Group Management Report for the Financial Year 2015

- Overview 2015
- PUMA Group Essential Information
  - Commercial Activities and Organizational Structure
  - Targets and Strategy
  - Product development and design
  - Sourcing
  - Employees
  - Management System
- Economic Report
  - General Economic Conditions
  - Sales
  - Results of Operations
  - Dividends
  - Regional Development
  - Net Assets and Financial Position
  - Cash Flow
- Compensation Report
- Risk and Opportunity Management
- Information Concerning Takeovers
- Supplemental Report and Outlook
- Corporate Governance Report including the Statement on Corporate Governance

Overview 2015

PUMA got off to a strong start in the financial year 2015 with the successful introduction of our latest running innovation, IGNITE, in New York's Time Square by the fastest man in the world, Usain Bolt. IGNITE's innovative foam technology improves energy recovery when running and therefore embodies our Forever Faster mission statement. Sales got off to a solid start both at our retail partners and at PUMA's own retail stores and sales figures remained at a very high level throughout the year. The introduction of IGNITE included a series of short films in which teams of runners from ten major cities around the world illuminate their cities in very different ways. The campaign quickly became a viral success in social media and generated positive resonance online and in the press.

In the Team Sports category, we once again underscored our strong position and achieved a high brand presence both at the Copa América in Chile and the FIFA Women's World Cup in Canada. In the Copa América, Chile, the host and PUMA team capped its strong performance in the tournament by winning its first continental championship. In the women's soccer World Cup, PUMA star Marta made headlines by taking sole possession of the record for most goals in World Cup history, while the German national player Célia Šašić was the top scorer of the tournament with six goals. Together with the three PUMA teams Cameroon, Ivory Coast and Switzerland, the more than 50 PUMA players created a strong brand presence during the World Cup.

In our Running and Training category, we enjoyed a successful World Athletics Championship in Beijing in August, where the PUMA-sponsored athletes and teams turned in outstanding performances and reached the podium 18 times. Usain Bolt, the fastest man in the world, further strengthened his status as the most successful athlete of all time with three victories - at 100 meters, 200 meters, and in the 4x100 meter relay - giving him a total of 11 world championship gold medals. The performance of the team from Jamaica, which was second on the medals table after Kenya, and the performances of the other PUMA-sponsored teams the Bahamas, Cuba, Grenada, Cayman Islands, Switzerland and the Dominican Republic, ensured a strong presence of the PUMA brand during the competition.

In our successful Motorsports category, with our partners Mercedes AMG Petronas and Scuderia Ferrari we again underscored PUMA's position as the leading supplier in Formula 1. Mercedes driver Lewis Hamilton secured his third world title at the US Grand Prix. This was the most successful season in more than 60 years for the Silver Arrow, which was victorious in the Constructors' Championship very early on.

In September, COBRA PUMA GOLF player Rickie Fowler won the Deutsche Bank Championship at TPC Boston. In his typical orange outfit, he once again took first place using our COBRA driver from the Fly-Z+ range, and wore clothing and shoes from our 2015 fall/winter collection, including the Titantour, the most popular shoe in the world of golf today. COBRA PUMA GOLF star Lexi Thompson won the LPGA KEG Hana Bank Championship in South Korea; her second tournament victory and sixth title overall demonstrated again that she is an exceptional talent.

In addition, in the financial year 2015 we continued to accelerate the improvement of our product range for women and our more targeted consumer approach in this area. A key element of this is the partnership we have developed jointly with the international star Rihanna as brand ambassador and creative director. Rihanna plays an important role in our second Forever Faster brand campaign, in which we have invested several million euros and which focuses on "training". We introduced the first shoe models and apparel inspired by Rihanna in her role as brand ambassador. The Creeper model is Rihanna's first sneaker under her FENTY label. The shoe received a great deal of attention on social media and in the press and was sold out within hours.

In order to further increase the quality of our sales, we have continued to work hard with our sales organizations to improve both the relations with our strategic customers and new customer relationships with major retailers in traditional and growth markets. For example, we continued to expand our presence in major sports retailers in the North American market such as Finish Line and Champs by adding new shop-in-shop systems, special shelving units and permanent in-store communication. In our own retail stores we moved forward with the global introduction of our new Forever Faster store concept.

We also continued to simplify our organizational structure and setup in the last financial year. This included putting the PUMA regions Europe and EEMEA under joint management. In addition, we created synergies in many areas which made PUMA both faster and more efficient.

Regarding the optimization of our IT department, we continued to work on implementing a standardized ERP system, renewing our IT infrastructure and improving our design and product development processes.

With the measures successfully initiated in 2014 and successfully continued in 2015, we are firmly convinced that we are on the right path. However, one thing bears repeating: We know that the repositioning of PUMA and the turnaround of the business will take time as we need to continue to build confidence in the marketplace that we are on the right track. We are convinced that our efforts have already translated into better products, stronger marketing and more efficient operations.

PUMA's rising sales show that we are on the right path with respect to improving our product offering. The strong sales in the Performance category, especially in the shoe business, underscores the extremely high profile of our products. Group sales rose, currency-adjusted, by 6.5 % in the last financial year. In the reporting currency, the Euro, this corresponds to an increase of 14.0 % to about € 3.4 billion. In 2015, gross profit margin decreased by 110 basis points to 45.5 % compared to the previous year due to negative exchange rate effects. This reduced operating income to € 96.3 million from € 128.0 million in the previous year. The gross profit margin and operating income were thus at the upper end of the adjusted forecast. Consolidated net income was € 37.1 million (previous year: € 64.1 million) and earnings per share were € 2.48 compared to € 4.29 in 2014.

At the end of the year, the PUMA share listed at € 198.65, a 15.1 % increase over the share price at the end of the previous year (€ 172.55). This means that the market capitalization has risen to around € 3.0 billion.

PUMA Group Essential Information

Commercial Activities and Organizational Structure

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

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

As of December 31, 2015, 108 subsidiaries were controlled directly or indirectly by PUMA SE. Our subsidiaries carry out various tasks at the local level, such as sales, marketing, product development, procurement and management. A full list of all subsidiaries and an associated company can be found in paragraph 2 of the Notes to the Consolidated Financial Statements.

Targets and Strategy

To be the Fastest Sports Brand in the world

PUMA is one of the world's leading sports brands, designing, developing, selling and marketing footwear, apparel and accessories. For over 65 years, PUMA has been producing the most innovative products for the fastest athletes on the planet. PUMA offers performance and sport-inspired lifestyle products in categories such as Football, Running and Training, Golf, and Motorsports. PUMA engages in exciting collaborations with renowned design brands such as Alexander McQueen as well as designers like BWGH (Brooklyn We Go Hard) and Vashtie to bring innovative and fast designs to the sports world. The PUMA Group owns the brands PUMA and COBRA Golf as well the subsidiary Dobotex. PUMA distributes its products in more than 120 countries and employs more than 11,000 people worldwide.

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

Strategic priorities

Our strategy encompasses five strategic priorities: the repositioning of PUMA as the World's Fastest Sports Brand, the improvement of our product engine, the optimization of our distribution quality, increasing the speed within our organization and infrastructure, and renewing our IT infrastructure.

The **repositioning of our brand**, which we began in 2014 with the largest brand campaign in company history, was clearly the focus of our activities again in 2015. Our objective is to demonstrate that PUMA is back in sports and that our brand has great assets and a distinctive attitude: Brave, confident, determined, and joyful. The second Forever Faster brand campaign, in which we invested several million Euros in 2015, focuses on our brand ambassadors and shows how they are training with PUMA products to get into peak form for the major competitions in 2016. Rihanna joined Usain Bolt, Arsenal London and other athletes for the campaign on a number of fronts, including the first TV spot for our training shoe IGNITE XT. Leading up to this, she ensured a high level of attention in the media and on social networks.

In 2015 we made great strides in **further improving our product engine**. The collections stood out for their clearer design, more innovative technology and the greater commerciality of the products. Not only was the feedback from our retail partners positive, but the significant increase in sales strengthens our conviction that we are heading in the right direction. The product highlights in 2015 include our new running shoe technology IGNITE, which we have expanded into a cornerstone of our Running and Training category with continuous new product launches – such as the IGNITE PWRCOOL and the IGNITE XT – since its market introduction in February. In Football, we continued to strengthen our position and further expanded our product platforms evoSPEED and evoPOWER. The new products include evoSPEED SL, which is now the lightest football shoe in the market at 103 grams. In Lifestyle, we introduced the first shoe styles inspired by Rihanna. The Creeper is Rihanna's first sneaker under her FENTY label. The shoe received a great deal of attention on social media and in the press and the first color options were sold out within hours. In addition, we also introduced the boxing-inspired Eskiva shoe. We will introduce a complete women's collection of shoes and apparel in 2016 working with Rihanna as creative director.

In order to improve the **quality of our sales and distribution**, we introduced joint product and marketing programs with our key retailers to showcase our brand in the right retail environment and drive sell-through with our partners. In 2015, we continued the roll-out of the retail concept "PUMA Lab", initially launched with Foot Locker in 2014, both in the U.S. and in the first location in Europe. During the year we began collaborating with other well-known retailers with the aim of improving the presence of the PUMA brand in stores, better communicating our product promise on site, and thereby achieving a sustained sales increase. For example, we continued to expand our presence in major sports retailers such as Finish Line and Champs by adding new shop-in-shop systems, special shelving units and permanent in-store communication. We also developed a completely new Forever Faster store concept for the Company's own retail stores. This concept was first introduced at the Group headquarters in Herzogenaurach and then in 20 additional locations during the year. The new store concept optimizes the presentation of our products and the related technologies and strengthens our position as a sports brand. To further expand our online presence, we launched an improved, integrated web shop and rolled it out in other markets in 2015. The continuous optimization of the website and our online product offering is a high priority for PUMA.

In 2015, we continued to optimize our **organizational structure and setup** by making them faster. One of the key projects was standardizing and optimizing the procedures between PUMA and its external suppliers by restructuring the sourcing organization to manage global order and invoice flows. We also simplified our organization in other areas and made processes faster. For example, our Sportstyle and Fundamentals product areas were merged under the leadership of a single manager. PUMA is also more efficiently organized now in the Europe and Asia/Pacific regions and can react more quickly to dynamic market influences.

We also made further progress in the modernization and expansion of our **IT infrastructure** in 2015. As part of this initiative, we have made it possible for additional markets to access a single ERP system and modernized the IT infrastructure at PUMA worldwide. In 2016, we will again focus on three areas: optimize our IT infrastructure, start the implementation of a standard ERP system to support our sourcing and trading functions, and set up platforms to improve the design, development and planning processes. We are very confident that our investment in these areas will lay the foundation for a fast, lean and efficient company in the future.

Sustainability remains an important value

Social, economic and environmental sustainability are among the core values at PUMA. We believe that the balance of these three aspects is key to the sustainable development of our business and faster is how we are working with our partners towards a more just and sustainable future, accelerating positive change in the industry and the world. Our mission to be the fastest sports brand in the world also includes assuming responsibility for ensuring that our products are manufactured under appropriate working conditions and produced by suppliers who respect human rights.

