiring responsibility to our planet. We will provide wealth by pushing every boundary of accountability of our actions and we will survive as we know that our survival depends on the survival of all and everything around us — now and into the future.

I would like to thank our shareholders for their strong support and all PUMA employees for their dedication, professionalism and contributing to PUMA's solid performance during a difficult time in fair, honest, positive and creative ways, making a decisive contribution to our aim of making PUMA the most desirable and sustainable sportlifestyle company.

Best regards,

Jochen Zeitz

mission

„To become the most desirable and sustainable Sportlifestyle company"

PUMA Vision

PUMAVision unites PUMA's corporate social responsibility activities and initiatives, guiding PUMA's work, partnerships and engagements worldwide.

PUMAVision provides our company, our employees, and all of our stakeholders with the 4Keys – Fair, Honest, Positive, and Creative. These 4Keys act as a compass that always keeps us true to our vision of a better world – our PUMAVision – guiding all of our decisions, actions, processes and practices.

We at PUMA use the 4Keys as a tool, which means always doing our best to be Fair, Honest, Positive and Creative in everything we do. These 4Keys represent, in the broadest possible sense, how PUMAVision works. We measure our thinking, our decisions, our actions, and our processes against these values by asking ourselves if what we are doing is Fair, Honest, Positive and Creative. Making PUMAVision work for us and for the world in which we operate – across our workplaces in so many countries – means using the 4Keys everyday and in all that we do. But what do these words really mean?

At PUMA, fair means balanced. It means we see both sides, and resist the pressures that can push us into extreme ways of thinking, working or living. It also means we are open to all, and refuse to discriminate against people or make judgements based on gender, race, religion, political persuasion, sexual preference, or way of life. And being fair means listening as much as we talk, and giving back as much as we take.
Honest means sincere. It means not faking it, walking the walk as much as we talk the talk. It means putting our money, our time and our energy where our mouth is.

And being honest means admitting our mistakes, and owning up to our responsibilities – something that applies to companies as much as it does to individuals.
Positive means constructive. It means building things – and people – up, not breaking them down. It means suggesting rather than criticizing, and working for solutions rather than just complaining. It means supporting others when they try, encouraging them when they fail, and celebrating with them when they succeed. It means "we can" more often than "we can't."

Creative means imaginative. It means thinking outside the box, or thinking outside the shoebox, as the case may be. Being creative means finding a way around a problem, rather than stopping when the walls are too high. It means looking at new ways, listening to new ideas and trying new strategies. It means striving for the most innovative solution because just being good enough is never good enough. Being creative means having dreams, and then making those dreams real things, in our individual worlds, in the PUMA world, in the real world.

This applies as much to the decisions and actions of the CEO as it does to our retail team members who interact with our customers. In fact, it applies to everyone in our company. Eventually, PUMAVision and its guiding compass of the 4Keys will become an instinctive way of thinking for PUMA as we work towards making our contribution towards a better world.

Through the programs of puma.safe (focusing on environmental and social issues), puma.peace (supporting global peace), and puma.creative (supporting artists and creative organizations), we are providing real and practical expressions of this vision.

Our puma.creative initiatives aim to bring together individual artists and organizations, and provide them with a platform for creative exchange and international exposure. The first puma.creative project was the support of the exhibition 30 Americans at the Rubell Family Collection in Miami, Florida, during Art Basel Miami 2008. Both Art Basel Miami and the important 30 Americans exhibition challenged our understanding of the synergy between art and design, music, style, and fashion, and was a perfect fit for the expression of PUMAVision's creative initiative. puma.creative also supported the environmental movie "HOME" by endorsing showings of the movie in cultural institutions in Africa and beyond in June.

Through the puma.peace program, PUMA continues its support of the United Nations Global Cease-Fire Day and the non-profit organization that inspired it, Peace One Day. In September 2009, we launched an initiative together with our competitor adidas to raise awareness for PEACE ONE DAY and the necessity of a peaceful cohabitation. We organized an employee football match, took the message and idea of PEACE ONE DAY into the football stadiums in Munich and Stuttgart, and generated unprecedented media coverage worldwide, turning the event into a tremendous success.

Under the banner of puma.safe, we are bringing together all of our longstanding work on environmental issues and decent work in decent workplaces, and combining it with new initiatives that will drive us to cleaner, greener, safer and more sustainable systems and practices. Imaginative solutions are found in every aspect of production for our Sportlifestyle products, from the sourcing of raw materials through the Cotton made in Africa campaign–that has seen excellent results for subsistence farmers in Africa–to building the capacity of our suppliers. puma.safe will continue to work towards reducing our carbon footprint, developing new sustainable products, and raising work and production standards worldwide.

PUMAVision Headquarters

PUMA opens first carbon neutrally-operated company headquarters in the sportlifestyle and sporting goods industry

Just two years after laying the foundations for the new building, PUMA opened its new company headquarters in Herzogenaurach, the “PUMAVision Headquarters” in the autumn of 2009. It is the first carbon neutrally-operated company headquarters in its industry sector.

The headquarters at PUMA’s German base near Nuremberg is called “PUMAVision Headquarters” as the construction of the complex, which covers a total area of 50.000 square metres, was strictly guided by PUMA’s sustainability concept, PUMAVision.

Through the implementation of numerous innovative energy-saving concepts throughout the office building, the Brand Center and the world’s largest PUMA factory outlet store, PUMA has chosen a new path toward environmental protection.
On the roof of the building a photovoltaic generating station of 1,000 square meters was installed and an additional 140 square meters of solar modules were integrated into the window front. Water is heated partly through solar energy. Motion sensors which turn lights off automatically when employees leave their workplace also ensure energy conservation. Furthermore, the buildings are heated and cooled sustainably through concrete core temperature control, a method which is up to the highest ecological standards. To save on water the toilets in the restrooms are flushed with rainwater collected in a cistern. Through these energy-saving concepts PUMA is making a significant contribution to climate protection and significantly saves electricity, CO_2 and water, and therefore also money.

Electricity for the PUMA building in Herzogenaurach is generated from renewable energy sources only, meaning the company has been able to considerably cut down its carbon footprint. In order to offset the remaining CO_2 emissions, PUMA actively supports a wind farm in Turkey as a compensation project. Through this, PUMA has reached an ambitious goal – PUMAVision Headquarters is the first carbon neutral company headquarters in the sportlifestyle and sporting goods industry.

Another prime concern besides environmental protection was the creation of attractive working conditions for the 650 employees. The PUMAVision Headquarters is designed in a modern and stylish ambiance, perfectly representing PUMA’s philosophy. The building’s 107 ample single and open plan offices are flooded with light via the floor-to-ceiling windows, fusing functional design and the highest possible flexibility. Using mobile interior elements, spaces can easily be modified according to the needs of specific projects and workshops, thus conforming to PUMA’s flat and decentralised corporate structure.

The Brand Center covers a total area of 10.000 square metres and houses five showrooms displaying PUMA’s innovative sportlifestyle collections, as well as a multimedia hall, which holds up to 1,500 people during presentations and events, and which can also be hired out externally.

The architectural plans for PUMAVision Headquarters were inspired by the strength, energy and ease symbolised by PUMA’s unique logo of a jumping wild cat, and this is also represented in the building’s aesthetics. The PUMA Factory Outlet Store offers PUMA collections on an area covering 3000 square metres and fits perfectly to the design of the PUMAVision Headquarters.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The Year 2009

As a consequence of the financial crisis and its impact on the global economy, the year 2009 proved to be very challenging for all market participants. Despite the global recession and only a few major sporting events, PUMA succeeded in standing its ground in the difficult market environment. The performance of Usain Bolt at the World Athletics Championships in Berlin, where he broke the 100m and 200m world records, proved to be a particular highlight for the PUMA brand.

In view of the emerging economic deceleration, PUMA had already implemented measures pro-actively in the previous year so as to ensure the company's high profitability also in the future. To this end, the management implemented a cost reduction program in 2009, which will annually reduce the initially planned costs. One-off expenses in the amount of € 127.8 million serve to optimize the retail operations portfolio, the global organizational structure and the operational processes.
Currency-adjusted, global brand sales decreased by 6.4% to over € 2.6 billion. Currency-adjusted consolidated sales dropped by 3.7% to approx. € 2.5 billion. Despite the difficult market environment, the gross profit margin stood at a robust 51.3%, which means that PUMA continues to maintain its position at the upper echolon of the sporting goods industry. The operating profit before special items totaled € 320.2 million or 13.0% of sales, compared to 13.9% in the previous year. Including the already mentioned special items, which impacted on earnings as one-off expenses, earnings per share amounted to € 8.50 compared to € 15.15 in the previous year.

The free cashflow before acquisitions more than doubled from € 110.7 million to € 255.8 million; this is the second best result in the company's history.

The price of the PUMA share stood at € 231.84 at the end of the year and increased by 65.2% year-on-year, which resulted in a market capitalization of approx. € 3.5 billion.

General Economic Conditions

According to the ifo economic forecast report of December 15, 2009, the global economy recovered from the severest recession since the Great Depression. Since the spring of 2009, global production and trade activities have been increasing again as a result of extensive macroeconomic stimulus measures, a massively expansive monetary policy and the comparatively low oil price. Added to this is the turnaround in the global inventory cycle. According to the ifo World Economic Survey, the global economic climate improved in the fourth quarter for the third consecutive time. The increase in the indicator is due to more favorable expectations for the next six months and to a less negative assessment of the present economic situation. Nevertheless, the current situation is presently still viewed as tense. However, the economic climate improved in most regions at the end of the year. The increase in the economic climate indicator was particularly pronounced in Asia, where the indicator even surpassed a long-term average. The economic climate indicator also rose significantly in Western Europe and North America in the fourth quarter of 2009.

In the past year, the sporting goods industry was also affected by the repercussions of the financial crisis and the global general economic conditions associated with the crisis. The difficult market and consumer environment and the only small number of major sporting events have impacted negatively on sales and earnings. Many companies responded to the significant deterioration in the economic situation by implementing cost reduction programs and introducing restructuring measures.
PUMA made use of the opportunities offered in the last year and succeeded in achieving impressive success for the brand in the "Sports Performance on the Water" segment and on the Tartan track. PUMA's participation in the Volvo Ocean Race in June turned out to be a great success. With its yacht "il mostro", PUMA placed second in the toughest yacht race of the world, which takes nine months to complete. The spectacular "il mostro" yacht, innovative PUMA sailing collections and award-winning marketing initiatives sparked great media interest. This also enabled the company to reach new target groups.
As the outfitter of the Jamaican Athletics Association, PUMA experienced very positive results from the Athletics World Championships in Berlin in August. The world records achieved by the Jamaican superstar, Usain Bolt, in the 100m and 200m sprints took center stage at the World Championships and further strengthened PUMA's position as one of the leading Running brands.

Strategy

With the objective of being „The Most Desirable Sportlifestyle Company", PUMA's position as one of the few, true multi-category brands is to be strengthened and the opportunities offered by the sportlifestyle market are to be systematically exploited in all categories and regions. As a multi-category supplier, PUMA is active in categories and business fields/divisions that suit its unique brand positioning, and in which permanent value increases can be achieved for the company. PUMA is positioned as a sportlifestyle brand that takes pleasure in skillfully combining sports and lifestyle influences and which strives to contribute to a better world.

The above-mentioned brand positioning is to be supported by selectively expanding the existing product categories, by regional expansion, and by expansion with non-PUMA brands.

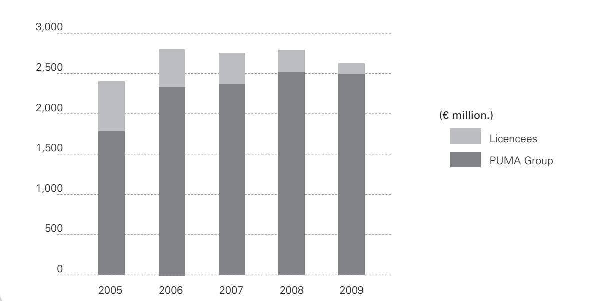
Business Development

Sales

Brand Sales

Worldwide PUMA brand sales comprised of license and consolidated sales dropped by 6.4% to just above € 2.6 billion after currency adjustments which, in euros, corresponds to a 5.3% decrease.

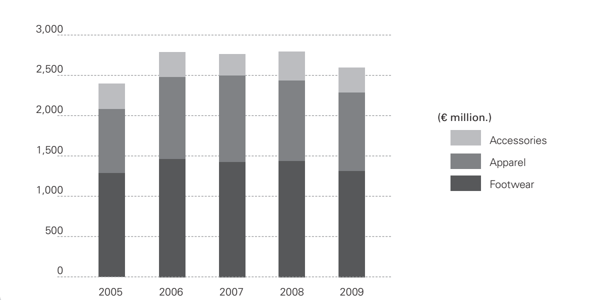
Brand sales



Currency-adjusted Footwear sales decreased by 7.8% to € 1,361.9 million, and Apparel sales dropped by 6.7% to € 926.5 million. Accessories posted a 0.6% increase to € 332.5 million.

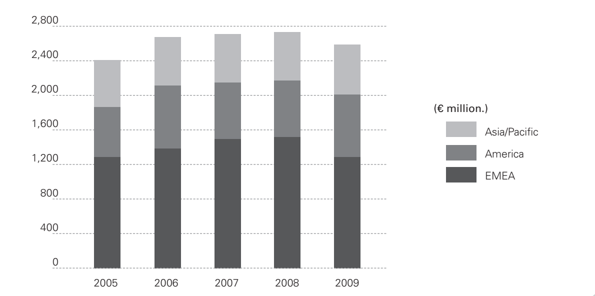
Footwear accounted for 52.0% (53.2%) of brand sales, Apparel rose to 35.3% (35.0%), and Accessories contributed 12.7% (11.8%) to brand sales.

Brand sales by product segments



Classified according to regions, brand sales are distributed as follows: EMEA 49.3% (53.1%), Americas 28.2% (25.7%) and Asia/Pacific 22.5% (21.2%).

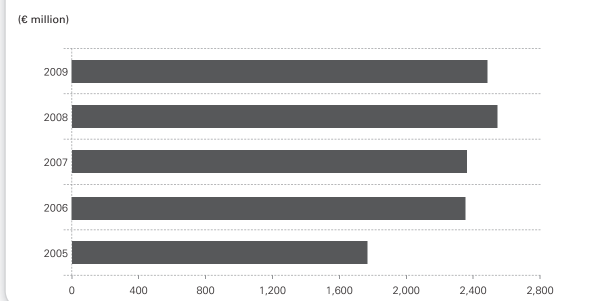
Brand sales by region



Consolidated Sales

Currency-adjusted sales in financial year 2009 decreased by 3.7% to € 2,460.7 million which, in euros, corresponds to a 2.5% decrease. The decline in sales is associated with the globally weakening consumer demand.

Consolidated sales

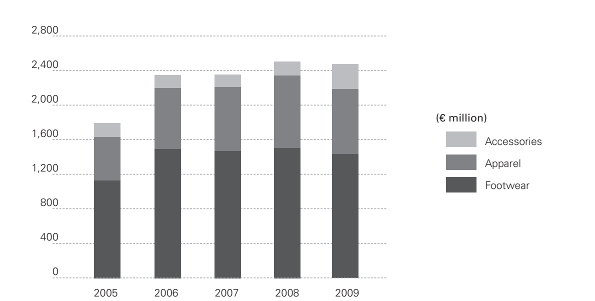


The **Footwear** segment posted a decrease in currency-adjusted sales by 7.8% to € 1,327.8 million. The share in consolidated sales stood at 54.0%, compared to 56.8% in the previous year.

Currency-adjusted sales in the **Apparel** segment dropped by 7.4% to € 852.9 million. The share in consolidated sales decreased to 34.7%, compared to 35.6% in the previous year.

Currency-adjusted sales in the **Accessories** segment increased by 44.0% to € 280.1 million, which is primarily due to expansion of the consolidated group. The share in consolidated sales increased to 11.4%, compared to 7.6% in the previous year.

Consolidated sales by product segments

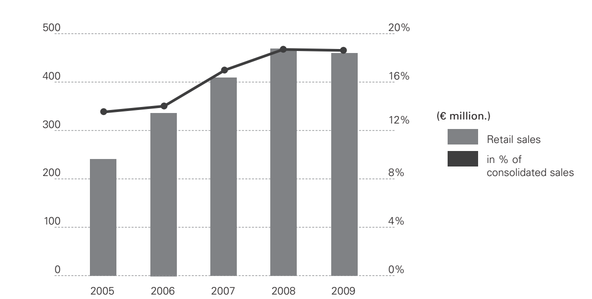


Retail Operations

In addition to PUMA stores, the company's own retail operations also include factory outlets and online sales. This ensures regional availability as well as controlled sales of PUMA products. Sales from the company's own retail operations decreased only slightly by 2.2% to € 458.1 million. The share in consolidated sales remained unchanged at 18.6%.

Measures aimed at optimizing the portfolio of retail operations were implemented in the 2009 financial year. Nevertheless, selective expansion of the company's retailing activities was continued. The company's own retail operations continue to be an important pillar and element of the brand strategy. Close proximity to consumers leads to more rapid product development and product launching. In addition, innovative products can be presented in a brand-oriented environment, thus also ensuring a unique brand experience.

Retail sales

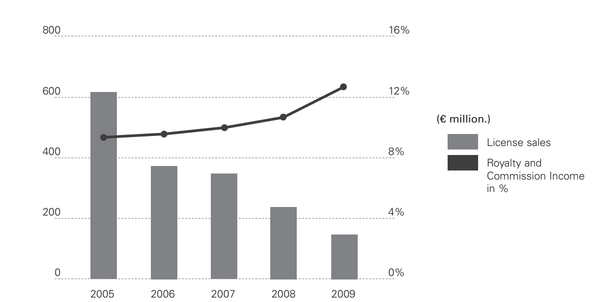


License Business

PUMA licenses out various product segments (e.g. watches, fragrances and eyewear) to independent partners who are responsible for the design, development and sale of these products. The license sales also include sales from a number of distribution licenses for various markets.

Due to the acquisition of a former licensee in 2009, currency-adjusted license sales decreased by 34.6% to € 160.3 million.

License sales / Royalty and commission income in %



License sales generated license and commission income in the amount of € 20.6 million, compared to € 25.7 million in the previous year. This corresponds to 12.8% of the license sales, compared to 10.6% in the previous year.

Results of Operations

Income Statement	2009		2008		
	€ million	%	€ million	%	+/- %
Sales	**2,460.7**	100.0%	**2,524.2**	100.0%	**-2.5%**
Cost of sales	-1,198.2	-48.7%	1,217.6	48.2%	-1.6%
Gross profit	**1,262.4**	51.3%	**1,306.6**	51.8%	**-3.4%**
Royalty and commission income	20.6	0.8%	25.7	1.0%	-20.1%
Other operating income and expenses	-962.8	-39.1%	982.0	38.9%	-2.0%
Operational result before special items	320.2	13.0%	350.4	13.9%	-8.6%
Special items	-127.8	-5.2%	-25.0	-1.0%	
EBIT	192.4	7.8%	325.4	12.9%	-40.9%
Financial result	-8.3	-0.3%	1.1	0.0%	
EBT	184.1	7.5%	326.4	12.9%	-43.6%
Taxes on income	-58.2	-2.4%	-94.8	-3.8%	-38.6%
Tax rate	-31.6%		-29.0%		
Net earnings attributable to minority interest	-2.3	-0.1%	-1.1	0.0%	
Net earnings	**128.2**	5.2%	**232.8**	9.2%	**-44.9%**
Weighted average shares outstanding (million)	15,082		15,360		-1.8%
Weighted average shares outstanding, diluted (million)	15,092		15,360		-1.7%
Earnings per share in €	8.50		15.15		-43.9%
Earnings per share, diluted in €	8.50		15.15		-43.9%

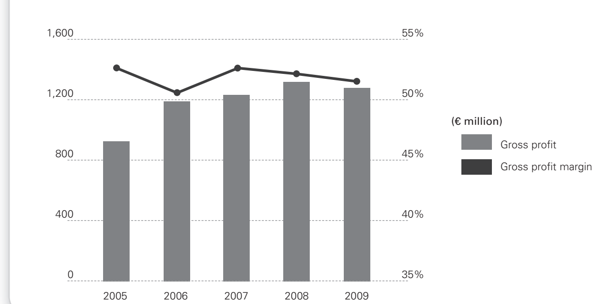
To facilitate transparency in the presentation of business development, the above table and following explanatory comments present the special items relating to structural measures in a separate line - in contrast to the presentation in the consolidated income statement - since the operational result before special items reflects the company's earnings power more accurately.

Gross Profit Margin remains at a High Level

As a result the difficult market situation and a change in the regional mix, the gross profit margin decreased by 50 basis points to 51.3%, which. is still however, at the upper echolon of the sporting goods industry. In absolute figures, the gross profit margin decreased from € 1,306.6 million to € 1,262.4 million, or by 3.4%.

Classified according to product segments, the gross profit margin for Footwear was 50.2%, compared to 51.7% in the previous year. The gross profit margin for Apparel increased from 51.9% to 52.1% and Accessories recorded a very significant increase in the gross profit margin, which rose from 51.7% to 54.3%.

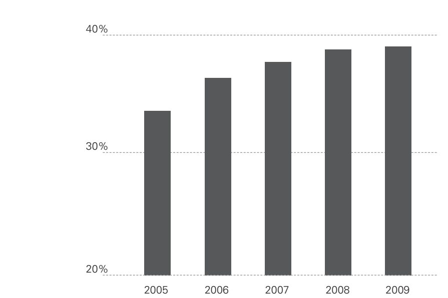
Gross profit / Gross profit margin



Other Operating Income and Expenses

As a result of the cost reduction measures, other operating income and expenses before special items decreased from € 982.0 million to € 962.8 million, or by 2.0%. As a percentage of sales, the cost ratio stood at 39.1%, compared to 38.9% in the previous year.

Operating expenses in % of consolidated sales



Within selling expenses, expenses relating to marketing/retail were reduced from € 528.6 million to € 494.1 million. However, previous year's expenses include costs related to the Olympic Games and the 2008 European Football Championship. The cost ratio dropped from 20.9% to 20.1% of sales.

Other selling expenses increased by 4.7% to € 309.8 million, or from 11.7% to 12.6% of sales. Expenses for product development and design increased from € 55.1 million to € 58.1 million, or from 2.2% to 2.4% as a percentage of sales. Administration and general expenses decreased from € 102.4 million to € 100.9 million. The cost ratio remained unchanged at 4.1% of sales.

Depreciation totaling € 60.2 million was recorded in the respective cost categories. This corresponds to an increase in depreciation by 7.7% compared to the previous year. The increase is mainly due to selective expansion of the company's own retail operations in the previous years.

Operating profit before special items was € 320.2 million, compared to € 350.4 million in the previous year. As a percentage of sales, this corresponds to an operating margin of 13.0%, compared to 13.9% in the previous year.

Operational result before special items

Special Items

In view of the difficult market environment, PUMA implemented further specific measures in the first quarter of 2009 in order to ensure long-term and profitable growth in the future. To this end, management has implemented a cost reduction program, which will reduce the initially planned costs on an annual basis. The one-off expenses in the amount of € 127.8 million, which became necessary in this context, relate to the optimization of the retail operations portfolio, the global organizational structure and the re-engineering of operational processes.

Including the special items, the operating profit (EBIT) amounted to € 192.4 million, or 7.8% of sales.

Financial Result

The financial result was € -8.3 million, compared to € 1.1 million in the previous year. Significantly lower interest rates and the higher interest portion relating to purchase price liabilities have had a negative impact on the financial result.

The financial result includes interest income in the amount of € 3.8 million (previous year: € 11.9 million), as well as interest expenses in the amount of € 6.6 million (previous year: € 6.7 million). The financial result also includes expenses relating to accumulated, long-term purchase price liabilities from corporate acquisitions in the amount of € 4.4 million (previous year: € 3.1 million), as well as expenses in the amount of € 1.1 million (previous year: € 1.0 million) stemming from the valuation of pensions plans.

Earnings before Taxes

Earnings before taxes (EBT) decreased from € 326.4 million to € 184.1 million, or from 12.9% to 7.5% as a percentage of sales. This reduction is primarily due to the special items already mentioned. Tax expenses decreased from € 94.8 million to € 58.2 million. The tax rate stood at 31.6%, up from 29.0% in the previous year. This was mainly attributable to the recognition of one-off expenses for tax purposes in the respective countries.

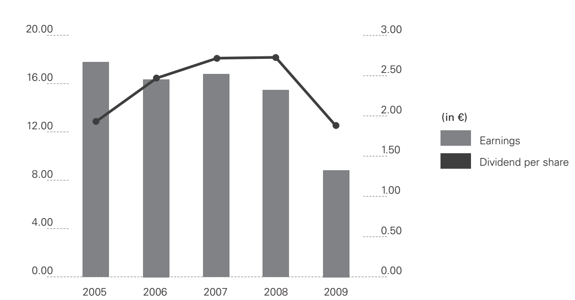
Consolidated Net Earnings

The consolidated net earnings in the 2009 financial year amounted to € 128.2 million, compared to € 232.8 million in the previous year. The net rate of return was 5.2%, compared to 9.2% in the previous year. Earnings per share and diluted earnings per share amounted to € 8.50, compared to € 15.15 in the previous year.