We believe that "The future is female"

For years, the market segment of female consumers has been an above-average performer for sports products. And women will continue to be more and more involved in sports worldwide, and sports is having an ever increasing influence on fashion. PUMA is a pioneer in this segment and we have set standards for years with the success of our models and collaborations with designers. And we are now strengthening our strategic focus on the female target group. A key element of this strategy is the partnership we have developed jointly with the international star Rihanna as brand ambassador and creative director. Rihanna took on an important role in our second Forever Faster brand campaign in 2015. In 2016 with the introduction of a complete women's collection of shoes and textiles, she will be a vital part of improving our product offering for women in our Performance and Sportstyle categories.

Product development and design

Product philosophy and strategy

PUMA is one of the world's leading Sports Brands, developing, selling and marketing footwear, apparel and accessories in our Performance and Sportstyle categories. In Performance, we focus on lightweight, comfortable and dynamic product concepts, while our Sportstyle lines are inspired by our roots in sports. Product responsibility is organized within our global business units and regional design centers, with PUMA's design language for all collections defined by our creative director Torsten Hochstetter. To improve our product engine, in 2015 we initiated key projects to enhance our product designs, develop more innovative technologies and increase the commerciality of our product range.

Following the introduction of our latest running innovation, IGNITE, in New York's Times Square by the fastest man in the world, Usain Bolt, sales of our new running shoe technology got off to a strong start – both with our retail partners and through Puma's own retail stores. IGNITE's innovative shock-absorbing technology improves energy recovery when running and, with the best figures in this area among our competitors, the shoe embodies our mission statement "Forever Faster".

In our Spring/Summer collection, we expanded our successful IGNITE product program to include the IGNITE PWRCOOL. PWRCOOL is PUMA's technology for cooling which maintains optimum body temperature and thus saves energy. The apparel and shoes in the PWRCOOL collection are made of CoolCELL materials: advanced materials that transport perspiration to the outside and allow optimal temperature regulation through the use of anatomically positioned mesh panels on the body's heat zones.

In the Team Sports category, we once again underscored our strong position and achieved a high brand presence both at the Copa América in Chile and the FIFA Women's World Cup in Canada. The two tournaments provided a perfect platform for introducing the innovative PUMA football shoe evoSPEED SL. The new model's light, almost transparent outer textile material makes it our lightest football shoe yet. The PUMA SPEEDFRAME contributes to minimizing weight while providing the necessary stability.

In addition, we continued to accelerate the improvement of our product range for women and our more targeted consumer approach in this area. Building on a strong history and the high credibility we enjoy among our female consumers, we will continue to focus on the growth potential in this segment. A key element in this strategy is our partnership with the international star Rihanna. In 2015, we introduced the first shoe models and apparel inspired by Rihanna in her role as brand ambassador in our Forever Faster brand campaign. The Creeper model is Rihanna's first sneaker under her FENTY label. It is a blend of PUMA's classic Suede with a "creeper" platform sole inspired by the New York punk rock scene and Rihanna's trademark. The first limited edition of the Creeper in black and white attracted a great deal of attention on social media and in the press, and was sold out within a few hours. In November, the boxing-inspired Eskiva shoe followed, giving a small taste of the complete women's collection of shoes and apparel which we will introduce in 2016.

2015 has shown that we are on the right path with respect to improving our product offering. The strong sales performance, especially in the shoe business, underscores the extremely high profile of our products. Our successful product initiatives are an affirmation of our objective of being the fastest sports brand in the world. In the coming seasons we will continue our efforts to further improve our product range – especially for women. The continuous optimization in our close cooperation with major retail partners is an essential component of our strategy for new product introductions.

Sourcing

Sourcing refers to the central management of the purchasing of products for PUMA and the Group's own brand, COBRA. The necessary sourcing tasks are carried out centrally by the Group company **World Cat Ltd.** in Hong Kong.

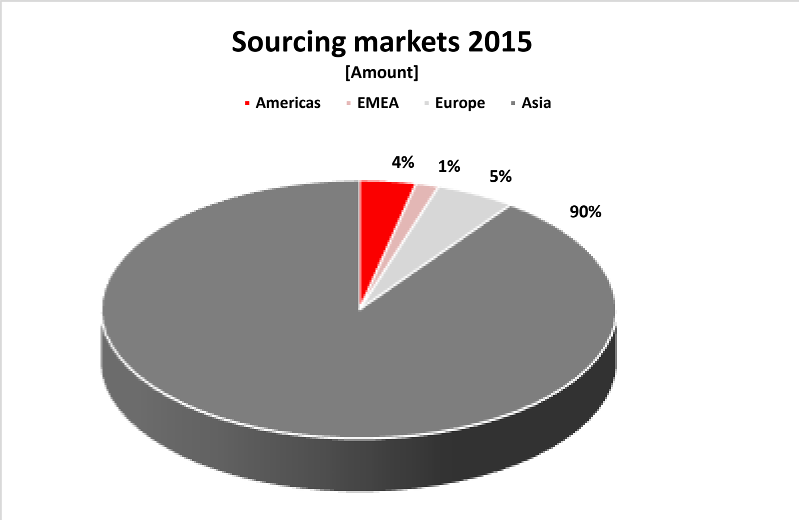
World Cat Ltd. manages the various branches located around the world from Hong Kong. In addition to the registered offices, the various locations in China, Vietnam, Bangladesh, India, Turkey, South Africa, Brazil and El Salvador manage the collaboration with suppliers and also monitor the production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

Processes are continuously improved in line with the six core principles of partnership, transparency, flexibility and speed, simplicity and effectiveness, thus satisfying the aim of offering service at a high level for all PUMA brands and creating a sustainable production and supply chain. In order to further strengthen the link between customer demands, product design and production, product knowledge is moved closer to production, thus ensuring any developments in the market can be adapted to more quickly. World Cat Ltd. optimizes the supply chain with independent suppliers within its global production network, from the purchase of materials to production, right through to the delivery of products. The aim is to offer an optimum service to the various PUMA brands in order to meet and continue to improve global requirements for quality and safety, along with environmental and social aspects in production. At the same time, continuous improvements are being made in its role as purchasing agent with respect to costs, flexibility and delivery reliability.

PUMA established a new sourcing structure in 2015. The formation and global introduction of PUMA International Trading GmbH (PIT) as a global trading company reorganized the supply chain. PUMA International Trading GmbH, which has its headquarters in Germany, makes purchases from third-party suppliers and sells to PUMA distribution subsidiaries. It also handles all the associated transactions. This new business model ensures transparency within the supply chain and reduces the complexity of the transactions. In addition, hedging was centralized at PIT.

The Sourcing Markets

During the financial year 2015, World Cat Ltd. worked together with 189 suppliers in 32 countries. The strategic cooperation with long-term partners was one of the key competitive advantages in 2015, ensuring stable procurement in turbulent market conditions. The geographic focus of the production sites located in China as the primary sourcing country has shifted slightly to South East Asia.

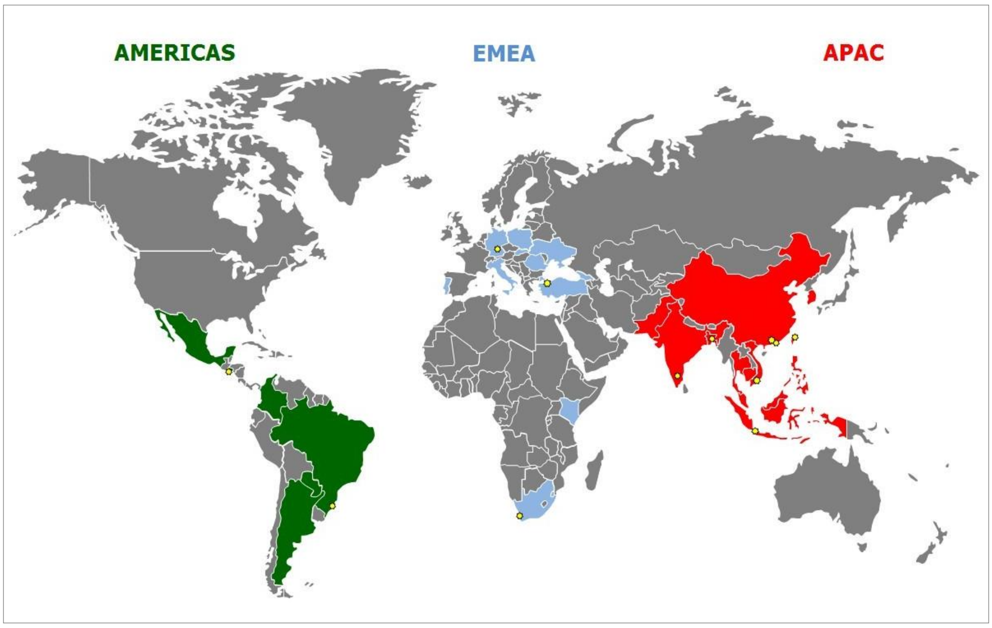


Asia remains the strongest sourcing region overall with 90 % of the total volume, followed by Europe with 5 %, America with 4 % and Africa with 1 %.

As a result, the six most important sourcing countries (86 % of the total volume) are all located on the Asian continent. Vietnam took over the lead from China in 2015 with a total of 29 %, an increase of 3 percentage points from the previous year. China followed at 26 %, a reduction of 4 percentage points from 2014. Cambodia was in third place with 12 %. Bangladesh, which focuses on apparel, moved up to fourth place at 9 %. Indonesia, which focuses on footwear production, produces 7 % of the total volume and is in fifth place. India is in sixth place with 4 %.

Rising labor costs, political unrest and macroeconomic factors all had a negative impact on sourcing markets in 2015. This therefore increases the need to take into account the risks these factors present when allocating production. This is a crucial component of our sourcing strategy in order to ensure the secure and competitive sourcing of products.

World Cat's sourcing regions

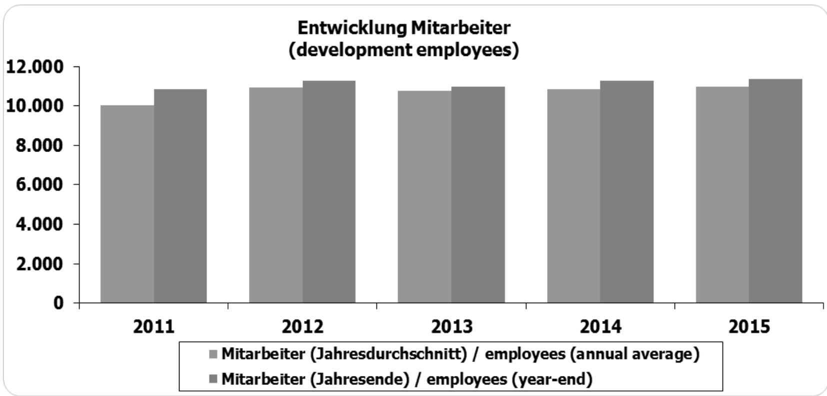


Employees

Number of employees

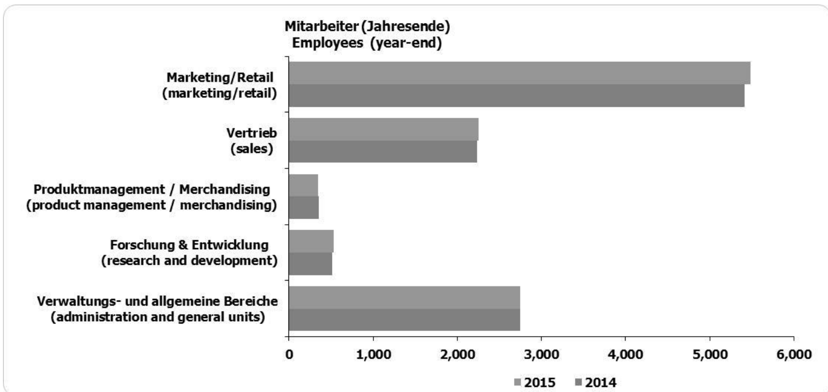
In 2015 the **annual average** number of employees worldwide was 10,988 compared to 10,830 in the previous year. The increase was mainly related to the higher number of the company's own retail stores.

Overall personnel expenses in 2015 rose by 13.7 % from € 425.3 million to € 483.8 million and the average personnel expense per employee was € 44.0 thousand compared to € 39.3 thousand in the previous year.



As of **December 31, 2015**, the number of employees was 11,351, compared to 11,267 at the end of the previous year.

In the Marketing/Retail segment, the number of employees increased by 1.3 % to 5,483 employees. In Sales, the number of employees increased slightly to 2,249. The number of employees in Product Management/Merchandising decreased by 4.4 % to 342, while the number of employees in Research and Development increased by 2.6 % to 527. In the administrative and general units, the number of employees rose slightly to 2,750.



Talent Recruitment and Development

PUMA relies on the skills and qualifications of its employees in order to ensure continued growth and market expertise.

We conduct targeted recruitment across various channels, allowing us to reach a broad range of potential employees with extremely diverse experience and backgrounds. We ensure the constant professional and personal development of our staff by hiring qualified external talent and training our internal employees. At the same time, we take various measures, such as the expansion of our global performance management system, which now integrates talent management and structured succession planning in addition to performance assessment and target-setting, in an effort to retain employees over the long term. We demonstrate that we view our employees as important and valuable assets and that we wish to aid their development individually; this is clearly reflected in our actions. The long-term retention of motivated and capable employees is a core element of competitiveness today and ensures that we can perform well as both a company and an employer in our dynamic environment and can adapt to changes in the market.

In our effort to provide adequate entry-level and development opportunities to talented individuals at all levels, in addition to the range of different training and dual-track (combined work-study) programs, we also promote the systematic training of our professionals and managers. We continually develop our PUMA training offers in order to ensure that our employees have at all times comprehensive and diverse options to add to their qualifications, build on existing knowledge and acquire new skills. This approach helps employees achieve their personal goals and the company achieve its goals. In addition to a training program with a broad range of individual courses and workshops, a large number of seminars is offered with the aim of developing employees and managers over the longer term, giving them the opportunity to apply their newly acquired knowledge in practice between the individual modules and then to discuss this with other seminar participants. For example, this year we continued our successful International Leadership Program (ILP), an internal program consisting of several modules.

Compensation

PUMA offers its employees a targeted and competitive compensation system, which consists of several components. In addition to a fixed base salary, the PUMA bonus system, profit-sharing programs and various social benefits and intangible benefits form part of a performance-based compensation system. We also offer long-term incentive programs for senior management levels that recognize the sustainable development and performance of the business.

Management System

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

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

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

We use the indicator **working capital** in order to assess the financial position. Working capital is the difference between other current assets - including in particular inventories and trade receivables - and current liabilities. Amounts that are received in connection with financing activities are not included in working capital.

Non-financial performance indicators are of only minor importance at PUMA as control variables.

Economic Report

General Economic Conditions

The global economy weakened slightly in 2015 compared to the previous year. According to the winter forecast of the Kiel Institute for the World Economy (IfW), the increase in global gross domestic product (GDP) for 2015 will be 3.1 %, the lowest growth since the crisis year of 2009. Global production rose by 3.4 % in 2014.

The advanced economies continued to record a moderate performance overall, although there were significant differences between the individual countries and regions. For example, the United States (+2.5 %) and the United Kingdom (+2.4 %) again reported the strongest growth, while the Euro zone saw only a slight increase of 1.5 % in its gross domestic product, and unemployment remained high. After contracting in the previous year (-0.1 %), the Japanese economy returned to growth with a slight increase of 0.7 %.

In the emerging markets, the economic expansion has recently been weak. While in China, indicators point to a dampening of growth (6.8 % versus 7.4 % in 2014), the recession worsened in Russia and Brazil. According to the IfW, the economies of these two countries will contract by 3.8 % and 3.6 %, respectively, in 2015.

The sporting goods industry benefited in the last financial year from rising disposable incomes and growing health consciousness in the general population. The trend towards more and more women being very active in sports contributed to this positive performance. Looking at the distribution channels, online retailers, which posted dynamic growth rates in the financial year 2015, made a solid contribution.

By contrast, volatile currencies and, in particular, the strong US dollar, which made products more expensive, had a dampening effect on earnings in the industry.

Sales

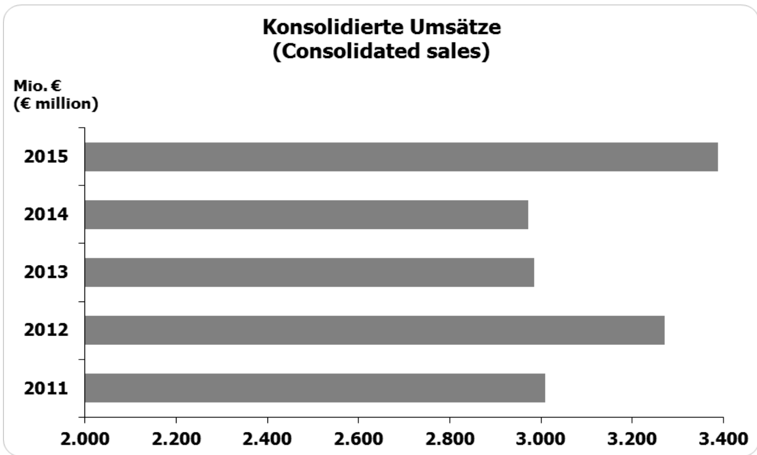
Illustration of Sales Development in 2015 Compared to 2014 Outlook

In the 2014 Annual Report, we forecast a currency-adjusted increase in consolidated sales in the mid-single-digit percentage range for the financial year 2015. This was confirmed during the year and the actual figure reached the upper end of the forecast for the full year 2015.

More details on sales development are provided below.

Consolidated Sales

PUMA increased consolidated sales in the financial year 2015 in euro, the reporting currency, by 14.0 % to € 3,387.4 million. Currency-adjusted sales increased by 6.5 %. This result is at the upper end of the forecast of currency-adjusted sales growth in the mid-single-digit percentage range.

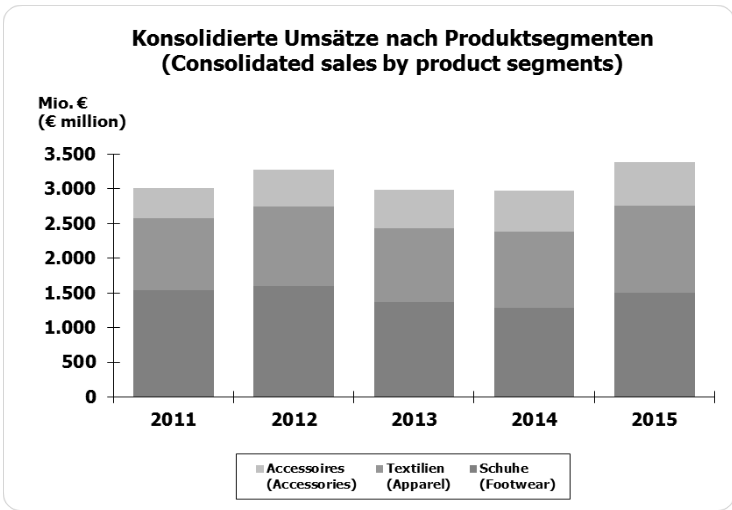


Footwear, the most important segment for PUMA, recorded a particularly strong performance in 2015 and thus continued a sustained growth trend. Boosted by the categories Running and Training as well as Team Sports, sales in the Euro, the reporting currency, increased by 17.4 % to € 1,506.1 million. Currency-adjusted sales growth was 9.2 %. This segment's share in consolidated sales rose from 43.2 % in 2014 to 44.5 % in the reporting year.

In the **Apparel** segment, sales in the reporting currency improved by 12.9 % to € 1,244.8 million over an already high comparable basis in the previous year due in large part to strong demand in America. Part of the growth in sales in America is linked to PUMA Kids Apparel North America LLC. The currency-adjusted increase in sales was 6.0 %. This segment accounted for 36.7 % of consolidated sales (previous year: 37.1 %).

The significant growth in the Footwear and Apparel segments is a testament to the success of the Forever Faster strategy of increasing focus on the sports performance area.

With currency-adjusted growth of 1.7 %, sales in the **Accessories** segment were slightly above the level of the previous year. In the reporting currency, sales were € 636.4 million, which corresponds to an increase of 8.5 %. The share of consolidated sales decreased to 18.8 % (previous year: 19.7 %).

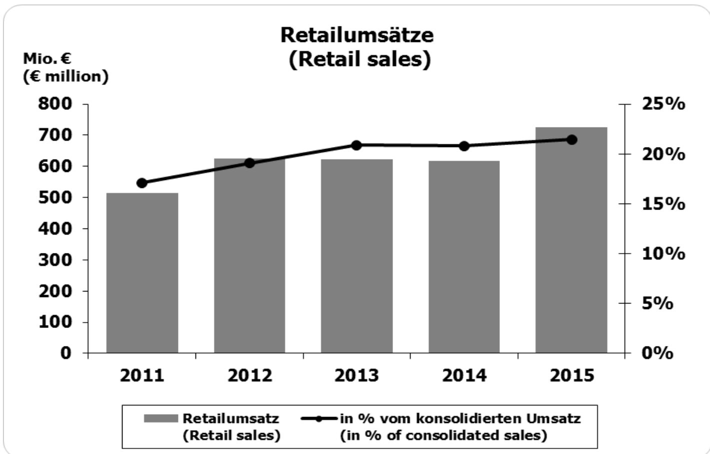


Retail businesses

PUMA’s own retail businesses include PUMA stores, factory outlets and online sales, which guarantee local availability and a controlled sell-off of PUMA products, as well as the presentation of the PUMA brand within appropriate settings.

Sales from retail activities improved by a currency-adjusted 9.3 % to € 726.2 million in financial year 2015. The corresponds to a 21.4 % share of overall sales (previous year: 20.8 %). The sales growth was achieved both on a comparable area basis and through the targeted expansion of the portfolio of the company's own retail stores. In addition to opening additional retail stores, the optimization of the portfolio included the introduction of new store designs in selected locations. This makes it possible to present PUMA products and related technologies in an even more attractive environment and strengthens PUMA's position as a sports brand. All new and updated stores recorded increased sales in the financial year and an increased share of revenues from footwear.