Dividend

The Board of Management and the Supervisory Board will propose to the shareholders at the Annual General Meeting on April 22, 2010, that a dividend in the amount of € 1.80 per share (previous year: € 2.75) be paid out for the financial year 2009 from the retained earnings of PUMA AG. The proposed decrease in the dividend corresponds to the negative impact of the special items on earnings. However, as a percentage of consolidated net earnings, the dividend pay-out rate increased from 17.8% to 21.2%. The dividend is to be paid out on the day after the Annual General Meeting where the profit distribution is authorized.

Earnings / Dividend per share

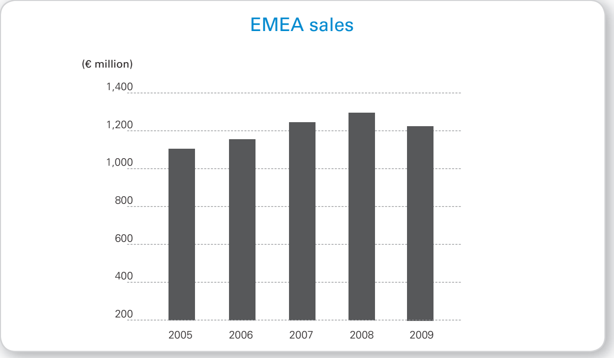


Regional Development

Currency-adjusted sales in the **EMEA** region dropped by 4.0% to € 1,217.6 million. The share of the EMEA region in consolidated sales amounted to 49.5%, compared to 51.5% in the previous year.

By product segments, currency-adjusted Footwear sales decreased by 13.1%, and Apparel sales decreased by 9.5%. As a result of the acquisition of a former licensee, Accessories sales nearly doubled, increasing by 98.7%.

The gross profit margin stood at 53.3%, compared to 53.5% in the previous year.

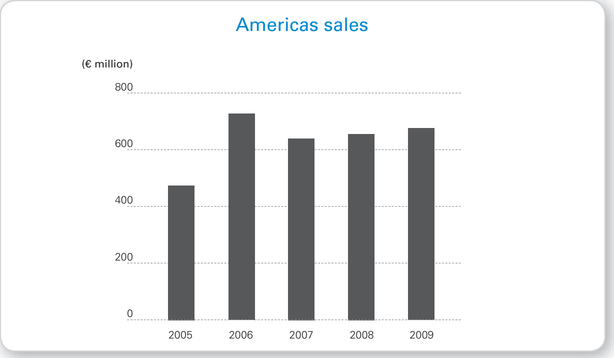


The **Americas** region posted an increase in currency-adjusted sales by 0.6% to € 665.2 million. The share in consolidated sales stood at 27.0%, compared to 25.8% in the previous year.

Currency-adjusted Footwear sales were up by 1.2%, and Apparel sales recorded a 0.1% increase. Accessories sales decreased by 4.3%.

The gross profit margin stood at 48.2%, compared to 49.2% in the previous year.

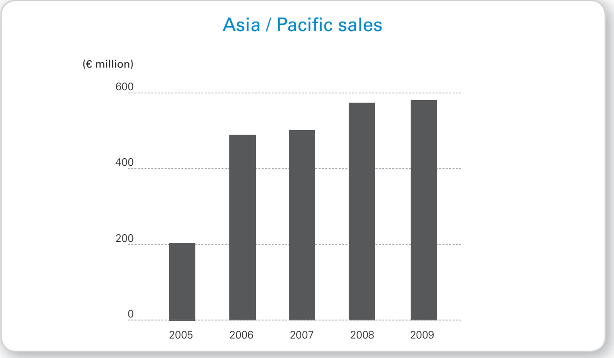
Currency-adjusted sales in the US market, which is the region's largest market, decreased by 0.9% to USD 533.5 million.



Currency-adjusted sales in the **Asia/Pacific** region decreased by 7.7% to € 578.0 million. The share in consolidated sales increased to 23.5%, compared to 22.7% in the previous year.

Currency-adjusted Footwear sales decreased by 10.4%, Apparel sales by 7.4% and Accessories sales remained unchanged at the previous year's level.

The gross profit margin remained unchanged at the previous year's level of 50.8%.



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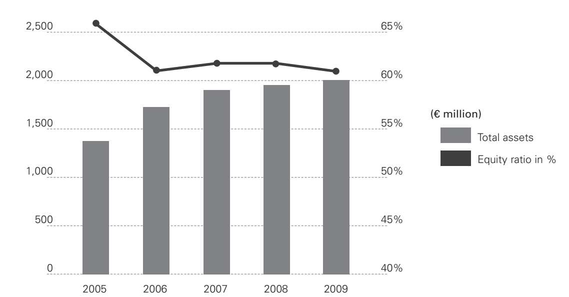
Net Assets and Financial Position

Balance Sheet	2009		2008		
	€ million	%	€ million	%	+/- %
Cash and cash equivalents	485.6	24.1%	375.0	19.7%	29.5%
Inventories	348.5	17.3%	430.8	22.7%	-19.1%
Trade receivables	397.8	19.8%	396.5	20.9%	0.3%
Other current assets (Working Capital)	125.6	6.2%	124.3	6.5%	1.1%
Other current assets	1.7	0.1%	35.5	1.9%	-95.3%
Current assets	**1,359.2**	67.5%	**1,362.0**	71.7%	-0.2%
Deferred taxes	67.7	3.4%	80.5	4.2%	-15.8%
Other non-current assets	587.2	29.2%	456.2	24.0%	28.7%
Non-current assets	**654.9**	32.5%	**536.6**	28.3%	22.0%
Total assets	**2,014.1**	100.0%	**1,898.7**	100.0%	6.1%
Current bank liabilities	36.8	1.8%	49.7	2.6%	-25.9%
Trade liabilities	262.1	13.0%	269.1	14.2%	-2.6%
Other current liabilities (Working Capital)	257.0	12.8%	246.1	13.0%	4.4%
Other current liabilities	64.1	3.2%	49.9	2.6%	28.4%
Current liabilities	**620.0**	30.8%	**614.8**	32.4%	0.8%
Deferred taxes	4.4	0.2%	26.5	1.4%	-83.4%
Pension provisions	25.2	1.3%	21.3	1.1%	18.2%
Other non-current liabilities	124.6	6.2%	58.9	3.1%	111.6%
Non-current liabilities	**154.2**	7.7%	**106.7**	5.6%	44.5%
Shareholders' equity	**1,239.8**	61.6%	**1,177.2**	62.0%	5.3%
Total liabilities and shareholders' equity	**2,014.1**	100.0%	**1,898.7**	100.0%	6.1%
Working Capital	**393.1**		**436.4**		-9.9%
- in % of consolidated sales	16.0%		17.3%		

Equity Ratio above 61%

Total assets as of December 31, 2009 increased by 6.1%, rising from € 1,898.7 million to € 2,014.1 million, which is due, in particular, to the strong increase in cash and cash equivalents and expansion of the consolidated group. The equity ratio stood at 61.6%, compared to 62.0% in the previous year, which is caused by the increase in total assets. However, in absolute figures, shareholders' equity increased by 5.3% to € 1,239.8 million, compared to € 1,177.2 million in the previous year. Despite the worldwide financial crisis, PUMA continues to have extremely solid capital resources.

Total assets / Equity ratio



Working Capital

A key focus in 2009 was on improving working capital. Despite the expansion of the consolidation scope, the company succeeded in reducing working capital from € 436.4 million to € 393.1 million, which corresponds to a 9.9% decrease. As a percentage of sales, this corresponds to an improvement from 17.3% to 16.0%. The working capital optimization was mainly attributable to a significant reduction in inventories by 19.1% to € 348.5 million. Trade receivables were up only slightly by 0.3% to € 397.8 million, while trade payables decreased by 2.6% to € 262.1 million.

Working Capital

Other Assets

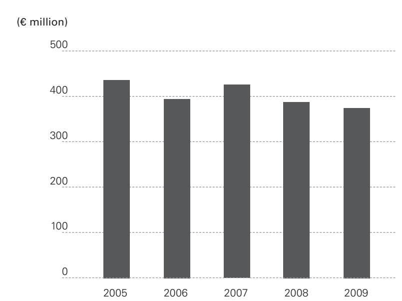
Other current assets decreased from € 35.5 million to € 1.7 million, which was mainly due to the market valuation required for currency forward transactions.

Other non-current assets, which are mainly comprised of property, plant and equipment and intangible assets, increased by 28.7% to € 587.2 million. This increase resulted mainly from the recording of goodwill in connection with the acquisition of a former licensee.

Cashflow

Cashflow Statement	2009 € million	2008 € million	+/- %
EBT	184.1	326.4	-43.6%
Non cash effected expenses and income	140.2	64.7	116.9%
Gross cashflow	**324.3**	**391.1**	**-17.1%**
Change in current assets, net	77.7	-77.0	-201.0%
taxes and other interest payments	-91.4	-95.0	-3.8%
Net cash from operating activities	**310.6**	**219.1**	**41.7%**
Payment for acquisitions	-84.4	-24.9	239.1%
Other investing activities	-54.8	-108.4	-49.5%
Net cash used in investing activities	**-139.2**	**-133.3**	**4.4%**
Free cashflow	**171.4**	**85.8**	**99.7%**
Free cashflow (before acquisitions)	**255.8**	**110.7**	**131.1%**
- in % of cosolidated sales	10.4%	4.4%	-
Net cash used in financing activities	**-61.9**	**-229.6**	**-73.0%**
Effect on exchange rates on cash	1.2	-3.7	-131.1%
Change in cash and cash equivalents	110.6	-147.5	-175.0%
Cash and cash equivalents at beginning of the financial year	375.0	522.5	-28.2%
Cash and cash equivalents at year-end	**485.6**	**375.0**	**29.5%**

Gross cashflow



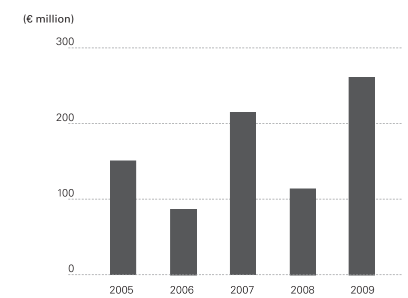
The systematic working capital management has contributed to the fact that the company achieved its second best free cashflow (before acquisitions) in its history, despite the difficult market environment. The free cashflow (before acquisitions) more than doubled from € 110.7 million to € 255.8 million.

Compared to the net cash outflow resulting from changes in net current assets of € 77.0 million in the previous year, a net cash inflow of € 77.7 million was reported in financial year 2009. This cash inflow is due, in particular, to the reduction of inventories. Taxes, interest and other payments accounted for total cash outflows of € 91.4 million, compared to € 95.0 million in the previous year. Tax payments included in the cash outflow decreased from € 88.3 million to € 84.8 million. In all, cash provided by operating activity increased significantly from € 219.1 million to € 310.6 million.

Net cash used for investing activities increased from € 133.3 million to € 139.2 million. Other investing activities include purchase of fixed assets in the amount of € 54.5 million, compared to € 119.2 million in the previous year. In addition, payments in the amount of € 84.4 million for purchase price liabilities in connection with corporate acquisitions were recorded in the financial year under review, compared to € 24.9 million in the previous year. Due to the low global interest rates, the cashflow from interest income decreased from € 11.9 million to € 3.8 million.

As a result, the „free cashflow" improved significantly from € 85.8 million to € 171.4 million. Excluding the payments for acquisitions, the free cashflow more than doubled from € 110.7 million to € 255.8 million. As a percentage of sales, free cashflow (before acquisitions) stood at 10.4%, compared to 4.4% in the previous year.

Free cashflow (before acquisitions)



Net cash used for financing activities mainly includes dividend payments of € 41.5 million and the repayment of short-term liabilities to banks.

Cash and cash equivalents reported as of 31 December, 2009 increased from € 375.0 million to € 485.6 million.

Value-Based Management

Cashflow Return On Investment („CFROI") is used for measuring the return on capital. It is calculated as the quotient of the cashflow and gross investment base.

The gross investment base is the total amount of available financial resources and assets before accumulated depreciation and amortization. The gross cashflow results from the consolidated net income, adjusted for depreciation/amortization and interest expense.

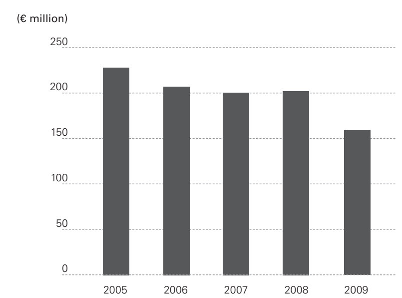
In the 2009 financial year, a cashflow return on investment (CFROI) of 17.2% was achieved, compared to 21.7% in the previous year.

The absolute value contribution corresponds to the difference between the cash flow return on investment (CFROI) and the weighted average cost of capital (WACC), multiplied by the gross investment base.

Taking into account the cost of capital of 7.9% (previous year: 8.0%), the absolute value contribution stood at € 154.7 million, compared to € 200.0 million in the previous year.

The changes are mainly due to restructuring-related expenses.

Absolute value contribution



Calculation of Weighted Average Capital Costs (WACC)	2009	2008	2007	*2006	2005
Riskfree interest rate	3.8%	4.0%	4.3%	3.6%	3.4%
Market premium	5.0%	5.0%	5.0%	5.0%	5.0%
Beta (M-DAX, 24 Month)	0.92	0.97	0.97	1.02	1.12
Cost of stockholders equity	**8.4%**	**8.9%**	**9.1%**	**8.7%**	**9.0%**
Riskfree interest rate	3.8%	4.0%	4.3%	3.6%	3.4%
Credit risk premium	3.0%	2.3%	1.3%	1.5%	1.5%
Tax shield	31.6%	29.0%	29.0%	28.9%	29.0%
Cost of liabilities after tax	**4.6%**	**4.5%**	**3.9%**	**3.6%**	**3.5%**
Calculation					
Market Capitalization	3,496.7	2,116.0	4,341.5	4,764.3	3,937.6
Share of equity	**87.0%**	**79.1%**	**94.5%**	**95.0%**	**100.0%**
Calculated liabilities	524.2	561.0	251.9	253.3	0.0
Share of liabilities	**13.0%**	**21.0%**	**5.5%**	**5.0%**	**0.0%**
WACC after tax	**7.9%**	**8.0%**	**8.8%**	**8.4%**	**9.0%**

**Reclassification interest expense from pensions from personnel costs tofinancial result*

Calculation of CFROI and CVA	2009 € million	2008 € million	2007 € million	*2006 € million	2005 € million
Net earnings before attribution (without special items)	213.3	249.4	271.6	266.0	286.9
+ Depreciation and amortization	60.2	55.9	46.0	38.4	24.3
+ Interest expenses	12.1	10.8	10.7	9.6	5.1
Gross cashflow	**285.7**	**316.1**	**328.4**	**313.9**	**316.2**
Monetary assets	1,011.7	898.3	1,023.3	930.7	818.2
- Non interest-bearing liabilities	520.6	515.5	465.6	443.0	340.8
Net liquidity	491.1	382.8	557.7	487.7	477.4
+ Inventory	348.5	430.8	373.6	364.0	238.3
+ Fixed assets at prime cost	444.6	407.8	323.6	250.3	193.0
+ Intangible assets at prime cost	371.8	233.9	212.6	206.3	80.3
Gross investment basis	**1,656.0**	**1,455.3**	**1,467.5**	**1,308.3**	**989.1**
Cashflow return on investment (CFROI)	**17.2%**	**21.7%**	**22.4%**	**24.0%**	**32.0%**
CFROI - WACC	**9.3%**	**13.7%**	**13.6%**	**15.5%**	**23.0%**
Cash Value Added (CVA)	**154.7**	**200.0**	**198.9**	**203.4**	**227.2**

**Reclassification interest expense from pensions from personnel costs tofinancial result*

PUMAVision

PUMAVision combines the concepts and initiatives of PUMA AG with respect to the topics: „entrepreneurial sustainability" and „social responsibility". PUMAVision forms the guiding principle for PUMA and our global partnerships and commitments.

The four principles of PUMAVision, namely **fair** – **honest** – **positive** and **creative**, constitute the compass of our company, employees, partners and target groups with respect to all our decisions. PUMAVision reflects our vision of a better world - a world that is more peaceful, safer, and more creative than the world that we know today.

PUMAVision encompasses three areas: puma.safe, puma.peace and puma.creative. PUMAVision and the four principles are put into practice through the programs: puma.safe (environmental and social standards), puma.peace (supporting peace initiatives worldwide), and puma.creative (supporting artists and creative organizations).

Product Development and Design

Product Philosophy
PUMA is pursuing a strategy of combining top sports performance and innovative technologies with lifestyle in an inimitably unique manner. The expansion of already existing and new categories enables PUMA to set its own trends in the product portfolios through creativity and innovation. By combining sports and fashion in a creative manner, PUMA aims to achieve its long-term corporate objective of becoming the most desirable sportlifestyle company and at continuing to expand its position as market leader in the sportlifestyle segment.

Product Development and Design
In 2008 PUMA engaged London fashion designer Hussein Chalayan as creative director for the creative orientation of the PUMA lifestyle collections and their product categories: Footwear, Apparel and Accessories. Hussein Chalayan continues to work in close collaboration with the PUMA design teams in Herzogenaurach (Germany), Boston (USA), and London (UK). With a view to strengthening the design competence of the brand in the lifestyle fashion segment, PUMA is cooperating with other top designers such as Alexander McQueen and Yasuhiro Mihara. The thus resulting innovative design of products never fails to delight consumers and attracts them to the PUMA brand on an ongoing basis.

Sustainable Products
From the procuring of raw materials through the "Cotton made in Africa" initiative and the building up of suppliers' capacities, PUMA strives to find sustainable solutions in every part of the supply chain.

PUMA was the first company in the industry that abolished PVC from its product range. Although PVC has excellent technical product properties, this measure was taken, since PVC may lead to environment damage as a result of production and waste disposal. All PUMA products are labeled "PVC-free".

Moreover, PUMA has prepared a list of all prohibited hazardous substances („Restricted Substances List" or "RSL") including detailed guidelines and procedures in order to ensure that the indicated substances in all PUMA products are controlled carefully and adequately. In collaboration with other industry representatives and interest groups, PUMA updates its "RSL" on an ongoing basis in order to take the most recent scientific findings into account.

Since the spring of 2008, PUMA supports the "Aid by Trade" Foundation's "Cotton Made in Africa" initiative, in order to help improve the living conditions of African cotton farmers and their families.
Due to poverty, lack of infrastructure and low water resources, cotton is cultivated without artificial irrigation in Africa, making the efficient use of rainwater even more important. By providing advice, the "Cotton Made in Africa" project aims at the more efficient operation of cotton farms. Measures taken such as mulching which keep the soil covered and thus prevent high rates of evaporation, or well-balanced soil fertilization are particularly important in this regard. Farmers who participate in the "Cotton Made in Africa" project are trained in acquiring the necessary skills and know-how at institutions such as agricultural schools. At present, approx. 150,000 peasant farmers and one million families profit from the project thanks to the production and sale of more than 37,000 tonnes of cotton. As at the end of 2009, 2 % of all PUMA apparel was produced from "Cotton Made in Africa", including apparel for fans of the African National Teams. The products carry the "Cotton Made in Africa" label.

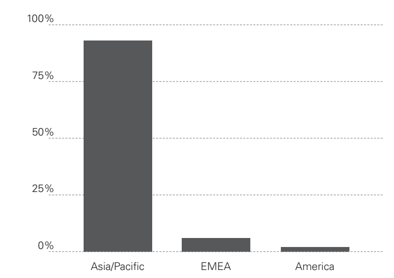
In 2008 for the first time, PUMA produced footballs in line with Fairtrade standards in Pakistan. For this purpose, PUMA's long-term football supplier, Ali Trading Company, was checked for compliance with the Fairtrade standards and certified and acknowledged by the independent certification organization FLO-CERT. The FLO-CERT conformity certificate guarantees that the factory complies with the Fairtrade standards applicable respecting wageworkers, corporate policy and production. As a factory certified by Fairtrade, Ali Trading Company receives a premium pay of 10 percent of the purchase price of a Fairtrade football. The company has to invest this premium into social, economic or ecological development projects at the factory site.

Climate Protection
Heading the Environment Committee of the Federation of the European Sporting Goods Industry (FESI), PUMA participates actively in initiatives for the promotion and improvement of the environmental performance of our industry. PUMA has defined "Environmental Key Performance Indicators" (EKPIs) that are regularly measured on the basis of clear and ambitious goals. PUMA also extended control over its logistics partners and suppliers, which are obligated by PUMA to develop their own environmental management systems, while PUMA assists them in this respect.

In November of 2009, PUMA joined the „Climate Neutral Network", an initiative led by the United Nations Environment Programme (UNEP), and is thus committing itself to making an active contribution to climate protection. The new headquarters in Herzogenaurach - PUMAVision Headquarters – sends a clear signal against global warming. Through the use of numerous, innovative energy-savings concepts, PUMA is making a significant contribution to climate protection. The buildings are heated and cooled in an environmentally-friendly manner by means of a modern concrete core temperature control, thus keeping compliant with modern ecological require-ments. A photovoltaic power system, 1,000 square meters in size, is installed on the roof of the PUMA store. It produces 70,000 kwh of electricity per year, thus covering the annual energy needs of 20 single-family houses with 3 to 4 household members each. Combined with 140 square meters of solar modules built into window facades, PUMA produces 35 tonnes less CO_2 per year.
The operational life of a photovoltaic power system is estimated at approx. 25 years, which translates into CO_2 savings of 875 tonnes. Hot water at the new headquarters is partly generated by means of solar energy captured by solar panels on the roof of the administrative building. Expenses relating to cooling energy in the summer are reduced as a result of a sun shade installed on the south side of the main building. Since its opening, the PUMAVision headquarters building has been operated in a climate-neutral manner and since the end of 2009, all major PUMA sites in Germany are supplied with electricity from renewable sources only.
Further information on PUMA's sustainability concept PUMAVision and its pertaining initiatives and projects may be viewed online in the PUMAVision Sustainability Report 2007/ 2008 under http://about.puma.com under „Sustainability".

Sourcing

Focus on Asia
The main focus of „World Cat", the company's own sourcing organization, is on the Asian sourcing market which continues to gain importance as the main procurement source, when compared to other procurement regions,. Product procurement is allocated to several, mostly long-standing business partners who in turn maintain several locally independent production facilities. In order to optimize workflows, manufacturers are integrated within the scope of strategic partnerships and a „strategic supplier concept".



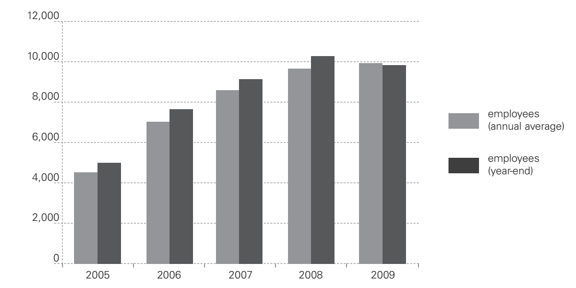
Sourcing markets / Units

„PUMA VILLAGE" Development Center
The new, cutting-edge development center „PUMA Village" was opened in Vietnam in 2009. Manufacturers of prototypes and samples for the Footwear and Apparel product categories are brought together under one roof at the development center, which represents a milestone in the sporting goods industry.
Material and component suppliers as well as Sourcing, Materials Management and a Research & Development center are also integrated into the PUMA Village complex. Before the new development center was opened, all these departments and business segments were spread all over Asia.
The trend-setting concept of a product development center integrates more than 40 PUMA suppliers under one roof and enables them to work together more closely and effectively. The new concept will accelerate PUMA's product development cycle, optimize its cost structure in the research and development segment, and continue to guarantee the high quality standards of its products.

Employees

Number of Staff
On an **annual average**, the number of full-time employees worldwide as of the end of 2009 was 9,747, compared to 9,503 in the previous year.

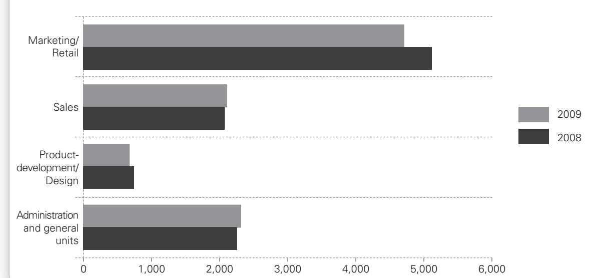
Total personnel expenses rose from € 306.4 million to € 320.2 million, or by 4.5%. The average per capita expenses were T€ 32.8, compared to T€ 32.2 in the previous year.



Development employees

The number of employees as of **December 31, 2009** was 9,646 compared to 10,069 at the end of the previous year.

As a result of optimization of the company's own retail portfolio, the number of employees in the Marketing/Retail segment decreased by 7.9% to 4,668 employees.



Employees (year-end)

The number of staff in the Sales segment increased by 0.7% to 2,078. The number of staff in the Product Development/Design segment decreased by 10.6% to 651. The number of staff in the administration and general units increased by 1.8% to 2,248.