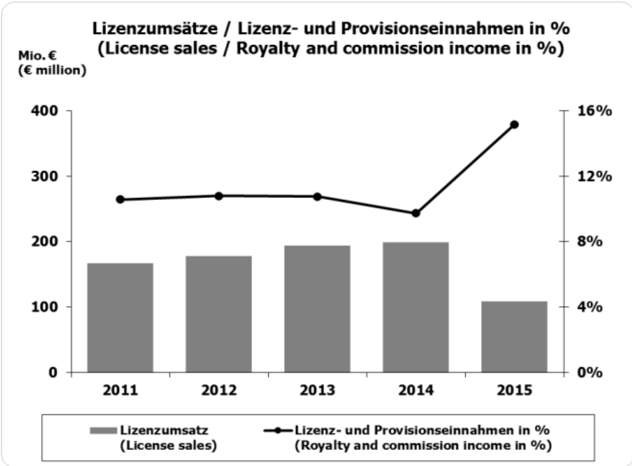
We increased the offerings on PUMA's e-commerce website in order to improve and expand our online presence. For example, exclusive products from the PUMA Select collection have also been available since May.



Licensing business

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

License sales fell by a currency-adjusted 48.2 % in 2015 due to the expiration of several licensing agreements at the end of 2014. In the reporting currency, the Euro, sales fell by 45.3 % to around € 109.0 million. Of this amount, € 16.5 million or 15.1 % was attributable to licensing and commission income, compared to € 19.4 million (9.7 %) in the previous year.



Results of Operations

Income Statement	2015 € million	2015 %	2014 € million	2014 %	+/- %
Sales	**3,387.4**	100.0%	**2,972.0**	100.0%	**14.0%**
Cost of sales	-1,847.2	-54.5%	-1,586.7	-53.4%	16.4%
Gross profit	**1,540.2**	45.5%	**1,385.4**	46.6%	**11.2%**
Royalty and commission income	16.5	0.5%	19.4	0.7%	-14.8%
Other operating income and expenses	-1,460.5	-43.1%	-1,276.8	-43.0%	14.4%
Operating income (EBIT)	**96.3**	2.8%	**128.0**	4.3%	**-24.8%**
Financial result / Income from associated companies	-11.2	-0.3%	-6.2	-0.2%	80.5%
Earnings before taxes (EBT)	**85.0**	2.5%	**121.8**	4.1%	**-30.2%**
Taxes on income	-23.3	-0.7%	-37.0	-1.2%	-36.8%
Tax rate	-27.5%		-30.4%		
Net earnings attributable to non-controlling interests	-24.6	-0.7%	-20.8	-0.7%	18.4%
Net earnings	**37.1**	1.1%	**64.1**	2.2%	**-42.1%**
Weighted average shares outstanding (million)	14.940		14.940		0.0%
Weighted average shares outstanding, diluted (million)	14.940		14.940		0.0%
Earnings per share in €	2.48		4.29		-42.1%
Earnings per share, diluted in €	2.48		4.29		-42.1%

Illustration of Earnings Development in 2015 Compared to 2014

In the outlook in the 2014 Annual Report, PUMA forecasted a slight increase in gross profit margin for 2015 based on the assumption of fewer discounts and a favorable profit mix. PUMA forecasted a slight increase over 2014 in both operating income (EBIT) and net earnings.

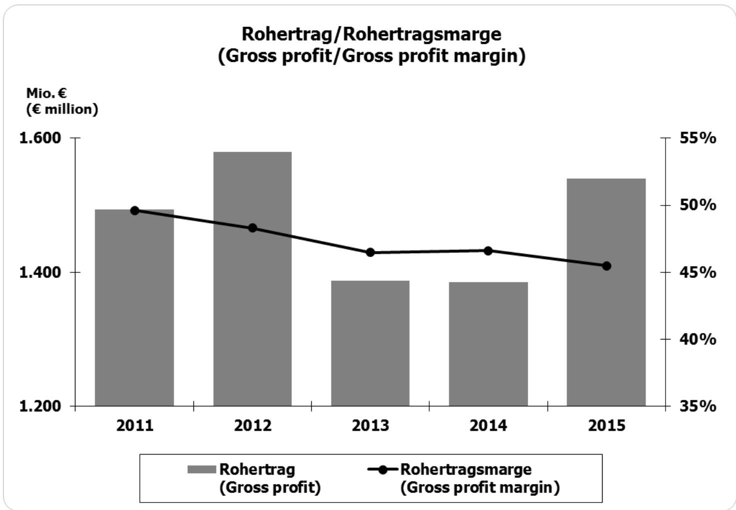
Due to the continued negative currency effects, the forecast had to be revised downwards in May 2015, as the countermeasures taken were not able to fully offset the negative exchange rate effects. While the sales forecast was maintained, PUMA expected a decline in the gross profit margin within a range of 100 to 150 basis points from the previous year (2014: 46.6 %). Currency-adjusted operating income (EBIT) was expected to be between € 80 million and € 100 million (previous year: € 128.0 million). Expectations for net income were corrected in line with the adjustment to operating income.
The adjusted forecasts were confirmed during the year and were fully met for the full year 2015.

Gross Profit Margin

In the financial year 2015, gross profit increased by 11.2 % from € 1,385.4 million to € 1,540.2 million.

The gross profit margin declined by 110 basis points from 46.6 % to 45.5 %, due mainly to unfavorable exchange rate effects. In addition to the strong US dollar, the development of other key currencies also had a negative effect.

The decline in the margin was reflected in all product segments. The gross profit margin the Footwear segment fell from 42.6 % in the previous year to 41.2 %. In Apparel, a decline from 49.5 % to 49.3 % was recorded. The gross profit margin for Accessories was 48.0 %, compared with 50.0 % in 2014.



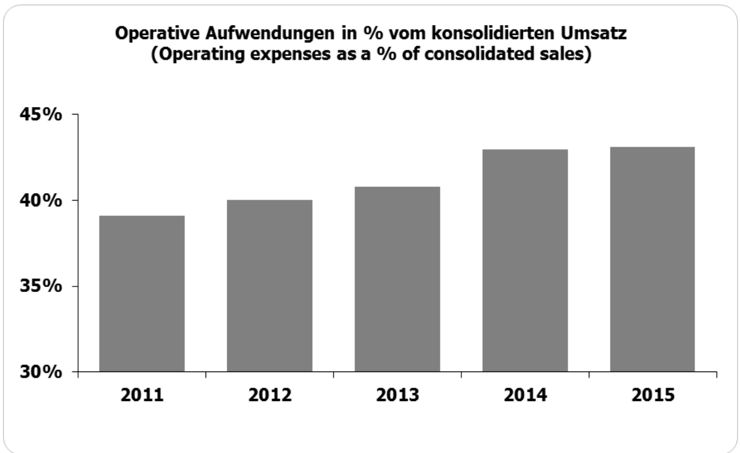
Other Operating Income and Expenses

Strict cost controls remained a high priority for PUMA in the financial year 2015.

Excluded from these savings measures were investments in the IT infrastructure and expenses for increased marketing activities with the aim of repositioning PUMA as the fastest brand in the world. These measures included media campaigns and the sponsorship of global PUMA brand ambassadors.

The operation and opening of new retail stores contributed to the increase in other operating income and expenses. In addition, unfavorable exchange rate effects had a negative impact on other operating income and expenses. In the financial year 2015, they increased by 14.4 % from € 1,276.8 million to € 1,460.5 million.

As a percentage of sales, the expense ratio stood at 43.1 %, virtually unchanged from the previous year.



In terms of sales expenditure, expenditure for marketing/retail purposes increased significantly by 16.3 % from € 599.7 million to € 697.6 million. This development is primarily related to the systematic continuation of the Forever Faster brand campaign and the increase in the number of the company's own retail stores. As the increase is slightly higher in proportion to the sales development, the expense ratio increased marginally to 20.6 % (previous year: 20.2 %). Other sales and distribution expenses stood at € 442.8 million, an increase of 11.3 %. The expense ratio decreased from 13.4 % to 13.1 %.

Expenditures for product management and merchandising increased by 7.8 % to € 37.5 million. The expense ratio remained stable at 1.1 % (previous year: 1.2 %). Expenditures for research and development increased by 22.7 % to € 56.7 million and the corresponding expense ratio was 1.7 % (previous year: 1.6 %).

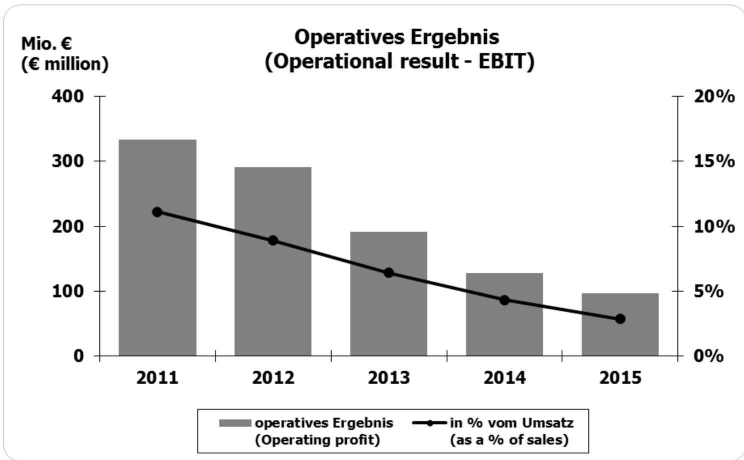
Other operating income increased by 38.3 % and totaled € 23.9 million at the end of the financial year (previous year: € 17.3 million). Administrative and general expenses rose slightly by 16 % to € 249.8 million. The expense ratio for administrative and general expenses was slightly above the previous year's level at 7.4 % (previous year: 7.2 %).

Depreciation/amortization totaling € 57.5 million (previous year: € 50.5 million) is included under the respective cost items. This represents a 14.0 % increase in depreciation/amortization compared to the previous year.

Operating income (EBIT)

The operating income in the financial year 2015 was € 96.3 million (-24.8 % compared to the previous year) and was significantly impacted by negative effects from ongoing exchange rate fluctuations. This result is at the upper end of the adjusted forecast of € 80 million to € 100 million.

The operating margin declined accordingly from 4.3 % to 2.8 %.



Financial Result

The financial result changed from € -6.2 million to € -11.2 million. Expenses for currency conversion differences had a negative impact, resulting in increased financial expenses. Borrowing also increased interest expenses, which totaled € 14.4 million (previous year: € 9.8 million). Income from the associated company Wilderness Holdings Ltd, which is also included in the financial result, totaled € 1.0 million in financial year 2015 (previous year: € 1.3 million).

Earnings before taxes (EBT)

In the financial year 2015, PUMA generated earnings before taxes of € 85.0 million, a decline of 30.2 % from the previous year (€ 121.8 million). The tax expense was € 23.3 million (€ 37.0 million), resulting in a tax rate of 27.5 % (30.4 %).

Net Earnings Attributable to Non-controlling Interests

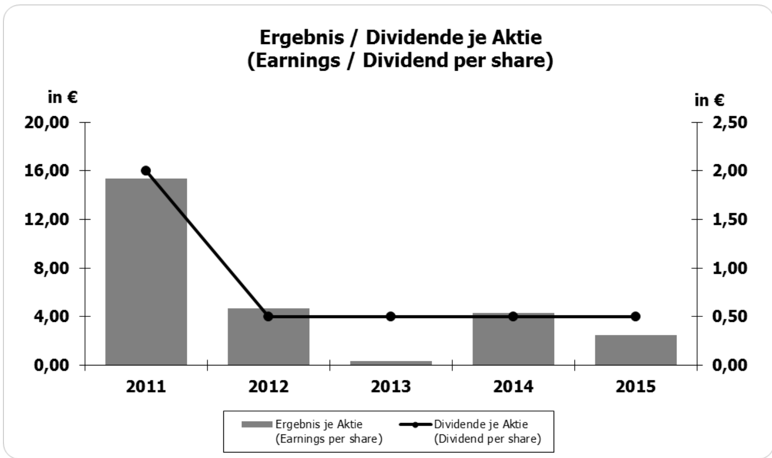
Income attributable to non-controlling interests in PUMA Wheat, PUMA Janed and PUMA Kids Apparel North America increased by 18.4 % to € 24.6 million (previous year: € 20.8 million). PUMA Wheat and PUMA Janed distribute accessories in the American market, PUMA Kids Apparel concentrates on children's clothing.

Net Earnings

Group earnings in 2015 stood at € 37.1 million and were thus in line with the expectations of the adjusted forecast. The decline was due mainly to the continued unfavorable developments in exchange rates and their negative impact on the gross profit margin. As a consequence, both earnings per share and diluted earnings per share fell to € 2.48 (previous year: € 4.29).

Dividends

The Managing Directors will recommend to the Administrative Board at the Annual General Meeting on May 4, 2016 that a dividend of € 0.50 per share be distributed from PUMA SE’s retained earnings for financial year 2015 (previous year: € 0.50). As a percentage of consolidated sales, the payout ratio amounts to 20.2 %, compared to 11.7 % in the previous year. The dividends will be distributed in the days following the Annual General Meeting at which the resolution on the distribution is adopted.



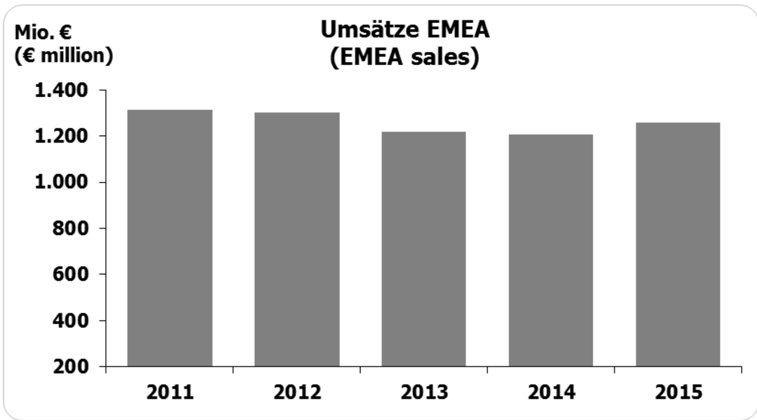
Regional Development

The currency-adjusted growth in consolidated sales of 6.5 % in 2015 is attributable to the positive trend in all regions.

In the **EMEA** region, sales in the reporting currency, the Euro, improved by 4.3% to € 1,258.2 million. The main drivers were the United Kingdom, France, Germany and Poland. Other Eastern European countries, the Middle East and Africa also recorded good performances. The EMEA region achieved currency-adjusted growth of 3.6 %. This represented 37.1 % of consolidated sales, a decline from the share in the previous year of 40.6 %.

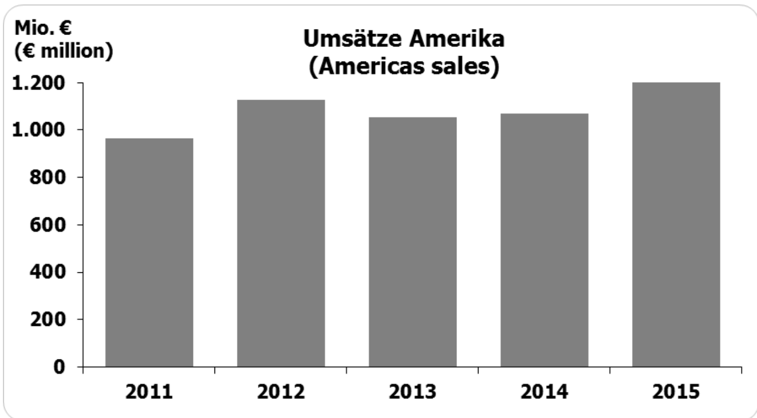
In the segments, the Footwear product category recorded a currency-adjusted increase in sales of 5.8 % after seeing a decline in 2014. Currency-adjusted apparel sales rose slightly, by 0.6 %. Currency-adjusted accessories sales were up by 4.5 %.

The gross profit margin in the EMEA region declined from 49.6 % in the previous year to 46.9 % due to unfavorable exchange rate fluctuations.



In the **America** region PUMA achieved particularly dynamic growth, with both North and South America contributing to this result. In the reporting currency, the Euro, sales rose by 22.5 % to € 1,310.8 million. The currency-adjusted sales increase was 8.8 %. The America region accounted for 38.7 % of consolidated sales (previous year: 36.0 %).

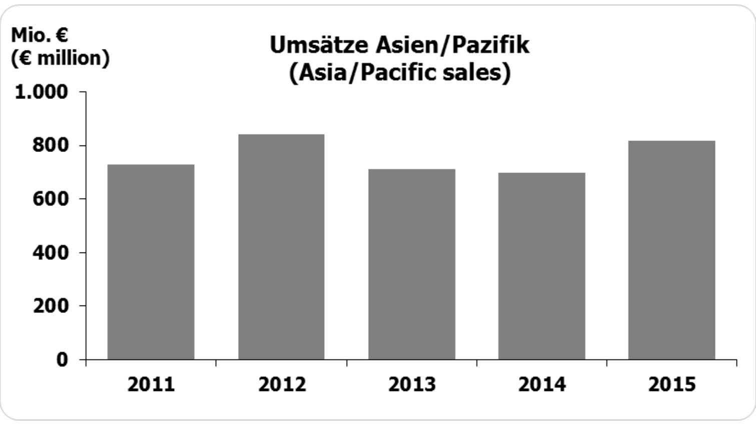
Looking at the product categories, both Footwear (currency-adjusted + 8.5 % over the previous year) and Apparel (+ 13.2 %) turned in very strong performances. In Accessories, a currency-adjusted sales increase of 3.3 % was achieved. The gross profit margin in the America region was 41.8 % compared to 42.9 % in 2014.



Currency-adjusted sales in the **Asia/Pacific** region rose by 7.6 % in the reporting year. China and India, which achieved double-digit growth rates, made the biggest contributions to this performance. In Japan, the continued difficult macroeconomic environment made it difficult to increase sales. Sales both here and in Korea were at approximately the same level as the previous year. Currency-adjusted sales in the Asia/Pacific region rose by 17.5 % to € 818.4 million in the reporting currency, the Euro. This represented 24.2 % of consolidated sales compared to 23.4 % in 2014.

Broken down by product, Footwear was the biggest growth-driver with currency-adjusted sales improving by 16.0 %. In Apparel, currency-adjusted sales increased by 5.5 %, while Accessories recorded a decline of 10.7 %, due mainly to lower sales in Japan.

The gross profit margin in the Asia/Pacific region improved from 47.1 % in 2014 to 49.0 % in the reporting year.

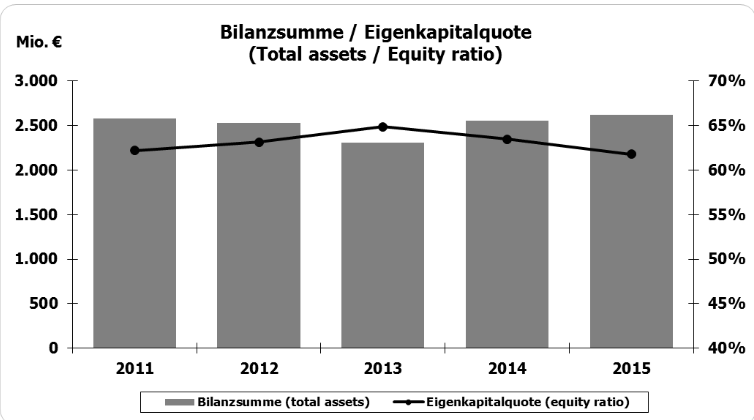

Mio. €
(€ million)
Umsätze Asien/Pazifik
(Asia/Pacific sales)
1.000
800
600
400
200
0
2011
2012
2013
2014
2015

Net Assets and Financial Position

Balance Sheet	31.12.2015 € million	%	31.12.2014 € million	%	+/- %
Cash and cash equivalents	338.8	12.9%	401.5	15.7%	-15.6%
Inventories	657.0	25.1%	571.5	22.4%	15.0%
Trade receivables	483.1	18.4%	449.2	17.6%	7.6%
Other current assets (Working Capital)	154.9	5.9%	202.4	7.9%	-23.4%
Other current assets	51.0	1.9%	58.0	2.3%	-12.1%
Current assets	**1,684.8**	64.3%	**1,682.5**	66.0%	0.1%
Deferred taxes	219.8	8.4%	178.8	7.0%	22.9%
Other non-current assets	715.7	27.3%	688.7	27.0%	3.9%
Non-current assets	**935.5**	35.7%	**867.5**	34.0%	7.8%
Total assets	**2,620.3**	100.0%	**2,549.9**	100.0%	2.8%
Current financial liabilities	14.0	0.5%	19.8	0.8%	-29.5%
Trade liabilities	519.7	19.8%	515.2	20.2%	0.9%
Other current liabilities (Working Capital)	242.4	9.3%	252.1	9.9%	-3.8%
Other current liabilities	103.9	4.0%	35.5	1.4%	192.6%
Current liabilities	**880.0**	33.6%	**822.6**	32.3%	7.0%
Deferred taxes	64.2	2.5%	54.6	2.1%	17.7%
Pension provisions	23.8	0.9%	26.0	1.0%	-8.6%
Other non-current liabilities	32.9	1.3%	28.4	1.1%	15.9%
Non-current liabilities	**121.0**	4.6%	**109.0**	4.3%	11.0%
Shareholders' equity	**1,619.3**	61.8%	**1,618.3**	63.5%	0.1%
Total liabilities and shareholders' equity	**2,620.3**	100.0%	**2,549.9**	100.0%	2.8%
Working capital	**532.9**		**455.7**		16.9%
- in % of consolidated sales	15.7%		15.3%		

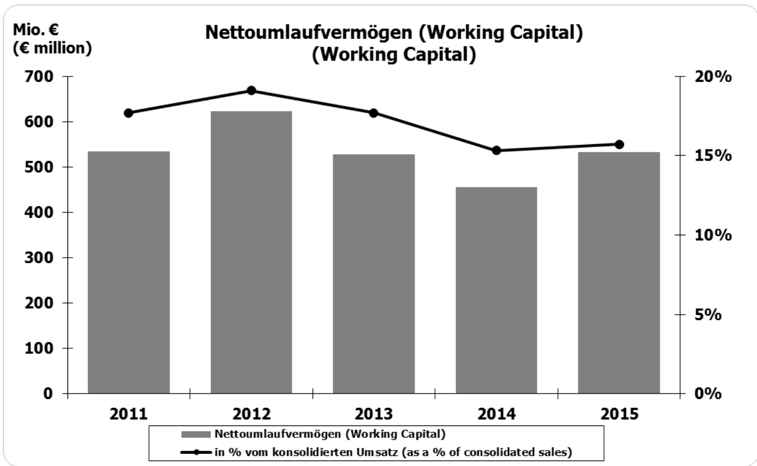
Equity Ratio

PUMA continues to have an extremely solid capital base. As of December 31, 2015 total assets rose slightly by 2.8 % from € 2,549.9 million to € 2,620.3 million. As equity remained virtually constant at € 1,619.3 million (previous year: € 1,618.3 million), the equity ratio fell from 63.5 % to 61.8 %.