Staff Philosophy

One of the key factors for PUMA's long-term success is its ability to attract the best and most talented employees by promorting their further development and retaining them in the company on a long-term basis. Human resources are the most important resources of a company. PUMA is a company that offers equal opportunities in an international environment and promotes diversity in the work environment. In accordance with PUMAVision, the thinking and actions of all employees are supported by the company in a fair, honest, positive and creative manner.

Attracting Employees

Even in a year characterized by consolidation, PUMA constantly endeavors to identify talent at all corporate levels at an early stage. This process already starts when mentoring local and foreign students who are hired as trainees to perform different functions and to whom responsible tasks have been assigned. By so doing, the company ensures early access to the best graduates and young business professionals.

Employee Development and Retention

As part of our global personnel strategy, the personnel-related processes and systems in place worldwide are being permanently enhanced. The global „Talent Management System", for example, was further improved at the international sites. Based on the performance and competency assessment data of employees gathered, talented employees can be globally identified, trained in line with their specific talent and appointed to the right positions.

A global employee survey was conducted in order to better comprehend the needs of our employees and to be able to respond to those needs. The survey covered the following subjects: commitment, leadership, loyalty, and career development. Following analysis of the survey results, workshops will be held and initiatives will be started to address areas that will further improve staff commitment, thus resulting in higher staff retention.

The opening of the new PUMAVision headquarters offers hundreds of employees a modern and unique work environment, which showcases PUMA's power of innovation and creativity in an impressive way. The PUMAVision headquarters contribute significantly to increasing PUMA's attractiveness as an employer in the sportlifestyle industry.

The „PUMA School" project represents an online-based platform for the worldwide exchange of information and training material on various subjects, such as corporate philosophy, brand strategy and target customers. „PUMA School" is an important instrument for communicating internal corporate information more efficiently and it also promotes an exchange of knowledge and know-how among the employees.

Corporate Governance Report / Statement on Corporate Governance pursuant to Section 289 a HGB

Effective implementation of the Corporate Governance Code is an important element of PUMA's corporate policy. Transparent and responsible corporate governance is a precondition for achieving corporate goals and a sustained increase in corporate value.
The Board of Management and the Supervisory Board work closely together for the benefit of the entire company and thus ensure efficient, value-based corporate management and control through good corporate governance.

Compliance Declaration pursuant to Section 161 AktG

Compliance Declaration 2009:

The Board of Management and the Supervisory Board of PUMA AG Rudolf Dassler Sport ("PUMA AG") issue the following declaration pursuant to Section 161 AktG:

1. Since the last Compliance Declaration of December 2008, PUMA AG has fully complied with the recommendations of the "Government Commission: German Corporate Governance Code" in the version of June 6, 2008, published in the Federal Gazette of August 8, 2008 and, since June 18, 2009, has acted in full compliance with the then valid version of the Code as published in the Federal Gazette of August 5, 2009, with the following exceptions:

   - A D&O insurance policy without a deductible existed for members of the Board of Management and the Supervisory Board in the legally prescribed form (Item 3.8, German Corporate Governance Code).
   - The structure of variable remuneration components for the members of the Board of Management does not take into account subsequent developments (Item 4.2.3, German Corporate Governance Code).
   - There were no upper limits for indemnification in the event of early termination of a Management Board Agreement or a change in control (Item 4.2.3, German Corporate Governance Code).
   - Individual Management Board remuneration was not disclosed (Items 4.2.4 and 4.2.5, German Corporate Governance Code).

2. PUMA AG will comply with the recommendations of the "Government Commission: German Corporate Governance Code" in the June 18, 2009 version of the Code, as published in the Federal Official Gazette of August 5, 2009, with the following exceptions:

   - A D&O insurance policy without a deductible exists for members of the Board of Management and the Supervisory Board in the legally prescribed form (Item 3.8, German Corporate Governance Code).
   - The structure of variable remuneration components for the members of the Board of Management does not take into account subsequent developments (Item 4.2.3, German Corporate Governance Code).
   - There were no upper limits for indemnification in the event of early termination of a Management Board Agreement or a change in control (Item 4.2.3, German Corporate Governance Code).
   - Individual Management Board remuneration was not disclosed (Items 4.2.4 and 4.2.5, German Corporate Governance Code).

The D&O insurance is a group insurance for persons located either domestically or abroad. A deductible is widely unknown in countries other than Germany. A deductible within the agreed time limit is agreed upon for members of the Board of Management in accordance with the Law on the Adequacy of Board Remuneration [Gesetz zur Angemessenheit der Vorstandsvergütung (VorstAG)].

None of the currently existing agreements concluded with Board of Management members stipulates subsequent recognition of positive and negative developments with respect to remuneration components already granted as the legal situation at the time these agreements were concluded did not provide for such recognition, and the agreements cannot be adjusted upon occurrence of a new legal situation. The new legal situation must be taken into consideration only in the event of a change in the existing contractual design of variable board remuneration.

The Board of Management and the Supervisory Board are of the opinion that, when concluding an agreement with a Board of Management member, it is not practical to include a provision on severance pay upon early termination of board activity due, inter alia, to a change in control. An agreement made in advance may fall very short of meeting the requirements of the situation that led to early termination of board activity and the other circumstances of the individual case.

In accordance with the authorization issued at the Annual General Meeting held on April 22, 2008, the Board of Management will, in the future, refrain from publishing individual remuneration for Board of Management members (items 4.2.4 and 4.2.5, German Corporate Governance Code). The Board of Management and the Supervisory Board are of the opinion that the justified shareholders' interest in receiving information is sufficiently accounted for by disclosing the overall remuneration for Board of Management members. The Supervisory Board will ensure the appropriateness of individual remuneration in accordance with its statutory duties.

Relevant Disclosures on Applied Corporate Governance Practices that are applied beyond legal requirements

The Company is guided by the Board of Management in conformity with the provisions of the German Stock Corporation Act. The Supervisory Board monitors and advises the Board of Management in its management functions.

The Board of Management includes the Chairman, the Chairman's deputy, as well as two other regular members and two deputizing members. The duties of the Board of Management include strategic planning and managing as well as monitoring its implementation within the Group.

Guiding principles, which are summarized in PUMAVision (see http://about.puma.com under „Sustainability") were developed in order to ensure a sustained increase in corporate value. The PUMA Code of Ethics and Code of Conduct (see http://about.puma.com under „Sustainability") define ethical standards and environmental standards to which both the employees and suppliers are committed.

Description of the working methods of the Board of Management and the Supervisory Board and the composition and working methods of the respective committees.

The rules of internal procedure for the Board of Management may be viewed under http://about.puma.com under „Company"

In accordance with the Articles of Association, the Supervisory Board has six members. As stipulated in the German Co-determination Law, the Supervisory Board includes, in addition to four shareholder representatives, also two employee representatives. The term of office of the acting Supervisory Board runs until conclusion of the Annual General Meeting in the year 2012.

The names of Supervisory Board members are disclosed in the notes to the financial statements (Notes).

The rules of internal procedure for the Supervisory Board may be viewed under http://about.puma.com under „Company".

The Supervisory Board convenes at least four times a year. Self assessments are performed at regular intervals. The Supervisory Board also reports on the scope of its activities in its report to the Annual General Meeting.

The Supervisory Board has set up a remuneration committee and an audit committee in order to observe its tasks.

Remuneration Committee

The remuneration committee is comprised of François-Henri Pinault (Chairman), Thore Ohlsson and Erwin Hildel. The remuneration committee convenes in conjunction with the meetings of the Supervisory Board. The focus of its activities is comprised of remuneration and general contractual issues, changes in the Board of Management, the Management Incentive Program, and all other personnel-related matters. Questions concerning Board of Management remuneration are decided by the Supervisory Board as a whole on the basis of respective recommendations of the remuneration committee.

Audit Committee

The Audit Committee is comprised of the Supervisory Board members, Thore Ohlsson (Chairman), Jean-François Palus and Oliver Burkhardt.

In accordance with statutory provisions, the Audit Committee is concerned with monitoring the accounting process, the efficacy of the internal control system, the risk management system and the internal audit system as well as with the financial statements audit, in particular with respect to the independence of the annual auditor and the additional services provided by the annual auditor.

The Supervisory Board's proposal concerning the appointment of the annual auditor is based on a respective recommendation of the audit committee. Following the appointment of the annual auditor by the Annual General Meeting and the issuing of the audit assignment by the Supervisory Board, together with the annual auditor, the audit committee puts the audit assignment and the focal points of the audit into concrete terms.

The annual auditor participates in the audit committee meeting concerning the annual financial statements and the consolidated financial statements and reports on significant findings of the audit, in particular on significant weaknesses in the internal control and risk management system relating to the accounting process. The annual auditor also provides information about any circumstances that may concern impartiality, and on any services provided in addition to the annual financial statements audit.

The audit committee is provided with the PUMA Group financial figures at monthly intervals and is thus in a position to continually track the development of the net assets, financial position and results of operations and the orders position. Moreover, the audit committee deals with all issues relevant to accounting and financial results and discusses these with Management.

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Remuneration Report – Board of Management and Supervisory Board

Board of Management

The remuneration for members of the Board of Management, which is determined by the Supervisory Board, is comprised of fixed and variable components. The fixed components of the remuneration are comprised of a fixed salary and remuneration in kind, whereas the variable, performance-based components are comprised of performance related bonuses and components with a long-term incentive effect (stock appreciation rights). The criteria for measuring the total remuneration include, in addition to the duties and services performed by the respective Board of Management member, factors relating to the economic situation, the long-term strategic planning and associated targets, the sustainability of achieved results, the long term profit outlook of the Company, and international benchmark comparisons.

The fixed remuneration component is paid out monthly as non performance-based salary. In addition, members of the Board of Management receive remuneration in kind such as the use of a company car and insurance coverage. These benefits are generally made available to all members of the Board of Management on an equal footing and are included in non-performance-based remuneration.

The performance related bonus, as part of the performance-based remuneration, is oriented mainly towards the operating profit and the free cashflow of the PUMA Group, and is graduated in accordance with the level of target achievement. An upper limit is agreed upon.

The performance-based remuneration component with long-term incentive effect (stock appreciation rights), is generally determined within the scope of the multi-year plans, whereby the number of stock appreciation rights issued is measured as a component of total remuneration. Measurement is based on the fair value of the respective stock appreciation rights as at the date of allocation.
The possibility of a cap limit is provided as cover against unforeseen developments. Particulars concerning the parameters used for the respective programs are provided in the Notes under 19.

Fixed remuneration for the six members of the Board of Management amounted to € 5.9 million in the financial year (previous year: € 5.2 million), and the variable performance-based remuneration amounted to € 1.8 million (previous year: € 6.2 million).

Following the allocation of expenses to the vesting period, the expense resulting from newly issued options and those issued in previous years totaled € 4.9 million, in comparison with income of € 1.6 million in the previous year. The Board of Management was granted a total of 110,728 options from the "SOP 2008" program. The fair value as at the grant date amounted to € 53.50 per option.

In the event of premature termination of an employment relationship, a member of the Board of Management is paid the agreed remuneration components up to the original contract termination date. With respect to the remuneration components resulting from the Long-term Incentive Program, it has been agreed that the option rights already granted at the date of leaving the company shall be paid out on the basis of a value determined in accordance with "Black-Scholes".

The Board of Management is provided with pension commitments for which the Company took out a pension liability insurance policy. The proportion of the pension capital which is already financed through contributions to the pension liability insurance is deemed to be a vested claim. Following an addition of € 0.5 million, as of the balance sheet date this results in a pension claim of T€ 273 p.a., or one-off capital compensation in the amount of the present value upon retirement.

Pension commitments to former members of the Board of Management amounted to € 3.3 million (previous year: € 2.0 million); they are recorded accordingly under pension provisions. Retirement payments, including subsequent payments for previous years, have been made in the amount of € 0.6 million (previous year: € 0.0 million).

Supervisory Board

In accordance with the Articles of Association, the Supervisory Board has six members. Supervisory Board remuneration includes a fixed and a performance-based component.

Fixed compensation amounts to T€ 30.0 for each member of the Supervisory Board. The Chairman of the Supervisory Board receives twice this amount and the Deputy Chairman receives one and a half times this amount. Overall, as in the previous year, total fixed compensation in the financial year amounted to T€ 225.0.

Performance-based compensation amounts to € 20.00 per € 0.01 of the earnings per share as reported in the consolidated financial statements (before dilution) that exceed a minimum amount of € 16.00, the maximum amount being T€ 10.0 per year. The Chairman of the Supervisory Board receives twice this amount, and the Deputy Chairman receives one and a half times the amount.
Since earnings per share were below the minimum amount in the financial year, as in the previous year, no performance-based compensation is paid.

Risk Management

Due to its global activities, PUMA is continuously exposed to risks that must be monitored and curtailed. At the same time, however, risks also provide opportunities and thus both the risks and the pertaining opportunities must be taken into account by means of effective risk management system.

Supervising and minimizing risks means securing the future. Growing globalization requires swift responses to conditions. In a world characterized by dynamism and short product lifecycles, companies are exposed to both internal and external risks.

The guidelines and organization of risk management ensure a methodological and systematic approach within the Group. Direct responsibility for risks is transferred to operational employees who report on any detected risks in a "bottom-up" procedure. This ensures that risks can be detected early and flexibly and reported to the "Risk Management Committee" (RMC). Those responsible for risks, i.e., the risk managers, report significant changes in the risk portfolio within the scope of periodic reports and ad-hoc reporting.

PUMA has established an extensive controlling and reporting system throughout the Group, which is an important element of risk management. Opportunities and risks are analyzed by the respective competent staff worldwide in annual planning meetings, and target specifications and suitable measures are derived. Compliance with target specifications is monitored continuously and reported through the Company's highly developed reporting system. This enables PUMA to identify any discrepancies and adverse developments as they arise and to initiate the required counter-measures at an early stage.

Risk Areas

General Economic Risks

As an internationally operating company, PUMA is directly exposed to risks relating to the overall economy. The general economic development may impact directly on consumer behavior. For example, political crises, legal changes and societal influences may exert a direct influence on consumer pattern.
PUMA addresses these risks by geographic diversification and a well-balanced product portfolio which sets its own creative trends and is thus positively distinguished from competition.

Brand Image

As a brand article company, PUMA is aware of the importance of a strong brand image. Due to innovative and sustained brand communications, PUMA has succeeded in establishing a desirable brand image. The brand image is essential since it can influence consumer behavior not only to the advantage, but also to the disadvantage, of the brand. Thus, product imitations may lead to a significant loss of brand confidence among consumers and consequently also to a negative brand image for example.

Product pirates are increasingly focusing on the PUMA brand due to its desirability. Combating brand piracy is a high-priority issue for PUMA. PUMA's own team for the protection of intellectual property not only safeguards a strong global portfolio of industrial property rights such as brands, designs, and patents but also, with its global network of brand protection officers, external law firms and detective agencies, PUMA prevents the number of product imitations that are detrimental to both image and sales from increasing.

In order to effectively address product piracy, PUMA also works in close collaboration with customs and law enforcement authorities and participates in the implementation of effective laws for the protection of intellectual property in an advisory capacity.

Personnel Risks

The creative potential, the commitment and the achievement potential of employees are important pillars of successful corporate development. Responsible and independent acting and thinking is a key issue for PUMA and is an integral element of a corporate culture with flat hierarchies that is based on trust.

PUMA's personnel strategy aims at sustainably safeguarding this successful philosophy over the long-term. To reach this goal, personnel-related risks are recorded and assessed within the scope of a regular process. Accordingly, special attention was paid to talent management, the identification of key positions and talents and also their optimal positioning and succession planning. Further national and international regulations and guidelines are oriented towards ensuring compliance with legal requirements.
PUMA will continue to invest in human resources in the respective functions and regions in line with its targeted requirements-based policy with a view to accommodating the future requirements of corporate strategy.

Sourcing Risks

The majority of products are produced in the emerging markets of Asia. Production in these countries is associated with diverse risks. For example, currency fluctuations, changes in levies or customs, trading restrictions, natural disasters and political instability may also lead to certain risks. Risks may also arise from excessive dependency on individual producers.

Periodic reviews and adaptation of the portfolio are aimed at avoiding dependencies on individual suppliers and sourcing markets. Long-term framework agreements are normally concluded in order to ensure future required production capacities.

The puma.safe-Team was formed years ago in accordance with the guidelines of sustainable development with a view to ensuring optimal integration of the two pillars of sustainable development, environmental protection and social responsibility, into the core business fields of PUMA and harmonizing them with economic development.

The "Banzer Talks" form the framework for a periodic event that PUMA has been organizing for seven years now in cooperation with the German Network of Business Ethics, and which promotes the dialog with various interest groups. The event is attended by scientists, PUMA suppliers, PUMA employees, sustainability experts and by critical stakeholders. For years now, the dialog with these important interest groups has facilitated critical examination of PUMA's corporate strategy in the area of sustainable development and thus closely adapting it to the requirements of interest groups and customers.

In addition to the Banzer talks, PUMA receives periodic evaluations from independent sustainability or corporate social responsibility (CSR) analysts. In 2009, PUMA was once again listed as one of the industry leaders in the Dow Jones Sustainability Index. Furthermore, PUMA is recommended for sustainable investments in the ratings of various banks and was distinguished "Sustained Retail Trading Company 2009" by the Consumer Initiative Association [Verbraucher Initiative e.V. (Federal Association)].

Product and Market Environment

The early recognition and detection of relevant consumer trends are indispensable in order to avoid the risk arising from market environment-specific product influences, in particular the danger of substitution in a lifestyle market that is exposed to increasingly intense competition. New and innovative concepts must be continuously developed and implemented to enable adjustment to ever shorter lifecycles. Competitive advantages can only be derived by those who can recognize these trends at an early stage.

A high level of investments in product design and development are intended to ensure that the unique PUMA design and targeted diversification of the entire product range comply with the general brand strategy and, in effect, evoke a clear recognition effect.

Moreover, PUMA pursues a selective distribution strategy to ensure a unique brand presence and reduce dependency on individual distribution channels. The expansion of retail operations should also ensure that PUMA products are presented exclusively in the brand environment desired by PUMA.

Retail
Expansion with company-owned retail operations also means investing in the expansion or setting up of shops, in accepting higher fixed costs compared to sales via wholesalers, and entering into rental agreements with long-term rental obligations which can affect profitability in periods when business development slows down. On the other hand, expansion of the value chain enables higher gross profit margins. In addition, the PUMA brand experience can be presented to end customers directly and in a targeted manner in company-owned retail operations.

To avoid risks and realize opportunities, PUMA conducts a detailed location and profitability analysis prior to each investment decision. An extensive controlling / indicator system enables early recognition of negative development and corresponding initiation of counter-measures to manage the individual shops appropriately.

Organizational Challenges
The decentralized and virtual organization of PUMA supports the company's global alignment. As a result of PUMA's development, the corporate organization structure is becoming increasingly more complex. This development is encountered through an integrated IT, logistics and personnel infrastructure. In addition, business processes must be continuously optimized and adapted to corporate growth.

Currency Risks
As an internationally operating company PUMA is exposed to currency risks resulting from disparities between the respective currency scope on the purchasing and sales side as well as from currency fluctuations.

The largest sourcing market is the Asian market, where payment flows are largely processed in USD, while sales are mostly invoiced in other currencies. PUMA manages the currency risk in accordance with an internal guideline. Currency forward transactions are used for the conversion of foreseeable financial liabilities (denominated in foreign currencies) into the functional currencies of the Group companies.

Only forward exchange transactions in line with market conditions are conducted with renowned international financial institutions with a view to hedging contracts already existing or foreseeable contracts. At the 2009 year-end, the net requirement for the 2010 planning period is properly hedged against currency effects.

Furthermore, currency risks may also arise as a result of intra-group loans issued for financing purposes. Currency swaps and currency forward transactions are used to hedge currency risks when converting foreign-currency loans into the functional currency of group companies.

For the presentation of market risks, IFRS 7 requires sensitivity analyses which show the effects of hypothetical changes to relevant risk variables on the results and equity. The periodic effects are determined by relating the hypothetical changes of risk variables to the balance of financial instruments as of the balance sheet date. In so doing, it is assumed that the portfolio reported as of the balance sheet date is representative for the year as a whole.

Currency risks pursuant to IFRS 7 arise through financial instruments which are denominated in a currency other than the functional currency and are monetary in nature; currency-related differences arising from the currency translation of individual financial statements into the group currency are not taken into consideration. Relevant risk variables are generally considered to be all non-functional currencies for which PUMA deploys financial instruments.

Currency sensitivity analyses are based on the following assumptions:
Significant original monetary instruments (liquid assets, receivables, interest bearing liabilities, financial lease liabilities, non-interest-bearing liabilities) are either directly denominated in the functional currency or are transferred into the functional currency through use of forward exchange transactions. Consequently, exchange rate fluctuations generally do not have any effect on results.

PUMA is exposed to currency risks from certain forward exchange transactions. These are forward exchange transactions that are linked in an effective cashflow hedge arrangement for the hedging of currency-related payment fluctuations according to IAS 39. Exchange rate changes in the currencies underlying these transactions have an effect on the hedging reserve in equity and on the fair value of these hedging transactions.

Assuming that the USD had been revalued (or devalued) by 10% relative to all other currencies as of December 31, 2009, the hedging reserve recorded in equity and the fair value of the hedging transactions would have been € 44.0 million lower (or higher) (December 31, 2008: € 41.2 million higher (or lower)).

Interest Rate Risks
Interest risks do not impact on interest sensitivity at PUMA, and thus do not require the use of interest hedging instruments.

Credit Risks
Because of its business activity and operative business, PUMA is exposed to a customer default risk that is addressed through continuous monitoring of outstanding balances and sufficient value adjustments.
The customer default risk is limited through credit insurance, and the maximum default risk is reflected in the carrying values of financial assets reported in the balance sheet.

Liquidity Risk
To ensure payment capability and financial flexibility, a liquidity reserve in the form of credit lines and cash resources are maintained. Credit lines are generally made available until further notice.

Capital Risk
Despite the global financial crisis, PUMA is not exposed to any capital risks worth mentioning due to its high equity capital ratio.

Summary
Based on its risk management system, PUMA is in a position to satisfy the legal requirements concerning control and transparency within the Company. Management assumes that, in the overall assessment of the Company's risk exposure, risks are limited and manageable and do not jeopardize the continued existence of the PUMA Group as a going concern.

Significant Features of the Internal Control and Risk Management System with Respect to Group Accounting Processes

The PUMA AG Board of Management is responsible for the preparation and correctness of the consolidated financial statements and the group management report. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards and the provisions stipulated in the German Commercial Code and the Stock Corporation Act. Certain disclosures and amounts are based on current estimates by Management.

The Company's Board of Management is responsible for maintaining and regularly updating an appropriate internal control system concerning the consolidated financial statements and the disclosures in the group management report. The control and risk management system is oriented towards ensuring the adequacy and reliability of internal and external accounting, the presentation and correctness of the consolidated financial statements and the group management report and the pertaining disclosures.
The internal control and risk management system is based on a number of process-integrated monitoring measures and comprises the respective necessary measures, internal instructions, organization and authorization guidelines, a Code of Conduct and Code of Ethics, the segregation of personnel functions in the Company and the principle of dual control. The measures are reviewed periodically with respect to adequacy and workability by the internal audit function.

PUMA has established a group-wide reporting and control system that enables regular and early recognition of any deviations from planning values and accounting-related inconsistencies, and the initiating of counter measures as required.

Any events that may impact on the economic performance and the accounting process of the Company are identified regularly and on an ad-hoc basis; the resulting risk is analyzed and assessed and respective measures are initiated within the framework of the risk management system.

The preparation of the consolidated financial statements and the group management report partially requires assumptions and estimates that are based on the information gained as at the date of preparation and that impact on the amount and disclosure of reported assets and debts, income and expenses, contingent liabilities and other reportable disclosures.

The Supervisory Board audit committee holds regular meetings with the independent annual auditors, the Board of Management and internal audit in order to discuss the findings of the annual audit and the internal audit with respect to the internal control and risk management system. The annual auditor reports on the annual financial statements at the Supervisory Board meeting.

Disclosures pursuant to Section 315 (4) HGB

Re; Section 315 (4) No. 1 HGB
As of the balance sheet date, the subscribed capital amounted to € 38.6 million, split into 15,082,464 shares of common stock. As of the balance sheet date, the Company held no shares of treasury stock.

Re; Section 315 (4) No. 3 HGB
"SAPARDIS S.A.", a wholly-owned subsidiary of PPR S.A., currently holds 69.36% of the subscribed capital.

R: Section 315 (4) No. 6 HGB
The appointment and dismissal of members of the Board of Management is governed by the legal provisions of Sections 84, 85 AktG. Moreover, Article 6 No. 2 of the Articles of Incorporation of PUMA AG specifies that the Supervisory Board shall appoint members of the Board of Management and determine their number. It can appoint a member of the Board of Management as Chairman of the Board of Management or as Spokesman of the Board of Management and another member as deputy Chairman or deputy Spokesman. The Supervisory Board also has the authority to appoint two Board of Management members as Board of Management spokesmen. The provisions for amending the Articles of Association are governed by Sections 133 and 179 AktG.