Working Capital

The growth in consolidated sales was accompanied by an increase in working capital by 16.9 % to € 532.9 million (previous year: € 455.7 million). In order to ensure product availability even when demand is strong and to meet the increased need for products due to our new retail stores, inventories increased by 15.0 % to € 657.0 million (€ 571.5 million). At € 483.1 million, trade receivables were 7.6 % above the previous year's level; this rise was a result of the increase in sales in the fourth quarter of 2015. Trade payables increased slightly by 0.9 % and totaled € 519.7 million on December 31, 2015 (€ 515.2 million).



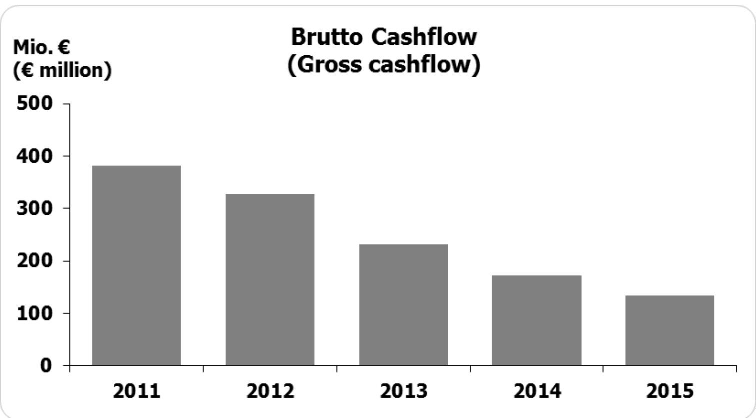
Other Assets and Other Liabilities

Other current assets, which include the market value of derivative financial instruments, decreased compared to the previous year by 12.1 % to € 51.0 million. Other non-current assets, consisting mainly of intangible assets and property, plant and equipment, rose 3.9 % to € 715.7 million due to investments in property, plant and equipment. Compared to the previous year, other current liabilities increased from € 35.5 million to € 103.9 million. This increase was mainly the result of short term borrowings as part of financing activities at companies included in the Kering Group.

Cash Flow

Cashflow Statement	2015 € million	2014 € million	+/- %
Earnings before tax (EBT)	85.0	121.8	-30.2%
Financial result and non cash effected expenses and income	49.4	50.4	-1.9%
Gross cashflow	**134.5**	**172.2**	**-21.9%**
Change in current assets, net	-125.1	16.8	-846.7%
Taxes, interest and dividend payments	-46.5	-62.6	-25.6%
Net cash used in/ from operating activities	**-37.1**	**126.4**	**-129.4%**
Payment for acquisition of shareholdings	-0.5	-23.8	-97.8%
Payment for investing in fixed assets	-79.0	-72.6	8.8%
Other investing activities	17.8	9.4	89.5%
Net cash used in investing activities	**-61.7**	**-87.0**	-29.1%
Free cashflow	**-98.9**	**39.3**	-351.3%
Free cashflow (before acquisitions)	**-98.3**	**63.1**	-255.7%
- in % of consolidated sales	-2.9%	2.1%	-
Net cash from/ used in financing activities	**28.9**	**-36.2**	-180.0%
Effect on exchange rates on cash	7.3	8.2	-11.2%
Change in cash and cash equivalents	-62.7	11.4	-650.4%
Cash and cash equivalents at beginning of the financial year	401.5	390.1	2.9%
Cash and cash equivalents at year-end	**338.8**	**401.5**	-15.6%

Due to the drop in pre-tax profit compared to the previous year, gross cash flow declined to € 134.5 million (previous year: € 172.2 million). Non-cash expenses and income remained stable compared to the previous year at € 49.4 million.



In 2015, the cash outflow from operating activities was € 37.1 million (previous year: cash inflow of €126.4 million). This development was attributable mainly to changes in net current assets* which totaled € -125.1 million due to the increase in working capital compared to 2014. By contrast, the cash outflow from tax, interest and dividend payments declined from € 62.6 million to € 46.5 million.

The cash outflow from investing activities declined from € 87.0 million to € 61.7 million in the reporting year. The cash outflow was particularly high in the previous year due to the acquisition of shares in Borussia Dortmund. Investments in fixed assets in financial year 2015 primarily relate to investments in retail, IT and other fixed assets. These investments increased from € 72.6 million in the previous year to € 79.0 million in 2015.

The free cash flow before acquisitions is the balance of the cash inflows and outflows from current operating and investing activities. Due to the decline in pre-tax profit and the higher working capital, free cash flow before acquisitions fell from € 63.1 million in 2014 to € -98.3 million. As a percentage of consolidated sales, free cash flow before acquisitions amounted to -2.9 % compared to 2.1 % in the previous year.

The cash flow from financing activities in the financial year 2015 mainly consists of € 7.5 million in dividend payments to shareholders of PUMA SE (previous year: € 7.5 million), dividend payments to non-controlling interests, and the entering into and repayment of financial liabilities. As part of its financing activities, PUMA incurred borrowings from its majority shareholder Kering in 2015. This resulted in an overall cash inflow from financing activities of € 28.9 million versus cash outflows of € 36.2 million in 2014.

As of December 31, 2015, PUMA had cash and cash equivalents of € 338.8 million, a decline of 15.6 % compared to the previous year (€ 401.5 million). The PUMA Group also had credit facilities totaling € 401.7 million as of December 31, 2015 (previous year: € 343.2 million). Unutilized credit lines totaled € 306.0 million on the reporting date, compared to € 324.4 million the previous year.

---

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

Compensation Report

The Managing Directors

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

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

The bonus component of performance-related compensation is mainly based on the PUMA Group's operating income (EBIT) and free cash flow and is staggered according to the degree to which targets are met. In addition, qualitative individual goals are set. The parties also agree on an upper limit.

The previous performance-based compensation component with a long-term incentive effect (stock appreciation rights) as part of a stock option plan was not granted beyond the 2012 financial year. The existing options can be exercised until May 2017 if the exercise criteria are met. Details on the parameters used for the respective programs are provided in Section 19 of the Notes to the Consolidated Financial Statements.

Pro-rata provisions totaling € 1.9 million (€ 0.7 million) were set up for the compensation program with long-term incentives for Managing Directors for the financial year 2015 (from the years 2013, 2014 and 2015), based on the commitments made in their employment contracts. Under the performance-based program, 70 % of the compensation will be based on the medium-term performance of PUMA SE’s share and 30 % will be based on the medium-term performance of Kering SA’s share in relation to benchmark companies. Further information on this program can be found in Section 19 of the Notes to the Consolidated Financial Statements.

The fixed compensation for the three Managing Directors amounted to € 1.9 million (previous year: € 2.5 million for the five Managing Directors) in the financial year and variable bonuses came to € 1.5 million (previous year: € 2.4 million). Non-cash compensation totaled € 0.1 million (previous year: € 0.2 million).

The Managing Directors receive pension benefits, for which the Company took out a pension liability insurance policy. The proportion of the pension capital that is already financed through contributions to the pension liability insurance is deemed to be vested. During the financial year, € 0.4 million was allocated for Managing Directors (previous year: € 0.5 million). The present value of the pension benefits granted to Managing Directors in the amount of € 1.7 million as of December 31, 2015 (previous year: € 1.3 million) was offset against the pledged asset value of the pension liability insurance policy, which was of an equal amount.

Pension obligations to former members of the Board of Management, their widows and Managing Directors amounted to € 13.3 million (previous year: € 12.5 million) and are accordingly recognized as liabilities under pension provisions, unless they are offset against asset values of an equal amount. Pensions paid totaled € 0.2 million (previous year: € 0.2 million).

In 2015, a long-term incentive program, Game Changer 2018, was introduced for senior management and strategically important employees that will allow this group of employees to participate in PUMA SE's earnings over the medium term. € 1.0 million has been set aside for this program. An additional € 0.8 million (previous year € 0.9 million) was set aside for the predecessor program Game Changer 2017 (Tranche 2). Further information on this program can be found in Section 19 of the Notes to the Consolidated Financial Statements.

Administrative Board

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

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

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

Risk and Opportunity Management

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

The risk-management guidelines and organization at PUMA provide for methodical and systematic procedures. The direct responsibility for identifying and monitoring risks is assigned to functional employees or employees responsible for implementing processes. They provide information about major changes in the risk portfolio in the form of periodic and ad-hoc reports.

To do so, risk managers use a Group-wide uniform risk management system. This makes it possible to quickly and flexibly identify risks and forward them to the Risk & Compliance Committee (hereinafter referred to as "RCC"). The RCC consists of a fixed group of managing executives from various corporate divisions. The position of RCC Chairman is filled by a Managing Director. The RCC Chairman reports the results from the RCC meetings to the other Managing Directors as well as to the Administrative Board. The RCC also regularly carries out a documented risk assessment as a critical review of the existing risk portfolio and to identify any possible changes.

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

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

Risk and Opportunity Categories

Macroeconomic Developments

As an international company, PUMA is exposed to global macroeconomic developments. Economic developments in key sales markets can have a direct impact on consumer behavior and thus influence both sales and earnings. For example, political crises, exchange rate fluctuations, changes to the legal framework and social developments may have an effect on consumer behavior.

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

Brand Image

Brand image and brand heat are extremely important for PUMA, as consumer behavior can have a negative effect on the brand as well as a positive one.

PUMA came up with a new mission statement in 2013 in order to ensure PUMA's sporting roots are emphasized even further and to sharpen its perception as a sports brand. "To be the Fastest Sports Brand in the world". The new brand promise "Forever Faster" and the associated long-term brand campaign was launched in August 2014 with PUMA's top athletes like Usain Bolt, Mario Balotelli, Rickie Fowler and Lexie Thompson. The advertising campaign was continued in 2015 with the slogan "What are you training for?". PUMA's most famous brand ambassadors, such as Usain Bolt, Rihanna, Sergio Agüero and Arsenal FC, again took part in the campaign. Rihanna was brought on board not just as a brand ambassador, but also as a creative director. This will improve PUMA's product offering for women and result in a more consumer-focused approach.

Counterfeit Products

Counterfeit products can cause considerable damage to consumer confidence in the brand and can devalue PUMA's brand image. For this reason, PUMA has made fighting brand piracy a top priority. PUMA's intellectual property team does more than just protect a strong global intellectual property portfolio of trademarks, designs and patents. PUMA also works closely with customs and other law-enforcement authorities around the world and provides input regarding the implementation of effective laws to protect intellectual property.

Reporting in the Media

A negative media report about PUMA, such as a product recall, infringement of laws, or internal or external requirements, can also do significant damage to the brand and ultimately result in the loss of sales and profit, regardless of whether these events actually happened or were just assumed by the media. PUMA protects itself against this risk through careful public relations work, which is managed from the Group's headquarters in Herzogenaurach, Germany. In addition, PUMA regularly seeks an open dialog with key external stakeholders (e.g. NGOs) and this has been institutionalized in the "Talks at Banz", which have been held annually since 2003.

Personnel Department

Creative potential and the commitment and performance of employees are important pillars for the success of any business and the source of significant opportunities as well. PUMA encourages independent thinking and acting, which is key in an open corporate culture with a flat hierarchy.

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

PUMA will continue to make targeted investments in the human-resource needs of particular functions or regions in order to meet the future requirement of its corporate strategy.

Sourcing Department

Most products are produced in the emerging markets of Asia. Production in these countries can be associated with substantial risks for PUMA. For instance, certain risks may result from factors such as fluctuations in exchange rates, changes in taxes and customs duties, trade restrictions, natural disasters and political instability, as well as the international threat of terrorism.

Risks may also result from an overdependence on individual manufacturers.

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

There is also the risk of a breach of ILO (International Labor Organization) core labor standards by our suppliers. The core task of the PUMA Sustainability Team is thus to verify compliance with the applicable standards in regular audits of suppliers.

Product and Market Environment

Recognizing and taking advantage of relevant consumer trends early on is key to countering the risk posed by market-specific product influences, in particular the risk of substitutability in the competitive sport and lifestyle market. Only those companies that identify these trends at an early stage will be able to gain an edge over their competitors.

PUMA's targeted investments in product design and development ensures that the characteristic PUMA design of the entire product range is consistent with the overall brand strategy (Forever Faster), thereby creating a unique level of brand recognition.

Retail

PUMA makes use of various distribution channels in order to minimize dependence on any single channel. The expansion of the Company's own retail stores is also intended to ensure that PUMA products are presented in an exclusive brand environment preferred by PUMA.

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

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

Organizational challenges

The organizational structure of PUMA with the Group's headquarters in Herzogenaurach, a central sourcing organization in Hong Kong and local distribution companies around the world, gives the Group a global orientation. This results in a risk for PUMA that the flow of goods and information are not sufficiently supported by modern infrastructure and information technology (IT). For this reason, business processes must be continually optimized and adapted.

To accomplish this objective, PUMA continued to optimize its organizational structure and setup in 2015. The optimization of the IT infrastructure was a key project.

Currency Risks

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

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

To hedge signed or pending contracts against currency risk, PUMA only concludes currency forward contracts on customary market terms with reputable international financial institutions and Kering Finance SNC. As of the end of 2015, the net requirements for the 2016 planning period were adequately hedged against currency effects.

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

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

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

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

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

If, as of December 31, 2015, the USD had appreciated (devalued) against all other currencies by 10 %, the hedge reserve in equity and the fair value of the hedging contracts would have been € 105.5 million higher (lower) (December 31, 2014: € 59.0 million higher (lower)).

Interest-Rate Risks

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

Counterparty Risks

Because of its business activities, PUMA is exposed to default risk that is managed by continuously monitoring outstanding receivables and recognizing impairment losses, where appropriate.
The default risk is limited by credit insurance and the maximum default risk is reflected by the carrying amounts of the financial assets recognized on the balance sheet.

Liquidity Risk

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

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

Legal risks

As an international company, the PUMA Group is exposed to various legal risks. These include contractual risks or risks that a third party could assert claims and litigation for infringement of its trademark rights, patent rights or other rights. The continuous monitoring of our contractual obligations and the integration of internal and external legal experts in contractual matters should ensure that any legal risks are avoided.

Compliance risks

PUMA is exposed to the risk that employees violate laws, directives and company standards (compliance violations). These risks, such as theft, fraud, breach of trust, embezzlement and corruption, as well as deliberate misrepresentations in financial reporting, may lead to significant monetary and reputational damage. PUMA therefore makes use of various tools to manage these risks. They include an integrated compliance management system, the internal control system, Group controlling and the internal audit department. The employees of PUMA also have access to an integrity hotline for reporting unethical behavior.

Summary

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

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

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

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

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

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

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

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

Information Concerning Takeovers

Section 315 [4][1] HGB

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

Section 315 [4][3] HGB

As of December 31, 2015 there was one shareholding in PUMA SE that exceeded 10 % of the voting rights. It was held by Messrs. François-Henri Joseph Pinault and François Jean-Henri Pinault via several companies controlled by them (ranked by size of stake held by Messrs. Pinault: Financière Pinault S.C.A., Artémis S.A., Kering S.A. and SAPARDIS SE). On August 3, 2011, the share of voting rights allotted to Messrs. Pinault and to the aforementioned companies exceeded the 75 % threshold and on that date stood at 75.12 %. 1.15 % of the share of voting rights concerned treasury shares of PUMA SE. The list of shareholdings of Kering S.A. on page 290 in the annual report for 2014 shows that Kering S.A. has an 85.81 % share of the voting rights in PUMA SE.

Section 315 [4][6] HGB

Regarding the appointment and dismissal of Managing Directors, reference is made to the applicable statutory requirements of Section 40 of the German SE Implementation Act (SEAG). Moreover, Section 13[1] of PUMA SE's Articles of Association stipulates that the Administrative Board shall appoint one or several Managing Director(s). It may appoint one of these Managing Directors as Chief Executive Officer and one or two as Deputy Chief Executive Officers. Pursuant to Section 13[4] of PUMA SE's Articles of Association, Managing Directors may be dismissed only for good cause, within the meaning of Section 84[3] of the German Stock Corporation Act (AktG) or if the employment agreement is terminated, in which case a resolution must be adopted by the Administrative Board with a simple majority of the votes cast. Pursuant to Art. 9(1)c(ii) of the SE Regulation (SE-VO), the requirements for changing the Articles of Association are governed by Sections 133 and 179 of the German Stock Corporation Act (AktG). The Administrative Board is authorized to make changes to the Articles of Association that affect only the text (Article 9(3) of PUMA SE's Articles of Association).

Section 315 [4][7] HGB

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

1. By issuing up to € 7.5 million worth of up to 2,929,687 new no-par bearer shares on one or more occasions with a pro-rata amount of the share capital of € 2.56 per share in exchange for cash contributions. The new shares can also be acquired by one or several banks as determined by the Administrative Board, subject to the obligation to offer these to the shareholders for subscription (indirect subscription right). The shareholders are basically entitled to a subscription right. The Administrative Board is, however, authorized to exclude the subscription rights of shareholders to avoid fractional shares. The Administrative Board is authorized to determine the additional rights of shares and the conditions of the share issue (Authorized Capital I).

2. By issuing up to € 7.5 million worth of up to 2,929,687 new no-par bearer shares on one or more occasions with a pro-rata amount of the share capital of € 2.56 per share in exchange for cash contributions or contributions in kind. The new shares can also be acquired by one or several banks as determined by the Administrative Board, subject to the obligation to offer these to the shareholders for subscription (indirect subscription right). The Administrative Board is authorized to exclude the subscription rights of shareholders in part or in whole, once or several times
   - to avoid fractional shares;
   - in the event of capital increases against contributions in kind to carry out mergers or for the acquisition of companies, shareholdings in companies or parts of companies;
   - for capital increases against cash contributions, provided the amount of the share capital attributable to the new shares does not exceed ten percent of the share capital and the issue amount for the new shares is not significantly below the market price of already listed shares, Section 186(3)(4) AktG. The ten percent limit of the share capital is valid for the date of the resolution of the Annual General Meeting on this authorization and on the exercise date of the authorization. The sale of treasury shares, which are sold during the term of Authorized Capital II under exclusion of subscription rights of shareholders in application of section 186(3)(4) AktG, and the issuance of shares to service options or convertible bonds issued during the term of Authorized Capital II under exclusion of subscription rights of shareholders in application of section 186(3)(4) AktG, shall be counted toward the ten percent limit of the share capital.

   The Administrative Board is authorized to determine the additional rights of shares and the conditions of the share issue (Authorized Capital II).

Pursuant to the resolution passed by the Annual General Meeting of April 22, 2008, the share capital could be increased by up to € 1.5 million through the issuance of up to 600,000 new shares. The contingent capital increase was meant to be used exclusively for granting subscription rights (stock options) to former members of the Board and the Managing Directors of the Company as well as other executives of the company and subordinate associated companies. The authorization period has expired. Section 4.4. of the Articles of Association of the Company will be deleted upon a respective resolution of the Administrative Board of the Company.

The resolution adopted by the Annual General Meeting on May 6, 2015 authorized the company to purchase treasury shares up to a value of ten percent of the share capital until May 5, 2020.

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

Supplemental Report and Outlook

Supplemental Report

There were no events after the balance sheet date which may have a material effect on the net assets, financial position and results of operations.

Outlook

Global Economic Situation

In its winter 2015 forecast, the Kiel Institute for the World Economy (IfW) assumes that global production will grow by 3.4 % in 2016. The Institute has thus revised its forecast of September 2015 downward by 0.3 percentage points. For 2017, the IfW expects a rise in global gross domestic product (GDP) of 3.8 %.

The advanced economies are expected to gain strength in the next two years. As a result, the Institute forecasts a 2.5 % increase in GDP in both 2016 and 2017. The main drivers of this growth are expected to be the continued expansionary monetary policy, the elimination of fiscal policy disincentives and the low oil price. While the United States will probably achieve GDP growth of 2.8 % (2016) and 3 % (2017), which is above average for this group of countries, the figures for the Euro zone are expected to be 1.7 % and 2.0 %, respectively.

For now, the expansion in the emerging markets will be dampened by low commodity prices and structural problems. Although these economies are expected to gradually stabilize overall, their contribution to global economic growth will continue to lag behind the levels seen in previous years.

The IfW sees risks to the global economy mainly in geopolitical developments and turmoil in the financial markets. In particular, the deterioration of the situation in the Middle East could lead to uncertainty among consumers and investors and hinder the forecast gradual recovery of the global economy.

In addition, tensions in the financial markets – for example in connection with interest rate increases in the United States – could have an effect on the real economy and dampen the momentum of the global economy.

In 2016, PUMA will continue to invest in marketing to further strengthen its brand positioning. In addition, investments will continue to be made to expand the Company's own retail stores and to optimize the IT infrastructure in order to further increase the efficiency of internal processes and make the Company even faster and leaner in the future. The focus of our sales strategy remains on the development of innovative products and close cooperation with key trading partners.

The Forever Faster brand campaign will be continued in 2016 and will be accompanied by product launches and new partnerships with brand ambassadors known worldwide.

2016 promises to be an eventful year, with major sporting events which PUMA will use to strengthen its position as a performance brand. In the Football category, PUMA will be represented at the UEFA Euro 2016 by Italy, the Czech Republic, Slovakia, Austria and Switzerland. The Copa América in the United States is another major event at which PUMA will demonstrate its focus on sports. The summer Olympics in Rio de Janeiro will give PUMA another important platform to increase its brand presence through its sponsorship of the fastest man in the world, Usain Bolt, and many other world-class athletes and teams.

Outlook

Since autumn 2014, PUMA has invested heavily into its Forever Faster Campaign to position PUMA as the Fastest Sports Brand in the World. The partnerships with PUMA's most elite ambassadors – the World's Fastest Man Usain Bolt, star striker Sergio Agüero, Golfstar Rickie Fowler, Arsenal Football Club, Borussia Dortmund, the Jamaican and Cuban Olympic Federations, multi-platinum recording artist, designer and entrepreneur Rihanna, and more – have played a major role in increasing the brand heat and sell-through for PUMA in 2015.