Re: Section 315 (4) No. 7 HGB
According to a resolution of the Annual General Meeting of May 13, 2009, the Company was authorized to purchase treasury shares for up to 10% of its nominal capital until November 12, 2010. The authorization concerning the repurchase of treasury shares was issued for all admissible purposes, including flexible management of the capital requirements of the company.

According to Article 4 No. 3 and No. 4 of the Articles of Incorporation of PUMA AG, the Board of Management is authorized to increase the basic capital with the approval of the Supervisory Board up to April 10, 2012 as follows:

- Through a single or repeated issuance of new shares in return for cash contributions by up to € 7.5 million. The shareholders are generally entitled to a subscription right (Authorized Capital I).

and

- Through a single or repeated issuance of new shares in return for cash contributions or contributions in kind by up to € 7.5 million. The subscription right can be excluded in whole or in part (Authorized Capital II).

For further details, please refer to the relevant disclosures in the Notes to the Consolidated Financial Statements.

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Outlook

Global Economy
According to an economic forecast published by ifo on December 15, 2009, economic expectations are optimistic almost everywhere. However, the state of the economy continues to be vulnerable to setbacks and a corresponding impact on consumer behavior.
Sales prospects of companies have improved, not least due to the massive support measures on the part of fiscal policy. Following a sharp drop, production has been revitalized and international trade is steadily normalizing, supported by the meanwhile more favorable trade financing possibilities which were heavily curtailed during the crisis. However, the question arises as to whether the economic upturn will last, in particular in the industrialized countries. While the ifo business climate for the individual regions indicates a worldwide improvement in the economic outlook it is still, however, below its long term average, primarily in the USA, the EU15 and in Japan.

Positive impetus within the sports industry is expected for 2010, in particular due to the World Cup in South Africa. This is of special importance to PUMA since the Company has a genuine home field advantage due to its close and unique connection with African football and as sponsor of twelve African teams.
The prelude is formed by the Africa Cup in Angola, where ten of sixteen teams were equipped by PUMA. PUMA was for the first time official sponsor of the Africa Cup and this was associated not only with a strong brand presence, PUMA also scored a hitherto unparalleled hatrick: Egypt won the title for the third consecutive time, whereby PUMA secured the Africa Cup of Nations for the sixth consecutive time. The Africa Cup of Nations in Angola also provided an initial foretaste of the World Cup in June. At the World Cup in South Africa, PUMA will then be represented with a total of seven teams: In addition to Italy, the world champion, and the four African teams, Ghana, Cameroon, Ivory Coast and Algeria, the portfolio also includes Uruguay and Switzerland. Puma thus confirms its clear position as one of the three leading football brands.

Outlook
In light of the still restrictive consumer environment and the tense global economy, continued restrained consumer behavior must be expected, which may adversely impact on sales development in 2010. It is therefore difficult at present to make a quantitative estimate for 2010 despite the current positive impetus from the Football World Cup. However, we expect that the currency-adjusted sales volume in 2010 will reach at least last year's level. PUMA will strive for a comparable gross profit margin despite the present currency hedging position and a higher proportion of team sport products with lower contribution margin..
Increased marketing expenses are to be expected during the World Cup year, whereas the cost reduction program,should provide for further efficiency increases and cost savings, aimed at ensuring the company's sustained earnings power.

A clear improvement in net earnings will be achieved, as there will be no special items like in 2009. Under consideration of the above mentioned planning parameters and omitting the special items, we continue to strive for an improvement of our net results in 2010. From today's point of view, a moderate increase in sales and earnings should be possible if the restrictive consumption climate eases in 2011.

Investments
Investments of between € 40 million and € 50 million are planned for 2010. Of these, the major part is attributable to infrastructure investments and selective investments in retail trade operations.
In addition, short-term purchase price liabilities from corporate acquisitions exist, which may lead to a cash outflow of € 42.2 million in 2010.

Basis for Long-Term Growth
Due to the global weakening of the world economy, high volatility in the willingness to buy and low visibility, it is still difficult to provide a quantitative outlook for the coming years. However, owing to its strong equity ratio, the high level of liquidity and the measures implemented, PUMA should make a corresponding positive contribution in 2011 and in the subsequent years. Management expects that a basis for sustained positive development has thus been created.

Relations to Affiliated Companies
PUMA AG and SAPARDIS S.A., Paris, a fully owned subsidiary of PPR S.A., Paris, are considered to be dependent companies under Section 17 AktG. The Board of Management has issued a report describing the relations to affiliated companies – Dependent Company Report – according to Section 312 AktG.

The Dependent Company report of the Board of Management ends with the following declaration: „Reportable legal transactions and measures taken or reportable measures not taken were not reported in the period under review."

Post Balance Sheet Events
No post balance sheet events with significant impact on the net assets, financial position and results of operations are reported.

Responsibility Statement
For details concerning the statement required under Section 315 (1) Sentence 6 (Responsibility Statement, "Bilanzeid"), please refer to the Notes to the Consolidated Financial Statements.

Herzogenaurach, February 4, 2010

Board of Management

Zeitz **Harris-Jensbach** **Bauer** **Caroti**

Deputy Board of Management

Bertone **Seiz**

The PUMA Share

Following the steep decline in stock prices in 2008, a significant recovery set in on the stock exchanges in 2009. Will the stock markets finally rebound or does the rally experienced in 2009 only signal the calm before the next storm?

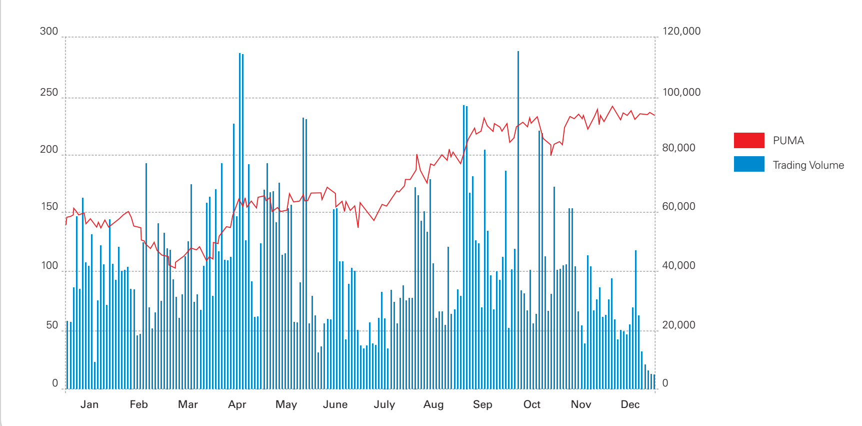
In 2009, the two most important German stock indices, DAX and MDAX, developed quite differently at times. Since analysts appreciate the higher flexibility of mid-caps, the companies listed on the MDAX have reacted faster to market changes and innovations in the past. Up to now, investors have been more prepared to take risks in upswing phases and intensified their investments into mid-caps, which benefited the MDAX in 2009.

The DAX reached 5,957 points at the year-end, up 23.8% from the previous year's level, while the MDAX closed at 7,507 points with a 34.0% increase.

The PUMA share, which is listed on the MDAX, enjoyed a rally in the course of the year, as did the entire index. The share price moved within a range from € 103.04 (March 9, 2009) to € 240.74 (December 4, 2009). The average daily transaction volume stood at 38,996 shares, compared to 57,310 shares in the previous year. The share price closed at € 231.84 on December 31, 2009, compared to € 140.30 on December 31, 2008. This corresponds to a year-on-year increase of 65.2%.

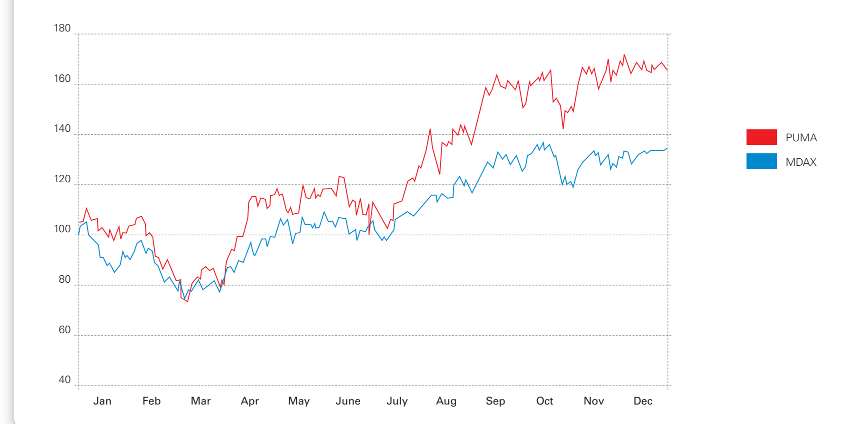
Market capitalization of the PUMA share thus increased by 65.2% to € 3.5 billion at the year-end, compared to € 2.1 billion in the previous year. In effect, the PUMA share clearly outperformed the development of the MDAX.

PUMA share performance / Trading volume



Key data per share		2009	2008	2007	2006	2005
End of year price	**€**	**231.84**	140.30	273.00	295.67	246.50
Highest price listed	**€**	**240.74**	273.26	350.10	333.11	249.00
Lowest price listed	**€**	**103.04**	112.78	260.15	240.67	177.04
Daily trading volume (Ø)	**amount**	**38,996**	57,310	141,082	128,185	159,285
Earnings per share	**€**	**8.50**	15.15	16.80	16.39	17.79
Gross cashflow per share	**€**	**24.74**	25.46	26.23	24.65	26.95
Free cashflow per share	**€**	**16.96**	7.21	13.63	5.71	9.48
Shareholders' equity per share	**€**	**82.20**	78.05	72.62	65.10	54.80
Dividend per share	**€**	**1.80**	2.75	2.75	2.50	2.00

Share development - rebased



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


THE GAMES WE PLAY.

Brand Strategy

In 2009, we continued to strengthen our Sportlifestyle brand through unique events and marketing campaigns – from PUMA City in Boston during the Volvo Ocean Race North American stopover to Usain Bolt's 'Who Faster?' campaign in Berlin during the World Championships.

In 2009, we also refined our brand manual. "10" is the very first brand manual to incorporate the four keys to success of the global PUMAVision – fair, honest, positive and creative. Our brand mission – to be the most desirable Sportlifestyle brand in the world – has not changed at all.

We have brought back the spirit of the DJ in our new Brand Promise to joyfully mix the influences of Sport and Lifestyle with the desire to contribute to a better world. "Joy" is what we will try to bring to our consumers and is what will differentiate us from our competition – it's our point-of-view. While others talk about blood, sweat and tears of sport, we recognize that they cannot be the only rewards. Rather, we'll talk about the moments of joy inherent in both sport and life.

We are the brand that remembers what it was like to play the game – and to play it with joy.

It's what we've always done best and now the time is right to bring the joy back again. So when we think about product, about marketing, retail or anything in our business, the first question we must ask is: Where is the Joy? It could be the feeling of running fast on a track, or getting social with your friends playing ping pong at a bar. Joy is being the best while having fun doing it.

With our fine tuned position of 'joy' and our refined brand manual, "10," we look forward to becoming a stronger, more confident brand and continuing our tradition of fun-infused product and campaigns.

Our SportLifestyle brand identity is a distinct advantage. To better protect and communicate that identity among our product range, we recently developed a new labeling system. This color-coded system will make it easier for our consumers to clearly identify product attributes. Each label communicates whether a product is engineered for sport performance, designed for sport fashion, or made for something in the middle.

Furthermore, these labels provide clearly defined brand pillars. They reflect PUMA's multifaceted nature and will ultimately help to evolve PUMA's SportLifestyle positioning.

The **SPORT LABEL** is **ORANGE** and represents the sport performance side of the brand. It will be used by the following categories: Teamsports, Running, Golf, Performance Sailing and Fitness.

The **LIFESTYLE LABEL** is **RED** and represents the Lifestyle side of the brand. It will be used by the following categories: Motorsport (excluding Cavallino & GT ranges); Sailing Lifestyle; Licensed Product (excluding fragrances); Fundamentals; and Lifestyle.

The **BLACK LABEL** is **BLACK** and will be used by the following categories: Black Station; Cavallino & GT; Premium Fitness; and Co-Labs.

The **LIFE LABEL** is **YELLOW** and will be used for special product initiatives related to PUMAVision, for both Lifestyle and sport performance products. These initiatives will help fundraise for specific programs.

Running

In 2009, PUMA wrote again sport history – as the sponsor of the Jamaican Track & Field Team at the World Athletics Championships in Berlin. Three-time Olympic gold medallist Usain Bolt broke the 100m world record with an amazing time of 9.58 seconds, when he blew away his own world record of 9.69 seconds set in last year's Olympic Games in Beijing. The PUMA athlete manifested his reputation of a sprint superstar when he smashed his 200 meter world record of last year to become the World Champion in 19.19 seconds. With the Jamaican team coming in first in the 4x100 relay in 42.06 seconds, Bolt finished an amazing race week by adding another gold medal and World Championship title to his track record.

The Theseus Pro sprint spike, dubbed the PUMA YAAM, propelled Bolt to victory. The shoe was developed by a team of PUMA designers and technicians who studied and measured his stride and foot form. With this information and ongoing track-testing, they created a custom-made sprint spike that best suited Usain's unique body kinetics.

Marketing support for Usain Bolt, Jamaica, and the PUMA Running category spanned the globe. For the World Championships, PUMA launched its 'Who Faster?' campaign: an in-store, online, guerilla marketing blitz which featured Bolt and Jamaican patois phrases relating to the concepts of 'fast' and 'fun.' WhoFaster.com was created, with pages that taught viewers to dance, run, and speak Jamaican.

One notable tactic included the debut of 'Bolt Arms,' yellow foam arms posed in Bolt's infamous crossbow pose, which can be worn across one's back. Bolt himself wore Bolt Arms to the World Championships press conference, kicking off a worldwide craze and much press attention.

PUMA Running also sponsored smaller running events around the world. The PUMA Speed Trap was set up at various locations from Boston to Berlin, inviting people to test their speed against Bolt's near impossible 27 miles per hour.

Teamsport

PUMA already started to gear up for the Football World Cup in South Africa in 2010 – the first sport event of the magnitude of a Football World Cup on African soil.

In the world of football, PUMA is synonymous with Africa. This is the result of over ten years of our continued investment to further boost the image of the African game.

To manifest our commitment to Africa, we have even gone as far as alternating our PUMA Number One Logo for the first time in the company's history, replacing the iconic PUMA cat with the African continent in advertising and in-store materials. The PUMA Africa logo will be exclusively used during the World Cup for print ads, instore materials and some product styles.

The new logo was launched with the African Cup of Nations in January, which was our warm up in the football year 2010. Ten PUMA teams out of a total of 16 participated in the tournament in Angola. The players of Angola, Burkina Faso, Cameroon, Togo, Tunisia, Mozambique, Algeria, Egypt, Ghana and Ivory Coast all sported the leaping cat on their jerseys. For the first time, PUMA was the Official Fan Supplier of the tournament and operated shopping areas outside the stadiums in Angola during the event. Egypt won the final of the African Cup of Nations for the third successive time today and seventh overall, beating PUMA-sponsored team Ghana 1-0.

Seven national PUMA teams out of a total of 32 qualified for the football highlight of the year, which will kick off on June 11th in Johannesburg. Current World Champion Italy, Cameroon, Algeria, Ghana, Ivory Coast, Switzerland and Uruguay all passed the qualification stage and will be wearing the new PUMA v1.10 playing kits.

PUMA has also partnered with artist Kehinde Wiley, the internationally acclaimed, half-Nigerian American-born painter, in order to create a series of four original artworks featuring Africa's most prominent football players, Samuel Eto'o, John Mensah and Emmanuel Eboué. The four commissioned portraits will be used to build a limited edition collection of apparel that will be sold during the 2010 World Cup.

Also taking PUMA forward to the World Cup was the launch of the new PUMA speed boot: the v1.10. This product was supported by the first in a series of LOVE = FOOTBALL creative executions.

This past year saw many large marketing initiatives in the Teamsport division. PUMA launched a new boot to its King line: the PUMA King XL Italia. This boot was accompanied by a limited edition kit, ball, and gloves. The PUMA King XL Italia Collection coincided with the 80th anniversary of Vittorio Pozzo's appointment as Italy's first full-time national coach – the only coach to have won two World Cup™ titles and the creator of the tactical il Metodo formation. At the 2009 FIFA Confederations Cup™ in South Africa, Gli Azzurri wore this collection.

In 2009, PUMA became an official partner of the United States' Women's Professional Soccer League. As an official partner of WPS, PUMA is the supplier of the league uniforms, training gear, on-field gear and equipment, including the official WPS Match Ball and fanwear such as tees, replica jerseys and accessories. The league's inaugural season was supported by PUMA's 'Recognize Awesome' campaign, featured in print, television, and web media.

Also new to Teamsport marketing was the India Premier League (IPL) and the Irish Rugby Football Union (IRFU) League, both highlighted by extensive campaigns throughout their respective countries.

Sailing

"il mostro" – PUMA's eye-catching sailing yacht – and the PUMA Ocean Racing Crew finished their maiden Volvo Ocean Race, "the Everest of Sailing", in second place on 27 June 2009 in St. Petersburg, Russia. The Volvo Ocean Race is a 37,000 nautical mile (68,524 km) around the world adventure and is one of the world's toughest sporting events.

PUMA's participation in the Volvo Ocean Race was the most innovative marketing campaign the company has ever launched and proved to be an extremely successful starting signal for our sailing category.

The journey became a showcase for our brand personality. From on board antics caught on film in our PUMA Ocean Racing webisode series to our skipper's regular blog. Again, we turned an often stuffy and exclusive sport into something that the world can relate to because we showed the fun side to the ocean slapping you in the face; the good things that come out of 11 men sharing one bathroom for nine months on a tiny boat.

During the race, over 5 million people visited the Volvo Ocean Race stopover villages and saw PUMA's il mostro, PUMA City, and our local market initiatives. Over 44,000 customers and PUMA employees were taken for a sailing tour on a PUMA yacht either before the start or in one of the stopover ports of the race.

PUMA's eye-catching sailing yacht "il mostro", the innovative PUMA Sailing Collections, the innovative marketing initiatives launched at the numerous stop-over ports, PUMA City and the successful performance of the PUMA Ocean Racing Crew generated extensive media coverage that more than offset PUMA's investment in the Volvo Ocean Race.

PUMA used the 11 port destinations of the Race - Alicante, Cape Town, Cochin in India, Singapore, Qingdao in China, Rio de Janeiro, Boston, Galway in Ireland, Marstrand in Sweden, Stockholm and finally St. Petersburg - to activate complex onshore marketing strategies. For these efforts we won the European Sponsorship Award for the Best International Sponsor Campaign.

Among these local marketing initiatives were Boston's PUMA City campaign, a media blitz that hit the city from train stations to radio waves. Sweden and Russia also saw extensive localized campaigns, speaking on local terms to this global event and audience.

Motorsport

PUMA's thriving Motorsport category celebrated its 10th Anniversary last year.

It has been a long but incredibly successful track - from the humble beginnings back in 1999 to the pole position of PUMA Motorsport today – one of the company's most triumphant sport performance categories. To celebrate the diamond anniversary, PUMA launched the PUMA Motorsport 10th Anniversary collection of apparel, footwear and accessories that blend on-track technical performance with off-track fashion appeal.

PUMA has been designing and creating footwear and apparel for the top Formula One racing drivers and most impressive MotoGP riders since the end of the last century. It all began when PUMA signed its first Formula One endorsement agreement with the Williams Team. Over the years, PUMA partnered with other key drivers and teams including Scuderia Ferrari, Red Bull Racing, BMW Sauber F1, Scuderia Toro Rosso, Benetton, Arrows, Prost, BAR-Honda, Renault F1, Sauber Petronas, Jordan Ford, Minardi F1, Panasonic Toyota and Jaguar Racing among others.

In 2009 PUMA enjoyed another memorable season when five out of the ten teams competing in the Formula One 2009 Championships were endorsed by PUMA – Scuderia Ferrari, BMW Sauber F1, ING Renault F1, Red Bull Racing and Scuderia Toro Rosso. Red Bull Racing had its most successful season to date in Formula One, winning six races, securing 5 pole positions and finishing runner up in both the Constructors and the Drivers championship.

Ferrari's Kimi Raikkonen won the Belgian GP and the team finished the season in 4th position. Ducati claimed four MotoGP race victories in 2009 and secured a second place in the Constructors Championship and 4th in the Driver standing.

Through relentless innovation and creativity, PUMA constantly improves the technological needs of the teams and drivers. These pure performance products have also transitioned into cult favourites in the lifestyle and fashion arenas.

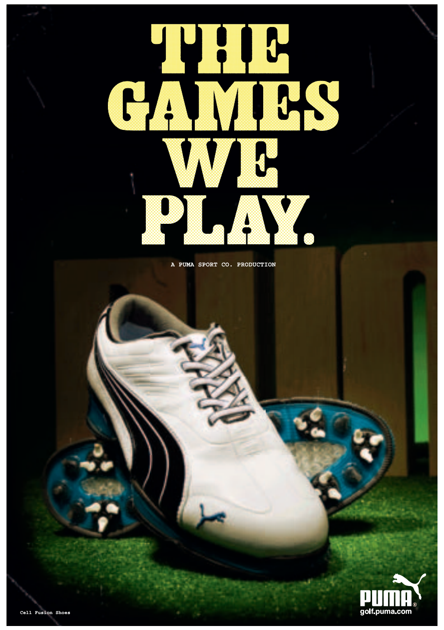
Last year, we introduced the Speedcat 2.9 which continues PUMA's great tradition of Motorsport inspired Lifestyle footwear. Directly inspired by the original Speed Cat, but taking a flashier approach to the iconic motorsport shoe, PUMA revamped the hero kicking it up a notch with miles of style.

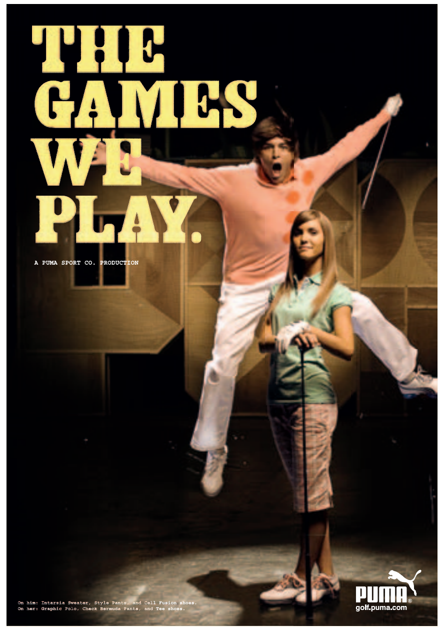
Golf

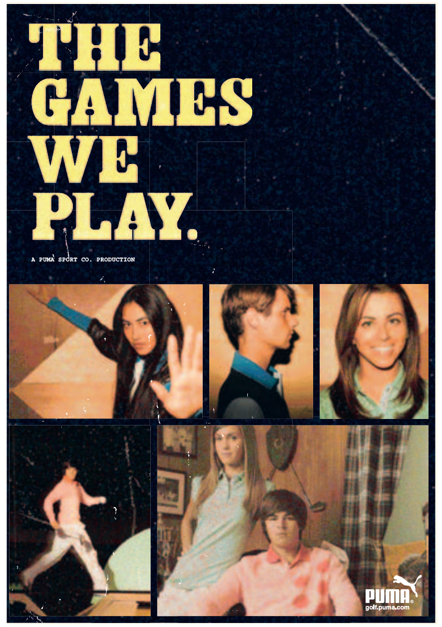
PUMA's Golf category displayed an ongoing buzz, momentum and growth over the last year while the golf industry itself declined.

Our marketing campaign "Look better. Feel better. Play better." combined with innovative product introductions in apparel and footwear further boosted PUMA's mark in a sport that had long been perceived as too traditional for cutting-edge fashion.

We introduced the innovative InvisiBonding technology in our Golf apparel line which eliminates traditional stitching by using a bonding process on the seams. In footwear we expanded our range of products that feature the Smart Quill Technology ensuring a lighter and more comfortable feel as well as a better traction.







These state-of-the-art performance products in the typical PUMA break-through and unconventional design propelled our PUMA athletes to memorable performances on the course. Geoff Ogilvy, ranked as high as No. 4 in the world in 2009, was a fixture on the top of the PGA Tour and European PGA Tour all season and claimed victories at the Mercedes Championship and the Accenture World Match Play Championship.

PUMA Golf continued to support its own new breed of player – one who demands the highest performance and comfort, but who also wants to make a more daring statement than your average, pleated, wrinkle-free khakis will allow. Such players included young and vibrant Anna Nordqvist, who won the first major tournament in PUMA's Golf history on the women's side with capturing the title at the McDonald's LPGA Championship. And finally, PUMA signed former No. 1 amateur in the world Rickie Fowler to a long-term contract to wear PUMA head to toe, paving the way for more exciting PUMA Golf moments to come.

To reinforce our global category positioning, PUMA partnered with the European Tour's season ending Race to Dubai tournament. For the events, PUMA introduced the Swing Crown GTX R2D and the C-Hopper R2D, two limited edition PUMA Golf shoes featuring the graphics of iconic buildings in cities of each country participating in the Race to Dubai Tournament – collectively known as The Race to Dubai skyline.

Lifestyle

PUMA's Lifestyle category also warmed up in 2009 to be fully ready for the upcoming Football World Cup 2010 in South Africa.

The unique mix of Lifestyle and Football leading up to this major sport event on African soil was brought to life through PUMA's collaboration with the New York-based artist Kehinde Wiley. As one of the world's most sought-after artists, Wiley's work stands apart – depicting contemporary African American men in poses taken from the annals of art history, while incorporating a distinctive use of elaborate, graphic and colourful wallpaper-like backgrounds. A vibrant new line is inspired by his work and features West African textile prints. The lifestyle collection - that will launch in 2010 - comprises footwear, apparel and accessories and feature Wiley's bold, colourful patterns.

PUMA also paid tribute to its heritage in 2009, launching the PUMA Archive website and providing a place for consumers to find our latest creation and educate themselves on PUMA's history and the iconic ambassadors that helped us gain the notoriety we enjoy today. Styles like the PUMA Clyde, Suede, First Round, Roma and Easy Rider generated enormous coverage in both print and online, reconnecting these classic heritage styles with the audience that loves them.

PUMA also celebrated a Decade of Sport Fashion during the London Fashion Week in September. "Out of sports, out of fashion" was the concept behind our successful collaboration with Japanese fashion designer Yasuhiro Mihara. In Spring/Summer 2010 PUMA by Mihara celebrates its 10th Anniversary making it the longest standing sport-fashion collaboration to date. Throughout these 10 years, PUMA by Mihara has been a constant favourite for both sneaker freaks and fashionistas all over the world, exciting consumers each season with new and unexpected interpretations of the concept of sport-fashion.

In its Sports Fashion Category PUMA furthermore introduced the Urban Mobility Collection with creative direction by Hussein Chalayan. The collection explores the notion of ‚Mobile Life' in modern cities, bridging fashion and performance by designing products that offer true solutions to stylish travel through the urban environment, launched for Spring /Summer 2010.

Statement of Financial Position

	Notes	2009 € million	2008 € million
ASSETS			
Cash and cash equivalents	4	485.6	375.0
Inventories	5	348.5	430.8
Trade receivables	6	397.8	396.5
Other current assets	7	127.3	159.8
Current assets		**1,359.2**	**1,362.0**
Deferred taxes	8	67.7	80.5
Property, plant and equipment	9	242.7	245.1
Intangible assets	10	317.5	189.8
Other non-current assets	11	27.0	21.2
Non-current assets		**654.9**	**536.6**
Total assets		**2,014.1**	**1,898.7**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current bank liabilities	12	36.8	49.7
Trade payables	12	262.1	269.1
Tax provisions	15	20.0	27.6
Other current provisions	16	118.4	91.0
Liabilities from acquisitions	17	42.2	40.0
Other current liabilities	12	140.5	137.5
Current liabilities		**620.0**	**614.8**
Deferred taxes	8, 12	4.4	26.5
Pension provisions	14	25.2	21.3
Liabilities from acquisitions	17	117.9	53.3
Other non-current liabilities	12	6.7	5.6
Non-current liabilities		**154.2**	**106.7**
Subscribed capital		38.6	41.0
Group reserves		155.3	174.2
Retained earnings		1,045.8	1,175.6
Treasury stock		0.0	-216.1
Minority interest		0.1	2.5
Shareholders' equity	18	**1,239.8**	**1,177.2**
Total liabilities and shareholders' equity		**2,014.1**	**1,898.7**

Statement of Cashflows

	Notes	2009 € million	2008 € million
Operating activities			
EBT		184.1	326.4
Adjustments for:			
Depreciation	9, 10	71.4	56.2
Non-realized currency gains/losses, net		-15.7	6.9
Interest income	21	-3.8	-11.9
Interest expenses	21	12.1	10.8
Changes from the sale of fixed assets		0.6	-0.2
Changes to pension accruals	14	2.8	2.8
Other cash effected expenses		72.9	0.0
Gross Cashflow	26	**324.3**	**391.1**
Changes in receivables and other current assets	6, 7	-18.6	-36.7
Changes in inventories	5	106.8	-70.7
Changes in trade payables and other current liabilities	12	-10.5	30.5
Cash provided by operations		402.0	314.1
Interest paid	21	-6.6	-6.7
Income taxes paid		-84.8	-88.3
Net cash from operating activities	26	**310.6**	**219.1**
Cashflows from investment activities			
Payment for acquisitions	3	-84.4	-24.9
Purchase of property and equipment	9, 10	-54.5	-119.2
Proceeds from sale of property and equipment		1.8	3.7
Changes in other non-current assets		-5.9	-4.9
Interest received	21	3.8	11.9
Net cash used in investing activities	26	**-139.2**	**-133.3**
Cashflows from financing activities			
Changes regarding non-current liabilities		0.8	0.8
Changes regarding non-current bank borrowing	12	-21.2	-7.4
Dividend payments	18	-41.5	-42.5
Capital increase	19	0.0	0.9
Purchase of treasury stock	18	0.0	-181.4
Net cash used in financing activities	26	**-61.9**	**-229.6**
Effect of exchange rates on cash		1.2	-3.7
Change in cash and cash equivalents		**110.6**	**-147.5**
Cash and cash equivalents at beginning of the financial year		375.0	522.5
Cash and cash equivalents at year-end	4, 26	**485.6**	**375.0**

Statement of Changes in Equity

in € million	Subscribed Capital	Group reserves: Capital reserve	Group reserves: Profit reserves	Group reserves: Difference from currency conversion	Group reserves: Cashflow hedges	Retained earnings	Treasury stock	Total equity before minorities	Minorities	Total
Dec. 31, 2007	**41.0**	**183.5**	**69.5**	**-73.0**	**-26.1**	**986.7**	**-34.7**	**1,146.8**	**8.0**	**1,154.8**
Dividend payment						**-42.5**		**-42.5**		**-42.5**
Unrecognized net actuarial gain/loss						**-1.3**		**-1.3**		**-1.3**
Currency changes/others				-19.0				**-19.0**	-4.4	**-23.4**
Release to the income statement					26.1			**26.1**		**26.1**
Market value for cashflow hedges					11.1			**11.1**		**11.1**
Capital increase	0.0	0.9						**0.9**		**0.9**
Value of employees services		1.2						**1.2**		**1.2**
Net Earnings						**232.8**		**232.8**	-1.1	**231.6**
Purchase of treasury stock							-181.4	**-181.4**		**-181.4**
Dec. 31, 2008	**41.0**	**185.5**	**69.5**	**-92.0**	**11.1**	**1,175.6**	**-216.1**	**1,174.7**	**2.5**	**1,177.2**
Dividend payment						**-41.5**		**-41.5**		**-41.5**
Unrecognized net actuarial gain/loss						**-2.9**		**-2.9**		**-2.9**
Currency changes/others				0.8				**0.8**	-0.0	**-0.7**
Release to the income statement					-11.1			**-11.1**		**-11.1**
Market value for cashflow hedges					-13.6			**-13.6**		**-13.6**
Value of employees services		5.1						**5.1**		**5.1**
Net Earnings						**128.2**		**128.2**	-2.3	**225.9**
Reduction of subscribed capital due to cancellation of own shares according to § 237 Abs. 3 AktG	-2.4					**-213.7**	216.1			
Dec. 31, 2009	**38.6**	**190.6**	**69.5**	**-91.3**	**-13.6**	**1,045.8**		**1,239.7**	**0.1**	**1,239.8**

Statement of Profit and Loss

	Notes	2009 € million	2008 € million
Sales	25	**2,460.7**	**2,524.2**
Cost of sales	25	-1,198.2	1,217.6
Gross profit	25	**1,262.4**	**1,306.6**
Royalty and commission income		20.6	25.7
		1,283.0	1,332.4
Other operating income and expenses [1]	20	-1,090.6	-1,007.0
EBIT	25	**192.4**	**325.4**
Financial result	21	-8.3	1.1
EBT		**184.1**	**326.4**
Taxes on income	22	-58.2	94.8
Net earnings before attribution		**125.9**	**231.6**
attributable to: Minorities	18	-2.3	-1.1
Equity holders of the parent (net earnings)		**128.2**	**232.8**
Earnings per share (€)	23	8.50	15.15
Earnings per share (€) - diluted	23	8.50	15.15
Weighted average shares outstanding	23	15,082	15,360
Weighted average shares outstanding, diluted	23	15,092	15,360

[1] incl. special items

Statement of Comprehensive Income

	After tax 2009 € million	Tax impact 2009 € million	Before tax 2009 € million	After tax 2008 € million	Tax impact 2008 € million	Before tax 2008 € million
Net earnings before attribution	**125.9**		**125.9**	**231.6**		**231.6**
Unrecognized net actuarial gain/loss	-2.9	1.4	-4.3	-1.3	0.6	-2.0
Currency changes	0.8	0.2	0.6	-19.0		-19.0
Cashflow hedge						
Release to the income statement	-11.1	4.6	-15.7	26.1	-10.7	36.7
Market value for cashflow hedges	-13.6	6.3	-19.9	11.1	-4.6	15.7
Other result	**-26.8**	**12.6**	**-39.4**	**16.9**	**-14.6**	**31.5**
Comprehensive income	**99.1**	**12.6**	**86.5**	**248.6**	**-14.6**	**263.1**
attributable to: Minorities	-2.3		-2.3	-1.1		-1.1
Equity holders of the parent	101.4	12.6	88.8	249.7	-14.6	264.2

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Appendix to the Financial Statements

Development in 2008	Purchase costs: Balance Jan. 1, 2008 € million	Currency changes and other changes	Additions/ retransfers	Changes from acquisitions	Disposal	Balance Dec. 31, 2008 € million	Accumulated depreciation: Balance Jan. 1, 2008 € million	Currency changes and other changes	Additions/ retransfers*	Changes from acquisitions	Disposal	Balance Dec. 31, 2008 € million	Bookvalues: Balance Jan. 1, 2008 € million	Balance Dec. 31, 2007 € million
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	74.8	1.3	24.6	0.0	-0.6	100.1	-19.9	0.1	-3.9	-0.0	0.2	-23.5	76.6	54.9
Technical equipment and machines	5.8	-0.9	1.4	0.0	-0.6	5.8	-2.6	0.5	-0.9	0.0	0.3	-2.8	3.0	3.2
Other equipment, factory and office equipment	216.5	-5.1	52.3	-0.0	-8.8	254.9	-106.1	2.3	-39.4	0.0	6.8	-136.4	118.5	110.3
Payments on account and assets under construction	26.5	0.4	20.7	0.0	-0.5	47.0	-0.0	-0.0	0.0	0.0		-0.0	47.0	26.4
	323.6	**-4.2**	**99.0**	**-0.0**	**-10.5**	**407.8**	**-128.7**	**2.8**	**-44.2**	**0.0**	**7.3**	**-162.7**	**245.1**	**194.9**
INTANGIBLE ASSETS														
Goodwill	162.3	-6.0	7.6	-0.0		163.8	-9.1	0.0		0.0		-9.0	154.8	153.2
Intangible fixed assets with a non-defined useful life														
Other intangible fixed assets	50.3	0.4	20.2	-0.0	-0.9	70.1	-23.2	-0.3	-12.0	0.0	0.4	-35.1	35.0	27.1
	212.7	**-5.6**	**27.8**	**-0.0**	**-0.9**	**233.9**	**-32.4**	**-0.3**	**-12.0**	**0.0**	**0.4**	**-44.1**	**189.9**	**180.3**
OTHER NON-CURRENT ASSETS														
Other loans	2.9	-0.0	-0.2	-0.0	-0.1	2.5	-0.0		0.0			-0.0	2.5	2.8
Other assets	12.3	1.3	6.6	0.0	-1.4	18.8	-0.1		-0.1			-0.2	18.7	12.2
Shares in associated companies														
	15.2	**1.3**	**6.5**	**0.0**	**-1.5**	**21.4**	**-0.1**		**-0.1**			**-0.2**	**21.2**	**15.0**

Development in 2009	Purchase costs: Balance Jan. 1, 2009 € million	Currency changes and other changes	Additions/ retransfers	Changes from acquisitions	Disposal	Balance Dec. 31, 2009 € million	Accumulated depreciation: Balance Jan. 1, 2009 € million	Currency changes and other changes	Additions/ retransfers*	Changes from acquisitions	Disposal	Balance Dec. 31, 2009 € million	Bookvalues: Balance Jan. 1, 2009 € million	Balance Dec. 31, 2008 € million
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	100.1	0.0	71.2		-3.9	167.5	-23.5	-0.2	-9.5		3.6	-29.5	138.0	76.6
Technical equipment and machines	5.8	-0.2	1.9	4.3	-0.5	11.3	-2.8	0.0	-1.9	-2.3	0.5	-6.5	4.8	3.0
Other equipment, factory and office equipment	254.9	2.3	25.3	1.5	-20.1	264.0	-136.4	-1.0	-46.8	-0.6	18.9	-165.9	98.1	118.5
Payments on account and assets under construction	47.0	-0.1	-45.0		-0.1	1.9	-0.0		-0.0		0.0	-0.0	1.9	47.0
	407.8	**2.1**	**53.4**	**5.8**	**-24.5**	**444.6**	**-162.7**	**-1.2**	**-58.1**	**-3.0**	**23.0**	**-201.9**	**242.7**	**245.1**
INTANGIBLE ASSETS														
Goodwill	163.8	0.4	139.6	2.9	-4.2	302.6	-9.0	-0.0	-4.2	-2.6	4.2	-11.6	290.9	154.8
Intangible fixed assets with a non-defined useful life														
Other intangible fixed assets	70.1	0.4	1.2	0.7	-3.1	69.3	-35.1	-0.0	-9.5	-0.6	2.5	-42.7	26.6	35.0
	233.9	**0.8**	**140.8**	**3.7**	**-7.3**	**371.8**	**-44.1**	**-0.1**	**-13.6**	**-3.1**	**6.6**	**-54.3**	**317.5**	**189.9**
OTHER NON-CURRENT ASSETS														
Other loans	2.5	0.0	0.1		-0.0	2.6	-0.0		0.0			-0.0	2.6	2.5
Other assets	18.8	-0.2	10.5	0.0	-4.8	24.3	-0.2				0.2		24.3	18.7
Shares in associated companies			0.0	0.0		0.0							**0.0**	
	21.4	**-0.2**	**10.5**	**0.1**	**-4.8**	**27.0**	**-0.2**		**0.0**		**0.2**	**-0.0**	**27.0**	**21.2**

** including impairment for fixed assets (€ 8.5 million) and intangible assets (€ 4.4 million)*

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Notes to the Consolidated Financial Statements

1. General

Under the "PUMA" brand name, PUMA Aktiengesellschaft Rudolf Dassler Sport (hereinafter "PUMA AG"), and its subsidiaries are engaged in the development and sale of a broad range of sport and sportlifestyle articles including footwear, apparel and accessories. The company is a joint stock company under German law with registered head office in Herzogenaurach, Federal Republic of Germany; its responsible court of registration is at Fürth (Bavaria, Germany).

The consolidated financial statements of PUMA AG and its subsidiaries (hereinafter the "Company" or "PUMA"), were prepared in accordance with the "International Financial Reporting Standards (IFRS)" issued by the International Accounting Standards Board (IASB), and the supplementary provisions to be applied in accordance with Section 315a (1) of the German Commercial Code (HGB). All IASB standards and interpretations as endorsed by the EU that are obligatory for financial years as from January 1, 2009 have been applied.

Of the standards and interpretations to be newly applied from January 1, 2009 onwards, only IAS 1R (Presentation of Financial Statements), amendment to IFRS 7 (Financial Instruments: Disclosures) and IFRS 8 (Operating Segments) were of relevance, which led to changed disclosure and publication requirements with respect to the consolidated financial statements. With respect to Standard IFRS 8, the most recent version concerning "Improvements to IFRS (2009)" was applied (see paragraph 25). All other applicable obligatory standards and interpretations had no impact on the consolidated financial statements.

The following standards and interpretations were issued but will only take effect in subsequent reporting periods and are not applied earlier by the Company:

Standard	Title	first time adoption*	proposed adoption
Endorsed			
IFRS 1 R	First-time adoption of international financial reporting standards	01.01.2010	01.01.2010
IFRS 3 R	business combinations	01.07.2009	01.01.2010
IAS 27 R	consolidated and separate financial statements	01.07.2009	01.01.2010
amendment IAS 32	financial instruments: presentation	01.02.2010	01.01.2011
amendment IAS 39	financial instruments: recognition and measurement	01.07.2009	01.01.2010
IFRIC 12	service concession arrangements	30.03.2009	01.01.2010
IFRIC 15	agreements for the construction of real estate	01.01.2010	01.01.2010
IFRIC 16	hedges of a net investment in a foreign operation	01.07.2009	01.01.2010
IFRIC 17	distributions of non-cash assets to owners	01.11.2009	01.01.2010
IFRIC 18	transfers of assets from customers	01.11.2009	01.01.2010
Endorsement pending			
amendment IFRS 1	First-time adoption of international financial reporting standards	01.01.2010	01.01.2010
amendment IFRS 2	share-based payment	01.01.2010	01.01.2010
IFRS 9	financial instruments	01.01.2013	01.01.2013
IAS 24 R	related party disclosures	01.01.2011	01.01.2011
amendment to IFRS 2009		01.01.2010 ff	01.01.2010 ff
amendment IFRIC 14	the limit on a defined benefit asset, minimum funding rquirements and their interaction	01.01.2011	01.01.2011
IFRIC 19	extinquishing financial liabilities with equity instruments	01.07.2010	01.01.2011

* *if applicable aligned by EU-endorsement*

From this point forward, IFRS 3 R and IAS 27 R will become relevant for the Company. IFRS 3 R changes the treatment concerning determination of acquisition costs and the balance sheet treatment of the residual value. IAS 27 leads to changes respecting transactions with minorities. The Company does not expect the remaining standards to significantly impact on accounting.

The consolidated financial statements of PUMA AG are prepared in euro currency (EUR or €). Disclosures in million euros may lead to rounding differences since the calculation of individual items is based on figures presented in thousands.

The income statement is classified using the cost of sales format.

SAPARDIS S.A., a fully owned subsidiary of PPR S.A., Paris, presently holds 69.36% of the subscribed capital. In effect, the PPR Group holds a majority stake in PUMA AG. PUMA AG and its affiliated companies are included in the PPR consolidated financial statements, which may be obtained from PPR upon request.

2. Significant Consolidation and Accounting Policies

Consolidation Principles

The consolidated financial statements were prepared as of the December 31, 2009 reporting date of the annual financial statements of the PUMA AG parent company on the basis of uniform accounting policies pursuant to IFRS.

The capital consolidation of subsidiaries acquired after January 1, 2005 is based on the acquisition method. The acquisition costs of the business combination also include the costs directly allocable to the purchase, as well as all debts arising within the scope of the acquisition transaction. Upon initial consolidation, assets, debts and contingent liabilities identified in the context of a business combination are stated at the fair value applicable at the acquisition date, independent of the scope of minority interests.

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 acquisition costs are below the amount of the net assets stated at fair value, the difference is reported directly in the income statement.

PUMA is the beneficial owner of almost all majority holdings due to the structure of the contracts signed with the joint venture partners. These companies are fully included in the consolidated financial statements and minority interests are therefore not disclosed. The present values of capital shares attributable to the minority shares as well as the present values of the residual purchase prices expected due to the corporate development are included in capital consolidation as investment acquisition costs. Later deviations lead to a subsequent adjustment of acquisition costs with neutral effect on profits.

Intra-group receivables and liabilities have been offset against one another. As a general rule, any differences arising from exchange rate fluctuations are recognized in the income statement to the extent that they accrued during the reporting period. If the receivables and liabilities are capital replacing and long-term in nature, the currency difference is included in shareholders' equity with neutral effect on profits.

Within the course of income consolidation, internal 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 with an effect on profits.

Consolidated Group

In addition to PUMA AG, all subsidiaries in which PUMA AG holds the majority of voting rights either directly or indirectly or whose finance and business policies are controlled by the Group are fully consolidated. Associated companies are recognized at equity. The number of group companies during the financial year developed as follows:

2008	**82**
Formation and acquisition of companies	25
Disposal of companies	1
2009	**106**

The consolidated group was subject to the following changes in financial year 2009:

With effect from January 1, 2009 PUMA has held a majority share in the former licensee, "Dobotex International BV" in the Netherlands, including all subsidiaries. In accordance with the agreements concluded with the "minority shareholder" with respect to a full (100%) take-over option during the contract period, in terms Dobotex has already been allocated to the PUMA Group at 100% in economic terms 100%. Dobotex holds the international PUMA license for socks and bodywear and has been a PUMA partner for many years.

In addition, the corporate merchandising enterprise, "Brandon Company AB", was acquired to 100%, including all subsidiaries, with effect from January 1, 2009. As a consequence of acquisition of the Swedish enterprise, PUMA strengthens its core business and expands into new business fields such as merchandising and event marketing.

The majority holding in the British fashion label, Chalayan LLP, was sold to Hussein Chalayan effective as of December 31, 2009.

The consolidated group was adjusted accordingly. The effects of the corporate acquisitions on the net assets, financial position and results of operations are illustrated under Item 3 of these notes to the consolidated financial statements („Corporate Acquisitions").

PUMA Vertrieb GmbH, PUMA Avanti GmbH, PUMA Mostro GmbH and PUMA Sprint GmbH have made use of the exemption option provided for pursuant to Section 264 (3) HGB.

The Group companies are allocated to regions as follows:

No.	Companies/Legal Entities			Shareholder	Share in capital	
	- parent company -					
1.	PUMA AG Rudolf Dassler Sport	Germany	Herzogenaurach			
	E M E A					
2.	Austria PUMA Dassler Ges. m.b.H.	Austria	Salzburg	direct	100%	
3.	Dobotex Österreich GmbH	Austria	Salzburg	indirect	100%	1)
4.	PUMA Bulgaria Ltd	Bulgaria	Sofia	indirect	100%	
5.	PUMA Sport Hrvatska d.o.o.	Croatia	Zagreb	indirect	100%	
6.	PUMA Czech Republic s.r.o.	Czech Republic	Prag	indirect	100%	
7.	PUMA Denmark A/S	Denmark	Skanderborg	indirect	100%	
8.	PUMA Baltic OU	Estonia	Talin	indirect	100%	
9.	PUMA Finland Oy	Finland	Espoo	indirect	100%	
10.	Tretorn Finland Oy	Finland	Espoo	indirect	100%	
11.	Brandon Oy	Finland	Helsinki	indirect	100%	
12.	PUMA FRANCE SAS	France	Illkirch	indirect	100%	
13.	PUMA Speedcat SAS	France	Illkirch	indirect	100%	
14.	Dobotex France SAS	France	Paris	indirect	100%	1)
15.	PUMA Vertrieb GmbH	Germany	Herzogenaurach	direct	100%	
16.	PUMA Sprint GmbH	Germany	Herzogenaurach	direct	100%	
17.	PUMA Avanti GmbH	Germany	Herzogenaurach	indirect	100%	
18.	PUMA Mostro GmbH	Germany	Herzogenaurach	indirect	100%	
19.	Premier Flug GmbH&Co. KG	Germany	Reichenschwand	direct	50%	
20.	Performance Merchandise GmbH	Germany	Ludwigsburg	indirect	100%	
21.	Dobotex Deutschland GmbH	Germany	Düsseldorf	indirect	100%	1)
22.	PUMA UNITED KINGDOM LTD	Great Britain	Leatherhead	indirect	100%	
23.	PUMA Premier Ltd	Great Britain	Leatherhead	indirect	100%	
24.	Performance Merchandise Ltd.	Great Britain	London	indirect	100%	
25.	PUMA Hellas S.A.	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 (non active)	Laoise	indirect	100%	
29.	PUMA Italia S.r.l.	Italy	Milan	indirect	100%	
30.	Dobotex Italia S.r.l.	Italy	Milan	indirect	100%	1)
31.	PUMA Lietuva UAB	Lithuania	Vilnius	indirect	100%	
32.	PUMA Malta Ltd	Malta	St.Juliens	indirect	100%	
33.	PUMA Blue Sea Ltd	Malta	St.Juliens	indirect	100%	
34.	PUMA Racing Ltd	Malta	St.Juliens	indirect	100%	
35.	PUMA Benelux B.V.	Netherlands	Leusden	direct	100%	
36.	Dobotex International BV	Netherlands	Tilburg	direct	100%	1)
37.	Dobotex BV	Netherlands	s-Hertogenbosch	indirect	100%	1)
38.	Dobo Logic BV	Netherlands	Tilburg	indirect	100%	1)
39.	Dobo NexTH BV	Netherlands	s-Hertogenbosch	indirect	100%	1)
40.	PUMA Norway AS	Norway	Oslo	indirect	100%	
41.	Brandon AS	Norway	Oslo	indirect	100%	
42.	PUMA Polska Spolka z.o.o.	Poland	Warsaw	indirect	100%	
43.	PUMA Portugal Artigos Desportivos Lda.	Portugal	Prior Velho	indirect	100%	
44.	PUMA Sport Romania s.r.l.	Romania	Bucharest	indirect	100%	
45.	PUMA–RUS GmbH	Russia	Moscow	indirect	100%	
46.	PUMA Slovakia s.r.o.	Slovakia	Bratsilava	indirect	100%	
47.	PUMA Ljubljana, trgovina, d.o.o	Slovenia	Ljubljana	indirect	100%	
48.	PUMA SPORTS DISTRIBUTORS (PTY) LIMITED	South Africa	Cape Town	indirect	100%	
49.	PUMA Sports S.A.	South Africa	Cape Town	indirect	100%	
50.	Brandon Company AB	Sweden	Gothenburg	direct	100%	
51.	Brandon AB	Sweden	Gothenburg	indirect	100%	
52.	2Expressions Merchandise Svenska AB	Sweden	Gothenburg	indirect	100%	
53.	Brandon Live AB	Sweden	Gothenburg	indirect	51,2%	
54.	Brandon Stockholm AB	Sweden (non active)	Stockholm	indirect	100%	
55.	Brandon Logistics AB	Sweden (non active)	Strömstad	indirect	100%	
56.	Hunt Sport AB	Sweden (non active)	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 GmbH	Switzerland	Oensingen	indirect	100%	1)
64.	PUMA Spor Giyim Sananyi ve Ticaret A.S.	Turkey	Istanbul	indirect	100%	1)
65.	PUMA Ukraine Ltd.	Ukraine	Kiev	indirect	100%	
66.	PUMA Middle East FZ LLC	United Arab Emirates	Dubai	indirect	100%	
67.	PUMA UAE LLC	United Arab Emirates	Dubai	indirect	100%	1)
Americas						
68.	Unisol S.A.	Argentina	Buenos Aires	direct	100%	
69.	PUMA Sports Ltda.	Brazil	Sao Paulo	indirect	100%	
70.	PUMA Canada, Inc.	Canada	Montreal	indirect	100%	
71.	PUMA CHILE S.A.	Chile	Santiago	direct	100%	
72.	PUMA SERVICIOS SPA	Chile	Santiago	indirect	100%	
73.	PUMA Mexico Sport S.A. de C.V.	Mexico	Mexico City	direct	100%	
74.	Servicios Profesionales RDS S.A. de C.V.	Mexico	Mexico City	indirect	100%	
75.	Distruibuidora Deportiva PUMA S.A.C.	Peru	Lima	indirect	100%	
76.	PUMA Sports LA S.A.	Uruguay	Montevideo	direct	100%	
77.	PUMA Suede Holding, Inc.	USA	Westford	indirect	100%	
78.	PUMA North America, Inc.	USA	Westford	indirect	100%	
79.	SC Communication Inc.	USA	Chicago	indirect	100%	
Asia/Pacific						
80.	PUMA Australia Pty. Ltd.	Australia	Moorabbin	indirect	100%	
81.	White Diamond Australia Pty. Ltd.	Australia (non active)	Moorabbin	indirect	100%	
82.	White Diamond Properties	Australia (non active)	Moorabbin	indirect	100%	
83.	Koala Pty Ltd.	Australia (non active)	Moorabbin	indirect	100%	
84.	Liberty China Holding Ltd	British Virgin Islands		indirect	100%	1)
85.	PUMA China Ltd	China	Shanghai	indirect	100%	1)
86.	Dobotex China Ltd.	China	Shanghai	indirect	100%	1)
87.	World Cat Ltd.	Hongkong		direct	100%	
88.	Development Services Ltd.	Hongkong		indirect	100%	
89.	PUMA Asia Pacific Ltd.	Hongkong		direct	100%	
90.	PUMA Hong Kong Ltd	Hongkong		indirect	100%	1)
91.	Dobotex Ltd.	Hongkong		indirect	100%	1)
92.	Dobo Cat Ltd.	Hongkong		indirect	100%	1)
93.	Unibrand Asia Ltd. (Dormant)	Hongkong (non active)		indirect	100%	
94.	Brandon Asia Ltd.	Hongkong (non active)		indirect	100%	
95.	PUMA Sports India Pvt Ltd.	India	Bangalore	indirect	100%	
96.	World Cat Sourcing India Ltd.	India	Bangalore	indirect	100%	
97.	PUMA JAPAN K.K.	Japan	Tokyo	indirect	100%	
98.	PUMA Apparel JAPAN K.K.	Japan	Tokyo	indirect	100%	1)
99.	PUMA Korea Ltd.	Korea	Seoul	direct	100%	
100.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Kuala Lumpur	direct	100%	1)
101.	PUMA New Zealand LTD	New Zealand	Auckland	indirect	100%	
102.	World Cat (S) Pte Ltd.	Singapore		indirect	100%	
103.	PUMA Sports Singapore Pte. Ltd.	Singapore		direct	100%	1)
104.	World Cat Trading Co.Ltd	Taiwan	Taichung	indirect	100%	
105.	PUMA Taiwan Sports Ltd.	Taiwan	Taipei	indirect	100%	1)
106.	World Cat Vietnam Co. Ltd.	Vietnam	Long An Province	indirect	100%	

1) subsidiaries which are assigned to be economical 100% PUMA Group

Currency Translation
As a general rule, monetary items denominated in foreign currencies are disclosed in the individual financial statements of consolidated companies at the rates valid on the balance sheet date. The resulting currency gains and losses are immediately credited to or charged to operations. Non-monetary items are translated at historical acquisition and manufacturing costs.

The assets and liabilities of foreign subsidiaries which do not have the euro as their functional currency were translated into euro at the middle rates valid at the balance sheet date. Expenses and income were translated at annual average rates. Differences in the currency translation of net assets relative to exchange rates that had changed in comparison with the previous year were netted in equity capital with neutral effect on profits.

The significant translation rates per euro are as follows:

Currency	Reporting date exchange rate	Average rate
USD	1.4406	1.3940
HKD	11.1709	10.8050
JPY	133.1600	130.3028
GBP	0.8881	0.8911
CHF	1.4836	1.5100

Derivative Financial Instruments/Hedge Accounting
Upon conclusion of a contract and thereafter, derivative financial instruments are recorded at fair value. The fair value is also used in subsequent valuation. At the time when a hedge transaction is concluded, the Company classifies the derivatives as a hedge for a planned transaction (cashflow hedge).

At the time when a hedge transaction is concluded, the hedging relationship between the hedge instrument and the underlying transaction as well as the risk management purpose and underlying strategy are documented. In addition, estimates as to whether the derivatives used in the context of the hedge relationship compensate effectively for a change in the present value or the cashflow of the underlying transaction are documented at the beginning (and thereafter continuously) of the hedge relationship.

Changes in the market value of derivatives which are used for and qualify as a cashflow hedge and which have proved to be effective are disclosed in shareholders' equity with neutral effect on profits. If effectiveness is not fully provided for, the ineffective portion is included in operating results. The amounts recorded under shareholders' equity are included in operating results during the same period in which the planned hedge transaction impacts on the income statement. If, however, a hedged future transaction leads to the recording of a non-financial asset or a liability, gains or losses previously disclosed in shareholders' equity are included in the initial valuation of acquisition costs of the respective asset or liability. The fair values of derivative instruments used to hedge planned transactions are disclosed under other current assets or other current liabilities.

Leasing
Leases are to be classified either as finance lease or as an operating lease in accordance with IAS 17. Leases where the company in its capacity as lessee is responsible for all significant opportunities and risks that arise from the use of the lease item are treated as finance lease. All other leases are classified as operating lease. The lease payments from operating leases are recorded as a charge to the income statement 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 presently invested at terms of up to three months as non-risk time deposits. The total amount of cash and cash equivalents is consistent with the liquid assets (cash and cash equivalents) stated in the cashflow statement.

Inventories
Inventories are valued at acquisition or manufacturing costs or at the lower net realizable values derived from the selling price at the balance sheet date. As a general rule, the acquisition cost of merchandise is determined using the average cost method. Value adjustments are recorded to a sufficient extent, 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 transactions costs into account, and subsequently at depreciated acquisition costs net of value adjustments. All recognizable risks with respect to value adjustments are sufficiently accounted for in the form of individual risk assessments based on experience.
Non-current assets include loans and other assets. As a general rule, non-interest bearing non-current assets are discounted to present value.

Property, Plant and Equipment
Property, plant and equipment are stated at acquisition costs net of accumulated depreciation. The depreciation periods depend on the expected useful life of the respective item. As a general rule, the straight-line method of depreciation is applied. The useful life depends on the type of assets involved. Buildings are subject to a useful life of between ten to fifty years, and a useful life of between three and ten years is assumed for moveable assets.
The cost of maintenance and repair is recorded as an expense at the time of origin. Significant improvements and renewals are capitalized to the extent that the criteria for capitalization of an asset item apply.

As a general rule, lease items that qualify as finance leasing due to the terms of the underlying contract are shown under property, plant and equipment; initially they are valued at the amount of the fair value or the lower present value of the minimum lease payments and net of accumulated depreciation in subsequent accounting periods.

Goodwill
Goodwill is derived from the difference between the purchase price and fair value of the acquired asset and liability items.
The goodwill from acquisitions is largely attributable to the infrastructure acquired and the pertaining opportunity to make a positive contribution to corporate value.
An impairment test per cash generating unit is to be performed at least once a year and in the event of indications of impairment. The impairment test may lead to an impairment expense.

Other Intangible Assets
Acquired intangible assets largely consist of concessions, industrial property rights and similar rights; they are valued at acquisition costs net of accumulated amortization. The amortization period is between three to ten years, applying the straight-line method.

Impairment of Assets

Assets with an indefinite useful life are not depreciated/amortized according to schedule but are subjected to an annual impairment test. Property, plant and equipment and other intangible assets with defined useful lives are checked for impairment if there are indications of impairments in value of the asset concerned. In order to determine a requirement to record such impairments, the realizable amount of the asset (the higher amount from net sales proceeds and usage value) is compared with the book value of the asset. If the realizable value is lower than the book value, the difference is recorded as a loss due to impairment. If the reason for the recorded impairment no longer applies, a reinstatement is recorded to the maximum amount of the depreciated/amortized acquisition cost. Goodwill is not reinstated.

Impairment tests are performed using the discounted cashflow method. The determination of expected cashflows is based on corporate planning data. Expected cashflows are discounted using an interest rate in line with market conditions.

Financial Debts

As a general rule, financial debts are reported at acquisition costs, taking transaction costs into account, and are subsequently stated at depreciated acquisition cost. Non- or low-interest bearing liabilities involving terms of at least one year are stated at present value, taking an interest rate in line with market conditions into account, and are compounded until the end of their term at their repayment amount. Liabilities from finance leasing agreements are reported at the amount of the present value of the minimum lease, or the lower present value at the beginning of a lease relationship, and are rolled over by the amount of lease installments paid.

As a general rule, short-term financial liabilities also include the proportion of long-term loans which has a maximum residual term of up to one year.

Provisions for Pensions and Similar Obligations

PUMA provides pension benefits through defined benefit plans and, with respect to some companies, defined contribution plans do not result in a further pension commitment. The pension provision under defined benefit plans is generally calculated using the projected unit credit method. This method not only takes into account pension benefits and pension rights as accrued at the balance sheet date, but also takes into consideration expected future salary and pension increases. The defined benefit obligation (DBO) is calculated by discounting expected future benefit payments with the market yields on high quality corporate bonds. The currencies and terms of the underlying corporate bonds are consistent with the currencies and terms of the pension obligations. In some of the plans, the obligation is matched by a plan asset. The disclosed pension provision is reduced by the plan asset.

Actuarial gains and losses are reported under shareholders' equity with neutral effect in the period in which they occur. Service expense is disclosed in personnel expenses and the interest expense in the financial result.

Other Provisions

In accordance with IAS 37, other provisions are recorded to account for all risks and obligations towards third parties as of the balance sheet date that result from past transactions or past events, and where the amounts or maturities are uncertain. The provisions are stated at their settlement amount on the basis of the best possible assessment; they are not set off against positive income. Provisions are also created to account for onerous contracts. A contract is onerous when the unavoidable costs exceed the economic benefit expected from the contract.
As a general rule, all provisions classified as long-term are discounted.

Treasury Stock

Treasury stock is recorded under shareholders' equity at the market price valid at the date of acquisition, plus incidental acquisition costs. In accordance with an authorization by the Annual General Meeting, treasury stock can be repurchased for any admissible reason, including the flexible management of capital requirements.

Equity Participation Plans/Management Incentive Program

In conformity with IFRS 2, stock-based remuneration systems are reported at fair value and charged to personnel expenses. At PUMA, the stock-based remuneration systems encompass stock options (SOP) involving share-based compensation and stock appreciation rights (SAR) involving cash compensation.

SOP

The expense concerning SOP is determined from the fair value of the options at the date of granting, excluding the effect of non-market-oriented exercise hurdles (e.g., forfeited options in the event of the entitled employee leaving the company prematurely). The expense is distributed as personnel expense over the vesting period until non-forfeitability of the options and accounted for 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 at each balance sheet date. The resulting gains and losses are allocated to profit or loss and recorded through a corresponding adjustment in equity over the remaining period up to non-forfeitability.

SAR

With respect to SAR, the fair value is initially assessed at the grant date and a subsequent valuation is performed at the balance sheet date in each case. The resulting expense/income is distributed over the vesting period as recorded as personnel expense and accounted for as provision/liability. Changes in value arising after expiry of the vesting period are recognized directly in the personnel expense, and the provision/liability is adjusted accordingly.

Recognition of Sales

Sales are recognized and included in profits at the time of the passage of risks. Sales are disclosed net of returned purchases, discounts and rebates.

Royalties and Commission Income

Income from royalties is treated as income in accordance with the statements to be presented by the license holders. In certain cases, values must be assessed 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 Promotion Expenses

Advertising expenses are allocated to profit or loss as they originate. As a general rule, multi-year promotion is expensed over the contract term on an accrual basis. Any expense surpluses resulting from the expense allocation after the balance sheet date are recognized in the form of a provision for onerous contracts in the respective annual financial statements.

Product Development

The Company is continuously engaged in developing new products in order to comply with market requirements or market changes. Costs are recorded as an expense at the date of origin; they are not capitalized since the criteria specified in IAS 38 are not fulfilled.

Financial Result
The financial result includes interest income from financial investments and interest expense from loans. In addition, this item includes interest expenses from discounted non-current liabilities and from pension provisions that are associated with corporate acquisitions or which arise from the valuation of pension commitments, respectively.

In general, effects from exchange rate fluctuations are included in general expenses. To the extent that exchange rate effects are to be allocated directly to an underlying transaction, the disclosure is made in the respective income statement item.

Income Taxes
Incomes taxes are determined in accordance with local tax regulations in the countries where the Company performs its activities.

Deferred Taxes
Deferred taxes resulting from time differences between the tax and the trade balance sheet valuation of individual group companies and from consolidation procedures are netted according to taxable entity and disclosed either as deferred tax assets or deferred tax liabilities. Deferred tax assets may also include tax reduction claims resulting from the expected utilization of existing losses carried forward to subsequent years if their realization is ensured with sufficient certainty. Deferred taxes may also result from accounting procedures that are neutral in their effect on profits. Deferred taxes are determined on the basis of tax rates that apply to reversal in the individual countries, and which are in force or are approved at the balance sheet date.

Deferred tax assets are recorded only to the extent that realization of the respective tax advantage is probable. Value adjustments are created on the basis of past results of operations and business expectations for the near future, if this criterion is not fulfilled.

Assumptions and Estimates
Preparation of the consolidated financial statements may involve assumptions and estimates which have an impact on the amount and disclosure of the reported assets and liabilities and on income, expenses and contingent liabilities. Actual values may, in some cases, deviate from such assumptions and estimates. Any changes are recognized as expense or income at the time of receiving the respective information.

3. Corporate Acquisitions

With effect from January 1, 2009, PUMA has held 50.1 % in the former licensee "Dobotex International BV" in the Netherlands, inclusive of all subsidiaries. In accordance with the agreements concluded with the "minority shareholder" with respect to a full (100%) take-over option during the contract period, in economic terms Dobotex is already allocated to the PUMA Group at 100%. Dobotex holds the international PUMA license for socks and bodywear and has been a PUMA partner for many years.

In addition, the corporate merchandising enterprise, "Brandon Company AB", was acquired to 100%, including all subsidiaries, with effect from January 1, 2009. As a consequence of acquisition of the Swedish enterprise PUMA strengthens its core business and expands into new business fields such as merchandising and event marketing.

In detail, the following assets and liabilities were taken over at fair value. The impact is mostly related to the acquisition of Dobotex:

	2009 € million
Inventories	16.9
Receivables	14.8
Goodwill	0.3
Other assets/other liabilities	-19.4
Minority interest	0.3
Fair value of assets and liabilities	**12.6**
Goodwill	140.7
Purchase price	**153.3**
Thereof paid upon acquisition	56.8
Deferred purchase price liability	96.5

The fair value figures at the acquisition date largely corresponded to the book values.

4. Cash and Cash Equivalents

On December 31, 2009, the Company's cash and cash equivalents amounted to € 485.6 million (previous year: € 375.0 million). The average effective interest rate of cash investments was 1.1% p.a. (previous year: 3.2% p.a.). There were no restraints on disposal.

5. Inventories

Inventories are split into the following main categories:

	2009 € million	2008 € million
Raw materials and supplies	3.9	4.7
Finished goods and merchandise		
Footwear	134.4	211.5
Apparel	148.5	176.0
Accessories/Other	50.4	44.5
Goods in transit	90.3	97.7
Inventories, gross	427.5	534.4
Net of value adjustments	-79.0	-103.6
Inventories, net	**348.5**	**430.8**

About 67% (previous year: approx. 60 %) of the value adjustments recorded in the amount of € 79.0 million in financial year 2009 (previous year: € 103.6 million) were recognized in the income statement as cost of sales.

6. Trade Receivables

This item consists of the following:

	2009 € million	2008 € million
Trade receivables, gross	445.7	427.4
Net of value adjustments	-47.9	-30.9
Trade receivables, net	**397.8**	**396.5**

Value adjustments concerning trade receivables developed as follows:

	2009 € million	2008 € million
Status of value adjustments as of January 1	**30.9**	**28.6**
Currency differences	0.0	-0.4
Additions	29.0	17.7
Utilization	-9.2	-10.6
Release	-2.9	-4.4
Status of value adjustments December 31	**47.9**	**30.9**

Gross values								
2008	**Total**	**Thereof not value-adjusted**						**Thereof value-adjusted**
		Not due	**0 - 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 180 days**	**More than 180 days**	
€ million	427.4	296.9	39.6	16.5	8.1	6.8	7.4	52.2

Gross values								
2009	**Total**	**Thereof not value-adjusted**						**Thereof value-adjusted**
		Not due	**0 - 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 180 days**	**More than 180 days**	
€ million	445.7	284.4	33.9	14.3	10.0	10.6	6.6	85.9

With respect to non-adjusted trade receivables, the Company assumes that debtors will meet their payment obligations.

7. Other Current Assets

This item consists of the following:

	2009 € million	2008 € million
Prepaid expenses concerning the subsequent period	35.8	32.9
Fair value of derivative financial instruments	1.7	35.5
Other receivables	89.9	91.4
Total	**127.3**	**159.8**

Other current assets are due within one year. The fair value represents the book value. Other receivables mainly include tax receivables (thereof, € 33.5 million income taxes).

8. Deferred Taxes

Deferred taxes relate to the following items:

	2009 € million	2008 € million
Tax losses carried forward	13.3	4.7
Non-current assets	14.5	10.6
Current assets	40.6	43.8
Provisions and other liabilities	19.3	35.8
From netting within equity capital with neutral effect on profits	7.8	3.9
Deferred tax assets (before netting)	**95.5**	**91.0**
Non-current assets	27.4	32.6
Current assets	2.6	2.5
Provisions and other liabilities	2.1	2.0
Deferred tax liabilities (before netting)	**31.2**	**37.1**
Deferred tax assets, net	**63.3**	**54.0**

Of deferred tax assets, the amount of € 58.9 million (previous year: € 75.0 million) is short-term, and of deferred tax liabilities the amount of € 3.0 million (previous year: € 4.5 million) is short-term.

As at December 31, 2009, tax losses carried forward totaled € 92.6 million (previous year: € 47.3 million), resulting in deferred tax assets of € 19.7 million (previous year: € 11.9 million). The tax losses carried forward relate in part to inactive companies or companies for internal Group financing. After value adjustment, claims from tax losses carried forward were included in deferred tax assets in the amount of € 13.3 million (previous year: € 4.7 million).

Deferred tax liabilities for withholding tax from possible dividends on subsidiaries' undistributed profits which are intended to be used as a refinancing facility by the respective company were not recorded.

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

	2009 € million	2008 € million
Deferred tax assets	67.7	80.5
Deferred tax liabilities	4.4	26.5
Deferred tax assets, net	**63.3**	**54.0**

Deferred tax assets developed as follows:

	2009 € million	2008 € million
Deferred tax assets, previous year	80.5	77.4
Recognized in the income statement	-25.4	17.4
Currency effects and inclusion in equity capital with neutral effect on profits	12.7	-14.4
Deferred tax assets	**67.7**	**80.5**

Deferred tax liabilities developed as follows:

	2009 € million	2008 € million
Deferred tax liabilities, previous year	26.5	22.7
Recognized in the income statement	-22.1	3.8
Deferred tax liabilities	**4.4**	**26.5**

9. Property, Plant and Equipment

Property, plant and equipment at book values consist of the following:

	2009 € million	2008 € million
Land and buildings, including buildings on third party land	138.0	76.6
Technical equipment and machines	4.8	3.0
Other equipment, factory and office equipment	98.1	118.5
Assets under construction	1.9	47.0
Total	**242.7**	**245.1**

The book values of property, plant and equipment are derived from acquisition costs. Accumulated depreciation for this item amounted to € 201.9 million (previous year: € 162.7 million).

Property, plant and equipment include lease assets (finance lease) in the amount of € 1.9 million (previous year: € 1.7 million).

The development of property, plant and equipment in financial year 2009 is reflected in the "Development of Fixed Assets". Impairment losses exceeding current depreciation are included mainly due to re-engineering and optimization of the global organization structure in the amount of € 8.5 million.

10. Intangible Assets

This item mainly includes goodwill and assets relating to PUMA's own retail trade activities.

In accordance with IFRS 3, goodwill is not amortized according to schedule. An impairment test was performed in the past financial year in accordance with the discounted cashflow method. The test was based on the data included in the respective three-year planning.

Impairment losses concerning the other intangible assets were recorded in the amount of € 0.3 million due to an impairment test associated with the re-engineering and optimization of the global organization structure.

The goodwill concerning the British fashion label, Chalayan LLP, was written off in 2009. With the sale of the majority holding, the asset was derecognized as of December 31, 2009.

The development of intangible assets in financial year 2009 is reflected in the "Development of Fixed Assets".

Goodwill is allocated to the identifiable and cash-generating units (CGUs of the Group on the basis of country of activity). Summarized by regions, goodwill is allocated as follows:

	2009 € million	2008 € million
EMEA	178.3	41.9
Americas	34.1	33.5
Asia/Pacific	78.5	79.5
Total	**290.9**	**154.8**

Assumptions underlying the impairment test:

	EMEA	Americas	Asia/Pacific
Tax rate (range)	20.0%-30.0%	28.0%-35.0%	17.5%-40.7%
WACC before tax (range)	9.1%-16.7%	10.7%-19.0%	7.0%-11.3%
WACC after tax (range)	7.5%-13.9%	8.0%-13.2%	5.4%-9.9%
Growth rate	3.0%	3.0%	3.0%
Beta	0.922	0.922	0.922

11. Other Non-Current Assets

This item consists of the following:

	2009 € million	2008 € million
Other loans	2.6	2.5
Other assets	24.3	18.7
Sub-total	**27.0**	**21.2**
Fair value of derivative financial instruments	0.0	0.0
Total	**27.0**	**21.2**

The development for financial year 2009 relating to the sub-total of € 27.0 million (previous year: € 21.2 million) is presented in the "Development of Fixed Assets". There were no indications of impairments in value.

12. Liabilities

The residual terms of liabilities are as follows:

	2009				2008			
		Residual term				Residual term		
	Total € million	Up to 1 year € million	1 to 5 years € million	More than 5 years € million	Total € million	Up to 1 year € million	1 to 5 years € million	More than 5 years € million
Current bank liabilities	**36.8**	36.8			**49.7**	49.7		
Trade payables	**262.1**	262.1			**269.1**	269.1		
Other liabilities								
Tax liabilities	**30.4**	30.4			**24.8**	24.8		
Liabilities relating to social security	**4.2**	4.2			**4.2**	4.2		
Liabilities to staff total	**37.9**	35.9	1.9		**40.1**	39.2	1.0	
Other current financial assets	**21.6**	21.6			**9.9**	9.9		
Leasing liabilities	**0.4**	0.4			**0.5**	0.4	0.1	
Other liabilities	**57.1**	42.5	7.6	7.1	**63.5**	62.2	0.3	1.0
Total	**450.5**	433.9	9.5	7.1	**461.8**	459.4	1.4	1.0

The credit facilities available to the PUMA Group total € 261.3 million (previous year: € 267.5 million). They may be used optionally for bank loans and guaranty credits. In addition to bank liabilities in the amount € 36.8 million (previous year: € 49.7 million), guaranty credits in the amount of € 30.2 million (previous year: € 26.9 million) were recorded as at December 31, 2009. In addition to cash and cash equivalents, the Company had un-utilized credit lines of € 194.4 million (previous year: € 190.9 million) as at December 31, 2009. The effective interest rate for financial liabilities ranged between 2.5% - 13.0%.

The medium-term liabilities to employees are associated with the Management Incentive Program and include the obligations recorded on December 31, 2009.

The following table shows the cashflows of original financial liabilities and derivative financial instruments at positive and negative fair value:

Cashflow from original and and derivative financial liabilities	Book value 2009	Cashflow 2010		Cashflow 2011		Cashflow 2012 ff.	
	€ million	Interest € million	Repaid € million	Interest € million	Repaid € million	Interest € million	Repaid € million
Original financial obligations							
Bank liabilities	36.8	1.0	36.8				
Leasing liabilities	0.4	0.0	0.4				
Liabilities from acquisitions	160.1	4.4	37.8	3.2	31.4	2.4	86.5
Other liabilities	209.6	0.3	196.8	0.3	7.3	0.0	5.6
Derivative financial liabilities and assets							
Currency forwards connected to cashflow hedges – Inflow			411.1				
Currency forwards connected to cash flow hedges – Outflow			436.3				

The bank liabilities are repayable upon demand. Consequently, the cashflows are disclosed in 2010.

13. Additional Disclosures on Financial Instruments

	Valuation categories pursuant to IAS 39	Book value 2009 € million	Fair value 2009 € million	Book value 2008 € million	Fair value 2008 € million
Assets					
Cash and cash equivalents	[1] LAR	485.6	485.6	375.0	375.0
Trade receivables	LAR	397.8	397.8	396.5	396.5
Other receivables					
- financial	LAR	22.6	22.6	25.6	25.6
- non-financial		67.3	67.3	65.8	65.8
Currency forwards connected to cashflow hedges	n.a.	1.7	1.7	35.5	35.5
Loans	LAR	0.1	0.1	0.1	0.1
Other assets					
- financial	LAR	14.6	14.6	16.6	16.6
- non-financial		12.2	12.2	4.5	4.5
Liabilities					
Bank liabilities	[2] OL	36.8	36.8	49.7	49.7
Trade payables	OL	262.1	262.1	269.1	269.1
Liabilities from acquisitions	OL	160.1	160.1	93.3	93.3
Leasing liabilities	n.a.	0.4	0.4	0.5	0.5
Other liabilities					
- financial	OL	44.5	44.5	39.6	34.9
- non-financial		12.7	12.7	23.9	23.0
Currency forwards connected to cashflow hedges	n.a.	21.6	21.6	9.9	9.9
Total. LAR		**920.7**	**920.7**	**813.8**	**813.8**
Total. OL		**503.5**	**503.5**	**451.7**	**447.0**

1) LAR: Loans and Receivables; 2) OL: Other Liabilities

The financial instruments 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 represent 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 prices.

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

The residual terms of cash and cash equivalents, trade receivables and other assets are short-term in nature. Accordingly, the book value as of the reporting date approximates to the fair value. Receivables are stated at nominal value taking default risk deductions into account.

The book value of loans approximates to the fair value as of the reporting date.

The fair values of other financial assets correspond to the present values, taking prevailing market interest rates into account. The other financial assets include € 12.8 million that were pledged as rental deposits.

Bank liabilities are terminable at any time and are thus short-term. Accordingly, the book value as of the reporting date approximates to the fair value.

Trade payables have short term residual maturities. The value reported thus approximates to the fair values.

Purchase price liabilities associated with corporate acquisitions lead to prorated payments as stipulated in the respective contracts. The resulting nominal amounts were discounted at an adequate market interest rate, depending on the expected date of payment. Depending on the country concerned, the market interest rates range between 0.7% and 6.5%.

The fair values of other financial liabilities are determined as cash values, taking the respective current interest parameter into account.

The fair values of derivatives and hedge relationships as of the balance sheet date are determined by the respective banks in consideration of market-conformant interest rates.

Net result according to valuation categories:

	2009 € million	2008 € million
Loans and receivables (LAR)	-14.9	5.4
Other liabilities (OL)	-11.7	-8.3
Total	**-26.6**	**-2.9**

The net result was determined in consideration of interests, currency effects, value adjustments and also gains and losses from sales.

General administration expenses include the valuation adjustments of receivables and exchange rate changes.

14. Pension Provisions

Pension provisions result from employees' claims for pension benefits in the event of invalidity, death, or when a certain retirement age has been reached. The pension benefits are based on the statutory or contractual regulations applicable in the respective country.

The general pension order of PUMA AG stipulates pension payments at a maximum amount of € 127.82 per month and per eligible employee. In addition, PUMA AG provides for individual commitments (fixed amounts at varying degrees as well as contribution-based individual commitments in part from salary conversion). The contribution-based commitments are insured plans. The scope of the obligation attributable to domestic pension claims (PUMA AG) amounts to € 20.7 million and thus accounts for 41.6 % of the total obligation. The fair value of the plan assets relative to the domestic obligations amounts to € 5.9 million, and the respective pension provision amounts to € 14.8 million.

The defined benefit plan in the UK is not available for new hires. The plan is based on salary- and length of service-based commitments concerning old age, invalidity and surviving dependents' retirement benefits. Partial capitalization is admissible. The obligation respecting pension claims under the defined benefit plan in the UK amounts to € 19.4 million and thus accounts for 39.0 % of the total obligation. The obligation is covered by assets in the amount of € 16.4 million, and the respective provision comes to € 3.0 million.

The reconciliation of the defined benefit obligation is set out below:

	2009 € million	2008 € million
Defined benefit obligation at beginning of the year	**41.0**	**39.0**
Service Cost	2.0	2.8
Interest Cost	2.2	2.0
Employee contributions	0.4	0.3
Actuarial (gains) / losses	5.0	0.4
Exchange rate changes	1.4	-4.6
Benefits paid	-2.1	-1.4
Past Service Cost	-0.1	0.0
Transfers In / (Out)	0.0	2.5
Defined benefit obligation at end of the year	**49.8**	**41.0**

The plan assets developed as follows:

	2009 € million	2008 € million
Fair value of plan assets at beginning of the year	**19.7**	**21.1**
Expected return on plan assets	1.1	1.0
Actuarial gains / (losses)	0.7	-2.6
Employer contributions	2.3	2.2
Employee contributions	0.4	0.3
Exchange rate changes	0.9	-3.7
Benefits paid	-0.5	-0.2
Transfers In / (Out)	0.0	1.6
Fair value of plan assets at end of the year	**24.6**	**19.7**

The pension provision for the Group is structured as follows:

	2009 € million	2008 € million
Defined benefit obligation arising from plans that are wholly or partly funded	43.9	35.6
Fair value of plan assets	-24.6	-19.7
Deficit / (Surplus)	**19.3**	**15.9**
Defined benefit obligation arising from wholly unfunded plans	**5.9**	**5.4**
Pension provision: December 31	**25.2**	**21.3**

Benefit payments in 2009 amounted to € 2.1 million (previous year: € 1.4 million). Total benefit payments in 2010 are expected to amount to € 1.1 million, whereof € 1.0 million are expected to be paid from company assets. In 2009 company contributions of € 2.3 million (previous year: € 2.2 million) were made to plan assets. Company contributions in 2010 are expected to amount to € 2.2 million.

The pension provision developed as follows:

	2009 € million	2008 € million
Pension provision January 1	**21.3**	**17.9**
Pension expense	3.0	3.8
Actuarial (gains) and losses included in equity capital	4.3	3.0
Employer contributions	-2.3	-2.2
Benefit payments	-1.6	-1.1
Transfers in / (out)	0.0	1.0
Exchange rate changes	0.5	-1.1
Pensions provisions: December 31	**25.2**	**21.3**
Thereof pension liabilities	25.2	21.3

The expense in financial year 2009 is structured as follows:

	2009 € Mio.	2008 € Mio.
Service Cost	2.0	2.8
Interest Cost	2.2	2.0
Expected return on plan assets	-1.1	-1.0
Expense from plan changes	-0.1	0.0
Pension expense for defined benefit plans	**3.0**	**3.8**
Pension expense for defined contribution plans	**4.1**	**3.4**
Total pension expense	**7.1**	**7.2**
Thereof, personnel expense	6.0	6.2
Thereof, financial expense	1.1	1.0

The actuarial gains and losses recognized in equity capital:

	2009 € million	2008 € million
Actuarial (gains) / losses concerning the financial year	4.3	3.0
Total expense recognized in equity in the financial year	4.3	3.0
Expense recognized in equity in previous years	2.3	0.3
Exchange rate changes	0.6	-1.0
Cumulative amount of actuarial (gains) / losses recognized in equity capital	**7.1**	**2.3**

Major categories of plan assets:

	2009 € million	2008 € million
Equity securities	5.8	3.5
Debt securities	11.0	9.4
Hedge Funds	0.1	0.1
Derivatives	0.0	0.1
Real estate	1.6	1.5
Insurance contracts	5.9	4.9
Others	0.2	0.2
Total fair value of plan assets	**24.6**	**19.7**

The plan assets do not include the Group's own financial instruments. The actual return on plan assets in 2009 amounted to € 1.8 million (previous year: € -1.6 million).

The expected return on external plan assets is based on capital market research and return forecasts and was determined separately for each asset category. 24% of the fair value of plan assets is invested in insurance contracts. The expected return on insurance contracts was derived from the published or expected return rate of the corresponding insurance companies.

The following assumptions were used to determine pension obligations and the pension expense:

	2009	2008
Discount rate	4.85%	5.41%
Future pension increases	2.49%	2.87%
Future salary increases	4.18%	4.15%
Expected return on external plan assets	5.47%	5.42%

The values stated above are weighted average values. The discount rate for all euro zone countries was 5.0 % (previous year 5.5%).

The PUMA AG pension provision was valued on the basis of Klaus Heubeck "2005 G" Mortality Tables.

Obligation, assets and surplus/deficit:

	2009 € million	2008 € million	2007 € million	2006 € million
Defined benefit obligation	49.8	41.0	39.0	43.0
Plan assets	24.6	19.7	21.1	16.4
Deficit	25.2	21.3	17.9	26.6

The experience-based adjustments to plan assets resulted in an actuarial gain of € 0.7 million in financial year 2009 (previous year: actuarial loss of € 2.6 million). The experience-based adjustments to pension obligations resulted in a loss of € 1.8 million (previous year: loss of € 0.8 million).

15. Tax Provisions

	2008 € million	Currency adjustments, reclassifications € million	Ultilization € million	Release € million	Addition € million	2009 € million
Tax provisions	**27.6**	0.2	-24.2	-1.3	17.7	**20.0**

Tax provisions mainly include income taxes due but not yet paid for financial year 2009, as well as expected tax payments for previous years; they do not include deferred taxes. The provision will probably lead to an outflow of cash in the coming financial year.

16. Other Provisions

	2008 € million	Currency adjustments, reclassifications € million	Utilization € million	Release € million	Addition € million	2009 € million
Provisions for:						
Warranties	**10.2**	-0.1	-6.0	-0.3	6.8	**10.6**
Purchase risks	**6.7**	-0.1	-1.3	-3.6	4.0	**5.6**
Special items	**17.2**	-0.2	-13.2	-0.5	66.6	**69.8**
Others	**56.9**	0.1	-7.0	-26.9	9.3	**58.4**
Total	**91.0**	-0.3	-27.7	-31.3	86.7	**118.4**

The warranty provision is determined on the basis of the historical value of sales generated during the past six months. It is expected that most of these expenses will fall due within the first six months of the next financial year.

Purchase risks primarily relate to raw materials and to tooling needed for shoe manufacture. The provision will probably lead to a pay-out in the following year.

Provisions to account for special items include expenses incurred for optimization of the retail trade portfolio, the global organization structure and the re-engineering of operative processes. The provision will probably lead to a pay-out in the following year.

Other provisions are primarily recorded to account for risks that may arise from litigation, anticipated losses, and other risks. Depending on the procedure applied in each case, it is expected that the significant amount in this context will lead to an outflow of cash within the next two years.

17. Liabilities from Acquisitions

In accordance with the agreements concluded, the purchase price liability associated with corporate acquisitions leads to prorated payments. The resulting nominal amounts were discounted on the basis of adequate market interest rate, depending on the expected date of payment.

The purchase price liability is structured as follows:

	2009 € million	2008 € million
Due within one year	42.2	40.0
Due in more than one year	117.9	53.3
Total	**160.1**	**93.3**

18. Shareholders' Equity

Subscribed Capital

The subscribed capital corresponds to the subscribed capital of PUMA AG. As of the balance sheet date, the subscribed capital amounted to € 38.6 million. It is split up into 15,082.464 fully paid-in shares of stock. Capital reserves rose by € 5.1 million as a consequence of valuation of the stock option programs for Management with a corresponding adverse effect on personnel expenses.

SAPARDIS S.A. is a fully-owned subsidiary of PPR S.A., Paris, and presently holds 69.36% of the subscribed capital. Consequently, the PPR Group holds a majority share in PUMA AG.

Structure of shares outstanding:

		2009	2008
Shares outstanding as at January 1	**share**	**15,082,464**	**15,902,964**
Conversion from Management Incentive Program	share	0	4,500
Share buy-back	share	0	-825,000
Shares outstanding as at December 31	**share**	**15,082,464**	**15,082,464**

Cashflow Hedges

The "Cashflow Hedges" item includes the valuation of derivative financial instruments at market value. The item includes € -13.6 million (previous year: € 11.1 million), which are set off against deferred taxes in the amount of € 6.3 million (previous year: € -4.6 million).

Own Shares / Treasury Stock

Based on a resolution of the Annual General Meeting of May 13, 2009, the Company was authorized to acquire own shares of up to ten percent of the capital stock by November 12, 2010. If acquired through the stock exchange, the acquisition price per share may not exceed or fall below 10% of the closing price for the Company's shares with the same attributes in XETRA trade (or a comparable successor system), on the last three trading days prior to acquisition. At the same time, as a result of the authorization resolution, the previous decision of the Annual General Meeting from 2008 was revoked.

The Board of Management decided, with the approval of the Supervisory Board, to call in treasury stock (950,000 shares of stock) with effect from April 29, 2009. The subscribed capital was reduced accordingly.

The Company has not made use of the authorization to purchase own shares by the balance sheet date and, consequently, holds no own shares in its portfolio as at the balance sheet date.

Authorized Capital

Pursuant to Article 4, Items 3 and 4 of the PUMA AG Articles of Association, the Board of Management is authorized, with the approval of the Supervisory Board, to increase the share capital by April 10, 2012 as follows:

A) through the issuance of new shares once or repeatedly in exchange for contributions in cash by a total of up to € 7.5 million. The shareholders are generally granted a subscription right. (Authorized Capital I)

and

B) through the issuance of new shares once or repeatedly in exchange for contributions in cash or in kind by a total of up to € 7.5 million. The subscription right may be excluded fully or in part (Authorized Capital II).

Conditional Capital

Pursuant to Article 4, Item 2 of the Articles of Association, conditional capital was created in 2001. This conditional capital lapsed in financial year 2009.

In accordance with a resolution passed by the Annual General Meeting of April 22, 2008, the share capital can be increased by up to € 1.5 million through issuance of up to 600,000 new shares of stock. The conditional capital may be used exclusively for the purpose of granting subscription rights (stock options) to members of the Board of Management and other executive staff of the Company and subordinate affiliated companies.

On December 31, 2009 conditional capital was reported with a the total amount of € 1.5 million (previous year: € 1.8 million).

Dividends

The amounts eligible for distribution relate to the net retained earnings of PUMA AG, which are determined in accordance with German Commercial law.

The Board of Management and the Supervisory Board propose to the Annual General Meeting that a dividend of € 1.80 per outstanding share, or a total of € 27.1 million (relative to the shares outstanding as of December 31), from the PUMA AG net retained earnings be distributed to the shareholders for financial year 2009. This corresponds to a payout rate of 21.2% relative to 17.8% in the previous year.

Appropriation of PUMA AG net retained earnings:

		2009	2008
Net retained earnings of PUMA AG as of Dec. 31	€ million	50.0	50.0
Dividend per share	€	1.80	2.75
Number of shares outstanding *	share of stock	15,082,464	15,082,464
Dividend, total *	€ million	27.1	41.5
Carried forward to the new accounting period *	€ million	22.9	8.5

** Previous year's value adjusted to the status as of the Annual General Meeting*

Minority Interest

The minority interest remaining at the balance sheet date relates to a company in the Brandon Company AB sub-group.

19. Equity Participation Plans /Management Incentive Program

PUMA uses share-based remuneration systems in the form of stock option programs (SOP) and stock appreciation rights (SAR) with a view to providing long term incentive effects and thus retaining management staff in the Company over a longer period. The programs are valued using a binomial model or a Monte Carlo simulation, respectively.

The current programs are described below:

Explanatory Comment: "SOP"

The "**SOP 2001**" stock option program was introduced within the scope of the conditional capital created in 2001. The conditional capital increase is used to service the option rights granted to members of the PUMA AG Board of Management, members of the executive bodies of affiliated companies, the executive staff of PUMA AG and affiliated companies. Those participating in the program are given an opportunity to acquire PUMA shares at the exercise price within a period of between one to five years, and following a two-year vesting period, as from the date of issue. The exercise price is the mean value of the XETRA closing prices on the five trading days prior to issuance of the option rights or, if higher, the closing price on the date of issue of the respective tranche, in addition to a 15% performance target. On the basis of the respective share price, each share acquisition leads to a value appreciation which results after deduction of the corresponding exercise price. Option rights were issued in the years from 2001 to 2004 in several tranches. The option rights still outstanding lapsed in financial year 2009.

Upon resolution of the Annual General Meeting of April 22, 2008 a new stock option program, "**SOP 2008**", in the form of a "Performance Share Program" was resolved upon. To this end, conditional capital was created, authorizing the Supervisory Board or the Board of Management, respectively, to issue subscription rights to members of the Board of Management and other executives of the Company and subordinated affiliated companies up to the end of five years (after entry of the conditional capital in the Commercial Register), but at the least, however, up to the end of three months after the end of the Annual General Meeting in the year 2013.
The term of the subscription rights issued or to be issued is five years in each case. They 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 from the grant date. In contrast to traditional stock option programs, the equivalent amount of the value appreciation of the PUMA share since the granting date is serviced in shares, whereby the beneficiary pays an option price of € 2.56 per share granted.
Furthermore, in accordance with the authorization, the Supervisory Board (in compliance with the recommendations of the Corporate Governance Code), may limit the scope or content of subscription rights issued to members of the Board of Management either in full or partially in the event of extraordinary unforeseen developments. The Board of Management can also make use of this possibility with respect to the other executives concerned.

The following parameters were used for fair value determination:

SOP	2001 Tranche IV	2008 Tranche I	2008 Tranche II
Share price at the grant date	€ 179.30	€ 199.27	€ 147.27
Expected volatility	30.0%	29.1%	47.7%
Expected dividend payment	0.56%	1.50%	2.31%
Non-risk interest rate, Board of Management	2.19%	4.60%	1.97%
Non-risk interest rate, executive staff	2.26%	4.60%	1.97%

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

Development of the "SOP" Program in the financial year:

SOP	2001 Tranche IV	2008 Tranche I	2008 Tranche II
Issue date	March 31, 2004	July 21, 2008	April 14, 2009
Number issued	459,000	113,000	139,002
Exercise price	€ 206.20	€ 2.56	€ 2.56
Residual term	0 years	3.58 years	4.25 years
In circulation as at January 1	**14,250**	**113,000**	**0**
Exercised	0	0	0
Ø share price upon exercise	n.a.	n.a	n.a
Lapsed	-14,250	-14,000	-1,500
In circulation: December 31	**0**	**99,000**	**137,502**

At the grant date, the average present value per option is € 49.44 with respect to "Tranche I – 2008". Taking the vesting period into account, the resulting expense for the current year totals € 2.3 million. Of the options in circulation, 84,000 options are attributable to the Board of Management.
In line with the assignment, an average present value per option of € 53.49 is reported with respect to "Tranche II – 2008". Taking the vesting period into account, the resulting expense for the financial year totals € 2.8 million. A total of 116,502 options are attributable to the Board of Management.

Explanatory Comment: "SAR"

In addition to the SOP programs, stock appreciation rights (SARs) were also issued in 2004 and 2006 within the scope of the Long Term Incentive Program for members of the Board of Management of PUMA AG, members of the managements of affiliated companies and executive staff of PUMA AG, and affiliated companies who are responsible for long-term increase in corporate value.

The term of vested option rights under the "**SAR 2004**" program is five years after issuance. They can be exercised after a vesting period of two years at the earliest. An exercise gain results from the positive difference between the current share price in the event of a virtual sale and the exercise price. A minimum exercise gain of 4% and a maximum exercise gain of 50% was agreed upon for tranche III (2006/2011). Tranches I, II, IV and V were completed in previous years.

The maturity of option rights concerning the "**SAR 2006**" program is five years overall as from receipt of the acceptance statement. The option rights may be exercised after a vesting period of one year at the earliest, whereby a maximum of 25% can be exercised in the second year, a maximum of up to 50% in the third year, up to 75% in the fourth year, and the full 100% only in the last year. The options can only be exercised if, at the exercise date, the exercise price relative to the allotment price increased by at least 20% in the second year, by at least 24% in the third year, by at least 27% in the fourth year, and in the fifth year by at least 29% (exercise hurdle). Each stock appreciation right entitles the owner to realize as profit the positive difference between the share price at the exercise date (at a maximum, however, of twice the allotment price), and the allotment price plus the respective exercise hurdle. The allotment price was calculated from the average of XETRA closing prices for the twenty trading days preceding issuance of the rights.

The following parameters were used to determine the fair value as at the balance sheet date:

SAR	2004 Tranche III	2006 Tranche I
Share price on December 31	€ 231.84	€ 231.84
Expected volatility	38.9%	38.9%
Expected dividend payment	0.9%	0,8%-0.9%
Non-risk interest rate	0.96%	0.68%-0.91%
Expected residual term	1.32 years	0.88-1.25 years

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

Development of the "SAR" program during the financial year:

SAR	2004 Tranche III	2006 Tranche I
Issue date	April 25, 2006	October 1, 2006
Number issued	150,000	66,250
Exercise price	€ 345.46	€ 317.23
		–
		€ 341.02
Residual term	1.32 years	1.75 years
In circulation as of January 1	**150,000**	**60,000**
Exercised	0	0
Lapsed	0	-17,250
In circulation as of December 31	**150,000**	**42,750**

The program launched in 2004 resulted in an expense of € 0.8 million in the current year. The option rights are held by the Board of Management.
The program launched in 2006 resulted in an expense of € 0.2 million in the current year. The number of option rights includes 9,000 options rights which are attributable to the Board of Management.

20. Other Operating Income and Expenses

In keeping with the relevant functions, the operating income and expenses include personnel, advertising and selling expenses as well as rental and lease expenses, travel costs, legal and consulting expenses and general administration expenses. Income typical of the business that is associated with operating expenses is netted with the respective item.
Administration and general expenses also include income of the sourcing organization in the amount of € 30.7 million (previous year: € 32.7 million). Rental and lease expenses relating to PUMA's retail operations include sales-based rental components.

Classified by functions, the other operating income and expenses are as follows:

	2009 € million	2008 € million
Selling expenses	878.1	849.59
Product development and design	58.1	55.1
Administration and general expenses	154.5	102.4
Total	**1,090.6**	**1,007.0**
Thereof depreciation/amortization and impairment losses	71.4	55.9

Within selling expenses, marketing/retail expenses account for the major part of operating expenses and also include expenses for PUMA's retail activities, in addition to advertising and promotion expenses. The other selling expenses include warehousing expenses and other variable selling expenses.

Administration and general expenses include expenses in the amount of € 1.1 million respecting the annual auditor of PUMA AG, thereof audit fees in the amount of € 0.4 million and tax consultancy costs of € 0.7 million. This item also includes currency gains in the amount of € 1.0 million.

The total expenses include special items in the amount of € 127.8 million.

In all, the other operating income and expenses include personnel expenses which consist of the following:

	2009 € million	2008 € million
Wages and salaries	250.0	246.4
Social security contributions	39.1	36.6
Expenses from option programs	6.0	-1.9
Expenses for pension schemes and other personnel expenses	25.1	25.2
Total	**320.2**	**306.4**

In addition, cost of sales include personnel expenses in the amount of € 5.1 million.

The annual average number of staff on a full-time basis was as follows:

	2009	2008
Marketing/retail/sales	6,818	6,672
Product development/design	688	693
Administration and general units	2,242	2,139
Total annual average	**9,747**	**9,503**

A total of 9,646 employees were employed at year-end (previous year: 10,069) on a full-time basis.

21. Financial Result

The financial result is structured as follows:

	2009 € million	2008 € million
Interest income	3.8	11.9
Interest expense	-6.6	-6.7
Net interest income	**-2.8**	**5.2**
Accumulated purchase price liabilities from corporate acquisitions	-4.4	-3.0
Valuation of pension plans	-1.1	-1.0
Total	**-8.3**	**1.1**

22. Taxes on Income

	2009 € million	2008 € million
Current income taxes		
Germany	14.7	14.7
Other countries	56.0	86.9
Total current income taxes	**70.7**	**101.6**
Deferred taxes	**-12.5**	**-6.8**
Total	**58.2**	**94.8**

In general, PUMA AG and its German subsidiaries are subject to corporation tax, plus a solidarity surcharge, and trade tax. For the financial year, a weighted mixed tax rate of 27.22% applied.

Numerical reconciliation of theoretical tax expense with current tax expense:

	2009 € million	2008 € million
Earnings before income taxes	**184.1**	**326.4**
Theoretical tax expense		
Tax rate for the AG = 27.22% (previous year: 27.22%)	50.1	88.9
Difference from tax rate in other countries	-1.1	-2.6
Other tax effects:		
Intra-group entries	-2.4	2.6
Value adjustment on deferred taxes	6.6	5.1
Changes in tax rates	-0.4	0.1
Other non-deductible expenses and income, and consolidation and other effects	5.4	0.8
Effective tax expense	**58.2**	**94.8**
Effective tax rate	31.6%	29.0%

23. Earnings per Share

Earnings per share are determined in accordance with IAS 33 by dividing the consolidated net earnings (Group profit) attributable to the shareholder of the parent company by the average number of outstanding shares. Potential shares from the Management Incentive Program may lead to a dilution of this indicator.

The calculation is shown in the table below:

		2009	2008
Consolidated net earnings	€ million	128.2	232.8
Average number of stock outstanding	share	15,082,464	15,359,925
Diluted number of shares	share	15,091,900	15,359,925
Earnings per share	€	8.50	15.15
Earnings per share, diluted	€	8.50	15.15

24. Management of the Currency Risk

In financial year 2009 PUMA concluded "forward purchase USD/sale euro" currency derivative deals as cashflow hedges in order to hedge the payable amount of purchases denominated in USD, which is converted to euro.

The nominal amounts of open rate hedging transactions which mainly relate to cashflow hedges consist of the following:

	2009 € million	2008 € million
Total currency forwards	436.3	419.8

The following cashflows concerning the underlying transactions are expected in 2010.

The market values of open rate hedging transactions include the following:

	2009 € million	2008 € million
Currency forwards, assets	1.7	35.5
Currency forwards, liabilities	-21.6	-9.9
Net	**-19.9**	**25.6**

The development of cashflow hedges is shown in the Schedule of Shareholders' Equity. Risks are discussed in greater detail in the group management report.

25. Segment Reporting

In 2009, the IASB published "Improvements to IFRS" which involve minor changes to IFRS. In this context, IFRS 8 was amended to the extent that the amount of asset and liabilities must be stated in segment reporting only if this disclosure is subject to regular reporting by the company. The change is to be applied for the first time in financial years beginning on or after January 1, 2010. PUMA made use of an earlier application.

Segment reporting is based on geographical regions in accordance with the internal reporting structure. Sales and gross profit are shown according to the geographical region where the respective Group company is located (head office). Intra-group sales are eliminated. Allocation of the remaining segment information is also determined on the basis of the respective Group company's head office. The sum totals equal the amounts on the income statement or on the balance sheet, respectively.
The regions are subdivided (condensed) into EMEA (Europe, Middle East and Africa), Americas (North- and Latin America) and Asia/Pacific

The segments' internal sales are generated on the basis of market prices.

Investments and depreciation/amortization relate to additions and, respectively, to the depreciation/amortization of property, plant and equipment, intangible assets and other non-current assets during the current financial year. In addition, total impairment expenses in the amount of € 12.9 million were reported and allocated to the following segments: EMEA (€ 4.5 million), Americas (€ 4.0 million), Asia/Pacific (€ 0.2 million) and the Central Units/Consolidation (€ 4.2 million).

Since PUMA is active in one business field only, namely that of the sporting goods industry, the sales and gross income are allocated on a product basis, i.e., according to the Footwear, Apparel and Accessories product segments in keeping with the internal reporting structure. The operating result and most of the asset and liability items cannot be allocated in a reasonable manner.

Since external reporting is prepared on the basis of regional allocation and the internal reporting system according to responsibilities/functions, a difference results due to differing country allocation.

Operating Segments	External Sales		EBIT		Investments	
	2009 € million	2008 € million	2009 € million	2008 € million	2009 € million	2008 € million
EMEA	**1,149.5**	1,315.2	**91.6**	166.1	**43.9**	77.5
Americas	**662.1**	648.7	**51.9**	53.2	**9.4**	31.1
Asia/Pacific	**550.8**	558.4	**47.3**	54.3	**6.5**	11.1
Central units/consolidation	**98.3**	1.9	**129.4**	76.8	**144.4**	9.6
Special items			**-127.8**	-25.0		
Total	**2,460.7**	2,524.2	**192.4**	325.4	**204.3**	129.2

	Depreciation		Inventories		Trade Receivables	
	2009 € million	2008 € million	2009 € million	2008 € million	2009 € million	2008 € million
EMEA	**21.9**	22.2	**203.7**	277.0	**209.4**	211.7
Americas	**16.0**	15.4	**106.0**	117.5	**97.9**	83.4
Asia/Pacific	**7.5**	6.4	**51.6**	82.4	**80.8**	84.7
Central units/consolidation	**13.2**	11.9	**-12.8**	-46.1	**9.8**	16.7
Total	**58.5**	55.9	**348.5**	430.8	**397.8**	396.5

Product	External sales		Gross profit marging	
	2009 € million	2008 € million	2009 € million	2008
Footwear	**1,327.8**	1,434.3	**50.2%**	51.7%
Apparel	**852.9**	899.3	**52.1%**	51.9%
Accessories	**280.0**	190.6	**54.3%**	51.7%
Total	**2,460.7**	2,524.2	**51.3%**	51.8%

Bridge to EBT		
	2009 € million	2008 € million
EBIT	**192.4**	325.4
Financial Result	**-8.3**	1.1
EBT	**184.1**	326.4

26. Notes to the Cashflow Statement

The cashflow statement was prepared in accordance with IAS 7 (revised); it is subdivided into cashflows from operating, investing and financing activities. The indirect method is used to determine the cashflow from operating activities. The gross cashflow, derived from earnings before taxes on income and adjusted for non-cash income and expense items, is determined within the cashflow from operating activities. Free cashflow is understood to be cash provided by operating activities, reduced by investments in property, plant and equipment and intangible assets.

Cash and cash equivalents reported in the cashflow statement include all liquid assets disclosed in the balance sheet; i.e., cash in hand, checks and bank balances.

27. Contingencies

There were no reportable contingencies.

28. Other Financial Obligations

The Company's other financial obligations relate to license, promotion and advertising contracts. In addition, the Company leases and rents offices, warehouses, facilities, a car park, and also sales premises for its own retail business. The residual term of the lease contract for the logistics centre in Germany (operative leasing) is 0.5 years. The term of rental contracts concerning the retail business is between five and fifteen years. The terms of all other rental and lease contracts are between one and five years.

As of the balance sheet date, the Company's financial obligations were as follows:

	2009 € million	2008 € million
From license, promotion and advertising contracts:		
2010 (2009)	69.5	66.0
2011- 2014 (2010 – 2013)	157.6	168.5
from 2015 (from 2014)	3.5	22.3
From rental and lease contracts:		
2010 (2009)	85.6	101.3
2011- 2014 (2010 – 2013)	200.5	249.5
from 2015 (from 2014)	74.3	101.5

In addition, obligations were recorded concerning the provision of sports equipment within the scope of sponsoring agreements.

29. Board of Management and Supervisory Board

Disclosures pursuant to Section 314 (1) Item 6 HGB

In accordance with the law on the disclosure of Board of Management remuneration of August 31, 2005, the Annual General Meeting can resolve the scope of disclosures of remuneration for the Board of Management. In accordance with the legal provisions, individual remuneration concerning members of the Board of Management may not be disclosed for a period of five years pursuant to Sections 286 (5); 285 sent. 1 No. 9 letter a, sent. 5 to 9; Section 314 (2) sent. 2; Section 314 (1) No. 6 letter a, sent. 5 to 9, HGB, if so resolved by the Annual General Meeting on the basis of a 75% majority.

By resolution of the Annual General Meeting of April 22, 2008, the Company was authorized to refrain from disclosures pursuant to Section 285 sent. 1 No. 9 letter a, sent. 5 to 9 and Section 314 (1) No. 6 letter a, sent. 5 to 9 HGB with respect to the financial year beginning on January 1, 2008, and the following financial years which end on December 31, 2012 at the latest.

The Board of Management and the Supervisory Board are of the opinion that the shareholders' justified interest in information is sufficiently accounted for by disclosing the total remuneration for the Board of Management. The Supervisory Board ensures the appropriateness of individual remuneration in accordance with its statutory duties.

Board of Management
The remuneration of members of the Board of Management, which is determined by the Supervisory Board, is comprised of fixed and variable components. The fixed components of the remuneration are comprised of a fixed salary and remuneration in kind, whereas the variable, performance-based components are comprised of profit-sharing bonuses and components with a long-term incentive effect (stock appreciation rights). The criteria for measuring the total remuneration include, in addition to the duties and services performed by the respective Board of Management member, factors relating to the economic situation, the strategic multi-year planning and associated targets, the sustainability of achieved results, the long-term profit outlook of the Company, and international benchmark comparisons.

The fixed remuneration component is paid out monthly as non performance-based salary. In addition, the members of the Board of Management receive remuneration in kind such as the use of a company car and insurance coverage. These benefits are generally made available to all members of the Board of Management on an equal footing and are included in non-performance-based remuneration.

The profit-sharing bonus, as part of the performance-based remuneration, is oriented mainly towards the operating profit and the free cashflow of the PUMA Group and is tiered in accordance with the achiement of target levels. An upper limit is agreed upon.

The performance-based remuneration component with long-term incentive effect (stock appreciation rights), is generally determined within the scope of multi-year plans whereby the number of stock appreciation rights issued is measured as a component of total remuneration. Measurement is based on the fair value of the respective stock appreciation rights as of the date of allocation. The possibility of a cap limit is provided as cover against extraordinary unforeseen developments. Particulars concerning the parameters used for the respective programs are provided in the Notes to the Consolidated Financial Statements under No. 19.

Fixed remuneration for the six members of the Board of Management amounted to € 5.9 million in the financial year (previous year: € 5.2 million) and the variable performance-based remuneration amounted to € 1.8 million (previous year: € 6.2 million).

Following expense allocation to the vesting period, the newly issued options and those issued in previous years result in a total expense of € 4.9 million compared to a negative amount (income) of € 1.6 million in the previous year. A total of 110,728 options from the "SOP 2008" program were granted to the Board of Management. The fair value as of the grant date amounted to € 53.50 per option.

In the event of premature termination of the employment relationship, a Board of Management member is paid the agreed-upon salary components up to the original end of the contract term. With respect to the salary components from the Long Term Incentive Program, it is agreed that option rights already granted shall be paid out at a value determined in accordance with "Black-Scholes" at the time of leaving the Company.

The Board of Management is provided with pension commitments for which the Company took out a pension liability insurance policy. The proportion of the pension capital which is already financed through contributions to the pension liability insurance is deemed to be a vested claim. Following an addition of € 0.5 million, as of the balance sheet date this results in a pension claim of T€ 273 p.a., or one-off capital compensation in the amount of the present value upon retirement.

Pensions commitments to former members of the Board of Management amounted to € 3.3 million (previous year: € 2.0 million). They are recorded in pension provisions. Pension benefit payments including subsequent payments for previous years were recorded in the amount of € 0.6 million (previous year: € 0.0 million.

Supervisory Board
In accordance with the Articles of Association, the Supervisory Board has six members. Supervisory Board remuneration includes a fixed and a performance-based component.

Fixed remuneration amounts to T€ 30.0 for each member of the Supervisory Board. The Chairman of the Supervisory Board receives twice this amount and the Deputy Chairman receives one and a half times the amount. Overall, total fixed compensation in the financial year amounted to T€ 225.0.

Performance-based compensation amounts to € 20.00 per € 0.01 of the earnings per share as reported in the consolidated financial statements (before dilution) that exceed a minimum amount of € 16.00, the maximum amount being T€ 10.0 per year. The Chairman of the Supervisory Board receives twice this amount, and the Deputy Chairman receives one and a half times the amount.
Since earnings per share were below the minimum amount in the financial year, as in the previous year, no performance-based compensation is paid.

30. Relationships with Related Parties

Sales with related parties from the sale of merchandise were generated in the amount of € 9.1 million, and receivables were reported in the amount of € 0.8 million. Related parties include companies that are controlled by the controlling parent company, PPR S.A., either directly or indirectly and which are not included in the consolidated financial statements of PUMA AG.

One member of the Supervisory Board is also President of a company which has received a consideration from PUMA in the amount of € 0.3 million within the framework of a consulting and service agreement associated with the expansion and growth strategy.

31. Corporate Governance

The Board of Management and the Supervisory Board have issued the required Compliance Declaration respecting recommendations issued by the Government Commission pursuant to Section 161 AktG. This declaration is available on a permanent basis on the company's homepage (www.puma.com). Attention is also drawn to the Corporate Governance Report in the Management Report.

32. Events after the Balance Sheet Date

There were no events after the balance sheet date that impact significantly on the net assts, financial position and results of operations.

Responsibility Statement ("Bilanzeid")
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 business of the Group and appropriately describes the significant opportunities and risks of the expected developments of the Group.

Date of Release
The Board of Management of PUMA AG released the consolidated financial statements for further distribution to the Supervisory Board on February 4, 2010. The Supervisory Board is to examine the consolidated financial statements and to state whether it approves the consolidated financial statements.

Herzogenaurach, February 4, 2010

Board of Management

Zeitz **Harris-Jensbach** **Bauer** **Caroti**

Deputy Board of Management

Bertone **Seiz**

„Auditors' Report

We have audited the consolidated financial statements, consisting of a balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cashflow statement, notes to the financial statements and the group management report of PUMA Aktiengesellschaft Rudolf Dassler Sport, Herzogenaurach, for the business year from January 1 to December 31, 2009. The preparation of the consolidated financial statements and the combined management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB („Handelsgesetzbuch": German Commercial Code), are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the group management report on the basis of our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW) and additionally observed the International Standards on Auditing (ISA). These audit standards require that we plan and perform the audit so that misstatements materially affecting the presentation of net assets, financial position and results of operations in the consolidated financial statements in accordance with the accounting principles applied and the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting disclosures and valuations in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of companies included in consolidation, the definition of the consolidated group, the valuation and accounting principles applied, and significant estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any objections.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these provisions. The group management report is consistent with the consolidated financial statements and provides, as a whole, a suitable view of the Group's position and suitably presents the opportunities and risks of future development."

Frankfurt am Main, February 4, 2010

PRICEWATERHOUSECOOPERS

Wirtschaftsprüfungsgesellschaft

Bernd Wagner	ppa. Christoph Dietzel
German Public Auditor	German Public Auditor

Supervisory Board Report

In the following report, the Supervisory Board provides information about its activities during financial year 2009. In particular, the report covers the continuous dialogue with the Board of Management, key consultancy issues in plenum, committee work, the audit of annual and consolidated financial statements and also changes concerning executive bodies.

Dear Shareholders,

Despite a difficult market environment, PUMA succeeded in achieving a solid result in the year 2009 and has thus cleared the way for positive development in the coming year. While a large number of companies and industries were affected by the financial crisis, PUMA recorded only a minor decline in sales. PUMA's gross profit margin remained at its industry-leading level of over 51 %, in spite of the challenging consumer environment. The restructuring program which was introduced with a view to adjusting PUMA's cost structure to the present market environment and at providing PUMA with an even more efficient, streamlined and faster platform has already shown initial effects and is intended to lead to further cost savings and efficiency increases. The preparations for the football World Cup in South Africa are in full swing. PUMA is excellently prepared to make use of the many opportunities arising from the largest football event and, in effect, strengthen both its presence and the desirability of the brand.

François-Henri Pinault
Chairman of the Supervisory Board

Monitoring Activities of the Supervisory Board

During the financial year, the Supervisory Board assumed the tasks imposed on it by law and the statutes and dealt intensively with the business development, financial position and strategic orientation of the Group. We carefully and regularly monitored the Board of Management activities and, in this framework, attended to the further strategic development of the Group and significant individual measures in an advisory capacity.

At the regular Supervisory Board meetings, the Board of Management provided us with early and comprehensive information about the business policy, about all relevant aspects of corporate development, the economic situation of the company including the net assets and financial position, and the results of operations as well as on all decisions and transactions that are important for the Group. In addition to these meetings, individual members of the Supervisory Board communicated verbally and in writing with the Board of Management. We extensively discussed all events that are important for the company on the basis of the reports provided by the Board of Management. The Supervisory Board was informed of any deviations in the business development from defined plans and goals and reviewed same on the basis of the documentation presented. We were involved in all significant decisions at an early stage.

Following careful examination and consultation, the Supervisory Board has submitted its vote on the reports and proposed resolutions presented to it by the Board of Management to the extent required by law and the statutes.

Focal Points of Consulting

In addition to the current course of business, there were numerous individual issues on the agenda of the individual Supervisory Board meetings which we discussed intensely with the Board of Management. In doing so, no doubts ever arose about the legality and appropriateness of the Board of Management's business management.

The main emphasis in financial year 2009 was placed on the following issues:

- Audit and approval of the 2008 annual financial statements
- Determining the agenda for the Annual General Meeting
- Stock Buyback Program
- Sustainability program and PUMA Vision
- Current business development
- Restructuring program (360 R&R)
- 2010 Corporate planning and medium-term planning, including investments
- Dividend policy
- Accounting Modernization Act [Bilanzrechtsmodernisierungsgetz (BilMoG)]
- Law on the Appropriateness of Management Remuneration [Gesetz zur Angemessenheit der Vorstandsvergütung (VorstAG)]
- Adjustment of the rules of internal procedure for the Board of Management and the Supervisory Board
- Corporate Governance Code/Compliance Declaration

Compensation Committee
François-Henri Pinault (Chairman), Thore Ohlsson and Erwin Hildel are members of the Personnel Committee. The committee convened in 2009 within the context of Supervisory Board meetings, whereby emphasis was placed on remuneration and general contractual issues, changes in the Board of Management, the Management Incentive Program, and various personnel-related matters.

Audit Committee
The Audit Committee comprises the Supervisory Board members, Thore Ohlsson (Chairman), Jean-François Palus and Oliver Burkhardt. The Audit Committee received the PUMA Group financial figures on a monthly basis, thus enabling it to continuously track the development of net assets, the financial position and results of operations as well as the development of the orders position. Moreover, the Audit Committee dealt with accounting and performance-related issues and discussed these with Management. After the Supervisory Board had placed the audit engagement for financial year 2009, the Audit Committee discussed the audit engagement and the focal points of the audit with the annual auditor. The audit report for financial year 2009 was discussed in detail with the annual auditor at a meeting held on February 16, 2010.

Corporate Governance
We welcome the German Corporate Governance Code (DCGK) which covers significant legal provisions and recommendations relating to the management and monitoring of listed companies, and which also includes standards for responsible corporate management. Almost all of these standards have been part of PUMA's everyday business for a long time.

With a few exceptions, the Company meets all DCGK requirements and expresses this in its Compliance Declaration. The Compliance Declaration is made available to our shareholders on the Company's homepage.

Annual Financial Statements Approved
PUMA AG's annual financial statements as prepared by the Board of Management, the consolidated financial statements, the management report and the group management report, including the underlying accounting system, were audited and provided with an unqualified auditor's opinion by the auditors, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, who were appointed as annual auditors by the Annual General Meeting on May 13, 2009.

In a respective report, the annual auditor arrives at the conclusion that the risk management system institutionalized by PUMA pursuant to Section 91 (2) Stock Corporation Act is suitable for early recognition of any developments that may endanger the Company as a going concern, and for taking appropriate countermeasures against same. To this end, the Board of Management informed the Supervisory Board at regular intervals about the assessment of market and sourcing risks, financial risks including currency risks, and about organization-related risks.

The financial statements documentation and audit reports of the annual auditor as well as the Board of Management's proposal concerning the appropriation of retained earnings were available to all members of the Supervisory Board in good time. The auditor reported about significant audit results and discussed these in detail with Board of Management and Supervisory Board members at the Audit Committee meeting on February 16, 2010, and at the subsequent Supervisory Board meeting on the same day. No inconsistencies were found. In addition, at today's meeting the Board of Management informed the Supervisory Board about disclosures made in the management report, pursuant to Section 289 (4) and Section 315 (4) HGB.

After thorough examination, we approve the annual financial statements and consolidated financial statements as prepared by the Board of Management and concur with the auditor's result. No objections are raised. The Supervisory Board thus approves the annual financial statements as prepared by the Board of Management. The annual financial statements are thus endorsed. Furthermore the Supervisory Board agrees with the Board of Management's proposal that a dividend of € 1.80 per share of stock be distributed to the shareholders for financial year 2009. The dividend is to be financed from liquid assets; this does not put the Company's liquidity at risk. In all, the amount of € 27.1 million is to be distributed from the retained earnings of PUMA AG. The remaining retained earnings of € 22.9 million shall be carried forward to the new accounting period.

Changes in the Board of Management
At his own wish, Mr. Dieter Bock resigned from office and left the Board of Management with effect from July 31, 2009. Mr. Bock had been a member of the Board of Management since 2005 and was responsible for Finance, Investor Relations and Legal Affairs. The Supervisory Board wishes to express its special thanks to Mr. Bock for the work he performed.

Mr. Klaus Bauer was appointed as a member of the Board of Management with effect from August 1, 2009. As Chief Operating Officer (COO), Mr. Bauer is responsible for the areas of Finance, Legal Affairs, Operations, Logistics, IT and Human Resources.

Dependent Company Report
A dependent relationship pursuant to Section 17 AktG has existed between PUMA AG Rudolf Dassler Sport and the firm of SAPARDIS S.A., a fully-owned subsidiary of PPR S.A., as from April 10, 2007. The report on relations with affiliated companies prepared by the Management Board pursuant to Section 312 AktG was presented to the Supervisory Board. The annual auditor reviewed the report and added the following note to the report:

„In accordance with our examination and appraisal which we carried out in conformity with our professional duty, we hereby confirm that the factual statements in the report are correct."

Following thorough examination, the Supervisory Board approves the dependent company report prepared by the Board of Management and concurs with the findings of the annual auditor. No objections are to be made.

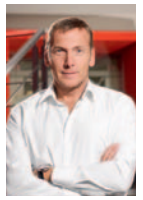
Thanks to the Board of Management and Staff
The Supervisory Board wishes to express its great appreciation and gratitude to the Board of Management, to the managements of the Group companies, the staff's elected representatives, and to all employees for their high personal involvement, their performance and continuous commitment.

Herzogenaurach, February 16, 2010

On behalf of the Supervisory Board

François-Henri Pinault
Chairman

The Board of Management



Jochen Zeitz
(Chairman and CEO)

Member of other Supervisory Boards or similar boards:
- PPR, Paris/France (non-voting member)
- Harley-Davidson Inc., Milwaukee/USA

Melody Harris-Jensbach
(Deputy CEO)
Chief Product Officer

Klaus Bauer (from August 1, 2009)
Chief Operating Officer

Dieter Bock (until July 31, 2009)
Chief Financial Officer

Stefano Caroti
Chief Commercial Officer

Reiner Seiz
Chief Supply Chain Officer
(Deputy Member of the Board of Management)

Antonio Bertone
Chief Marketing Officer
(Deputy Member of the Board of Management)

Supervisory Board

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

Member of other Supervisory Boards or similar boards:
- Boucheron Holding S.A., Paris/France
- Yves Saint Laurent S.A.S., Paris/France
- Gucci Group NV, Amsterdam/The Netherlands
- FNAC, Ivry sur Seine/France
- SAPARDIS, Paris/France
- Soft Computing, Paris/France
- Christie's International, London/United Kingdom
- Sowind Group (Vice President), La Chaux-de-Fonds/Switzerland
- Bouygues, Paris/France
- CFAO (Vice President), Sèvres/France
- Artemis (Chairman), Paris/France

Thore Ohlsson
(Deputy Chairman)
Falsterbo, Sweden
President of Elimexo AB, Falsterbo/Sweden

Member of other Supervisory Boards or similar boards:
- Nobia AB, Stockholm/Sweden
- Bastec AB (Chairman), Malmö/Sweden
- Elite Hotels AB, Stockholm/Sweden
- Tretorn AB, Helsingborg/Sweden
- T. Frick AB (Chairman), Vellinge/Sweden
- T.M.C. AB (Chairman), Skanör/Sweden

Jean-François Palus
Paris, France
Directeur Général Délégué / Directeur Financier of PPR, Paris/France

Member of other Supervisory Boards or similar boards:
- Gucci Group NV, Amsterdam/The Netherlands
- CFAO, Sèvres/France
- Conforama Holding, Lognes Marne la Vallée/France
- FNAC, Ivry sur Seine/France
- SAPARDIS, Paris/France
- PPR Luxembourg/Luxembourg

Grégoire Amigues
Paris, France
Directeur du Plan et de la Stratégie of PPR, Paris/France

Member of other Supervisory Boards or similar boards:
- SAPARDIS, Paris/France
- LUMINOSA, Paris/France

Erwin Hildel
(Employees' Representative)
Herzogenaurach, Germany
Sales Administration Manager

Oliver Burkhardt
(Employees' Representative)
Moehrendorf, Germany
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