With major improvements in the product offering, improved sourcing and higher investments in marketing, PUMA is confident that 2016 will be a year of solid sales growth with an initial improvement of profitability. As a consequence, currency-adjusted net sales are expected to increase at a high single-digit rate for the full-year 2016. The gross profit margin is forecasted to be on previous year's level (45.5%), as countermeasures are planned to compensate the negative impact of further foreign currency developments for 2016 compared to 2015.

PUMA's OPEX are forecasted to increase in a mid to high single-digit range. From a marketing perspective, the two major sporting events in 2016 (UEFA Euro 2016 and Rio 2016 Olympic Games) will require additional funding as does investment to modernize our retail store portfolio. Ongoing investments into the upgrade of PUMA's IT-infrastructure will contribute to an increase in OPEX, but at all times management will continue to place a strong emphasis on strict control of other operating costs.

At the current exchange rate levels, PUMA's management expects that the operating result will improve in 2016 compared to last year. EBIT for the full-year 2016 is expected to come in between € 115 million and € 125 million with net earnings forecasted to improve correspondingly.

Investments

Investments totaling around € 80 million are planned for 2016. The major portion will be allocated to infrastructure investments which are necessary to help drive sustainable growth as well as the expansion of our core markets and selective investments in retail stores.

In addition, there are current purchase-price liabilities from corporate acquisitions that are expected to result in a cash outflow of € 3.0 million in 2016.

Foundation for Long-Term Growth

The Managing Directors and the Administrative Board have established long-term strategic priorities. Action plans are being implemented in a targeted, value-oriented manner. PUMA’s management believes that the Forever Faster corporate strategy will lay the foundations for positive long-term development.

Corporate Governance Report including the Statement on Corporate Governance

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

Communication of the Statement of the Administrative Board of PUMA SE pursuant to Section 161 AktG on the German Corporate Governance Code

2015 Statement of Compliance:

Pursuant to Art. 9(1)c(ii) of the SE Regulation (SE-VO) and Section 22(6) of the German SE Implementation Act (SEAG), in conjunction with Section 161 AktG, PUMA SE's Administrative Board declares that PUMA SE has been and is in compliance with recommendations issued by the "Government Commission on the German Corporate Governance Code" (the "Code") (in the versions dated June 24, 2014 and May 5, 2015) since the last Statement of Compliance of November 2014 in consideration of the particulars of PUMA SE's single-tier system described under item 1 with the exceptions mentioned under item 2, and where it is not in compliance, explains why not.

1st Particulars of the Single-Tier Corporate Governance System

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

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

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

- In derogation of Nos. 2.3.1 p. 1 and 3.7(3) of the Code, the Administrative Board is responsible for convening the Annual General Meeting (Sections 48 and 22(2) SEAG).
- The duties of the Board of Management listed in Sections 4.1.1 (Corporate Governance), and 4.1.2 in conjunction with 3.2 half-sentence 1 (Development of the Company's Strategic Orientation) of the Code are the responsibility of the Administrative Board (Section 22(1) SEAG).
- The powers of the Board of Management governed by Sections 2.3.2(2) (Proxy Bound by Instructions), 3.7(1) (Statement on a Takeover Bid) and 3.7(2) (Conduct during a Takeover Bid), as well as 3.10 (Corporate Governance Report), 4.1.3 (Compliance) and 4.1.4 (Risk Management and Controlling) of the Code are the responsibility of PUMA SE's Administrative Board (Section 22(6) SEAG).
- In derogation of Nos. 5.1.2(2)(1 and 2) of the Code, Managing Directors, unlike members of the Board of Management, are not subject to a fixed, maximum term of appointment (Section 40(1)(1) SEAG).
- In derogation of Nos. 5.4.2 p. 2 and 5.4.4 of the Code, members of the Administrative Board may be appointed as Managing Directors, provided that the majority of the Administrative Board continues to consist of non-executive Managing Directors (Section 40(1) p. 2 SEAG).

2nd Exceptions to the Code's recommendations

- In derogation of No. 3.8(3) of the Code, members of the Administrative Board are provided with D&O insurance with no deductible. The Administrative Board feels that it can dispense with a deductible for members of the Administrative Board, because the D&O insurance is group insurance for people in Germany and abroad, and a deductible is fairly unusual abroad.
- In derogation of No. 4.2.3(2)(6) of the Code, the compensation of the Managing Directors does not show the maximum amount limits in total or their variable compensation components. The employment contracts of the Managing Directors were concluded in accordance with the current version of the Code and are deemed to be proper and correct by PUMA SE.
- In derogation of No. 4.2.3(5) of the Code, no limits on severance payments for premature termination as a Managing Director due to a change of control have been agreed to, because an agreement drawn up in advance would not be able to take into account the specific situation that gave rise to a premature termination or the other circumstances of the individual case of termination.
- In accordance with the authorization by the Annual General Meeting on May 7, 2013, pursuant to Section 286(5) HGB, the Company shall not publish the amounts of compensation for individual Managing Directors until the authorization expires (Sections 4.2.4 and 4.2.5 of the Code). The Managing Directors shall adhere to the authorization when they prepare the annual financial statements. Based on the authorization of the Annual General Meeting, and in derogation of No. 4.2.5(3) of the Code, the information stated in this Section regarding the compensation of the Managing Directors is not included in the Compensation Report.

- In derogation of No. 5.4.6(2) page 2 of the Code, members of the Administrative Board receive performance-based compensation that is not linked to the sustainable success of the Company. The compensation was authorized by the Annual General Meeting on April 14, 2011; it is stipulated in the Articles of Association and is deemed to be proper and correct by PUMA SE.
- Deviating from Section 5.4.6(3) of the Code, the compensation of the Administrative Board members is not shown individually. In the opinion of PUMA SE, this additional information is not relevant to the capital market, as the respective remuneration regulations are in the public domain in the Articles of Association.

Herzogenaurach, 9 November 2015

PUMA SE

On behalf of the Administrative Board

Jean-François Palus

The Statement of Compliance is available at any time on the Company's website at http://about.puma.com/de/investor-relations/corporate-governance/declaration-of-compliance/.

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

In order to fulfill our responsibility as a global sporting goods manufacturer, PUMA has developed guidelines on environmental management and on compliance with workplace and social standards (see http://about.PUMA.com under "SUSTAINABILITY"). The PUMA Code of Ethics and PUMA Code of Conduct (see http://about.PUMA.com under "SUSTAINABILITY") prescribe ethical standards and environmental standards with which both employees in the entire PUMA Group and suppliers are required to comply.

Compliance with laws and internal regulations and values are of key importance for PUMA's corporate governance. For this reason, the existing PUMA Code of Conduct (http://about.puma.com/en/sustainability/standards/coc) was further developed, revised and rolled out company-wide. The communication of the PUMA Code of Ethics was made directly by the CEO of PUMA SE. To further reduce the risk of misconduct, the Code of Ethics is accompanied by guidelines governing selected risk areas in detail. Risk-based classroom training sessions in the areas of corruption and antitrust are being conducted.

Again in 2015, the CEO of PUMA SE expected all PUMA employees to complete an Ethics e-learning training course.

The establishment and monitoring of the Group's compliance structure is carried out by the PUMA SE Risk & Compliance Committee. This consists of a specified group of executives, including PUMA's CEO and CFO. The regular meetings of the Committee include the analysis of compliance risks and the establishment and approval of appropriate measures (guidelines, training courses, etc.). The Audit Committee of the Administrative Board of PUMA SE is informed regularly as to the status of the compliance structure implementation.

The employees of PUMA have access to a Group-wide integrity hotline for reporting unethical, unlawful and criminal activity.

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

PUMA SE has a **single-tier** management and control structure. According to Articles 43 – 45 SE-VO, in conjunction with Sections 20 et seqq. SEAG, under the single-tier system, management of the SE is the responsibility of a single body, the Administrative Board. The Managing Directors manage the Company's daily business. Another corporate body is the Annual General Meeting.

The **Administrative Board** of PUMA SE manages the Company, determines the Company's basic business strategies and monitors the implementation of said strategies by the Managing Directors. It appoints and dismisses the Managing Directors, decides on the compensation system and establishes the compensation. In accordance with the Articles of Association, the Administrative Board consists of at least three members. At least one independent member of the Administrative Board must have expertise in the areas of finance, accounting or auditing. The members of the Administrative Board are appointed by the Annual General Meeting, a third of them pursuant to the German Codetermination Act based on binding nominations by employee representatives. The members of the Administrative Board are appointed for a period up to the close of the Annual General Meeting that adopts the resolution approving the actions of the Board for the fourth financial year after the term of office began (the financial year in which the term of office begins is not counted) and no later than six years after the respective Administrative Board member was appointed. Administrative Board members may be reappointed.

Through May 6, 2015, there were eight members of the Administrative Board and nine members thereafter. The regular period of office of all members of the Administrative Board ends at the close of the Annual General Meeting in 2017. Details of the members of the Administrative Board can be found in the Notes to the Consolidated Financial Statements (last chapter).

Meetings of the Administrative Board must be held at least every three months. Meetings must also be held if required for the Company's well-being or if a member of the Administrative Board demands that a meeting be convened. The Administrative Board held four regular meetings in 2015.

The Administrative Board has established five committees to perform its duties and receives regular reports on their work. The principles of cooperation of the Administrative Board of PUMA SE and the duties of the committees are set out in the Rules of Procedure for the Administrative Board, which can be viewed at http://about.PUMA.com under "Corporate Governance".

The Executive Committee consists of three members. It is responsible for organizing meetings of the Administrative Board and for making decisions when instructed by the Administrative Board to do so on its behalf.

The Personnel Committee consists of three members. The Personnel Committee is responsible for entering into and making changes to Managing Directors' employment contracts and for establishing policies for Human Resources and personnel development. The entire Administrative Board decides on issues involving the Managing Directors' compensation based on recommendations from the Personnel Committee.

The Audit Committee consists of three members. The Chairman of the Audit Committee must be an independent shareholder representative and must have expertise in the fields of accounting and auditing in accordance with Section 100(5) AktG. In particular, the Audit Committee is responsible for accounting issues and monitoring the accounting process, the effectiveness of the internal control system, the risk management system, internal audits, compliance and the statutory audit of the financial statements, with particular regard to the required independence of the statutory auditors, issuing the audit mandate to the statutory auditors, defining the audit areas of focus, any additional services to be performed by the auditors and the fee agreement. The recommendation of the Administrative Board on the selection of the statutory auditors must be based on a corresponding recommendation by the Audit Committee. Once the Annual General Meeting has appointed the statutory auditors, and the Administrative Board has issued the audit assignment, the Audit Committee shall work with the statutory auditors to specify the scope of the audit and the audit areas of focus. The statutory auditors shall attend the meeting convened by the Audit Committee to review the annual financial statements and the consolidated financial statements and shall report on the key findings of their audit. They shall also inform the Committee about other services they have provided in addition to auditing services and shall confirm their independence. Each month, the Audit Committee shall receive financial data on the PUMA Group, which will allow the tracking of developments in net assets, financial position, results of operations and the order books on a continual basis. The Audit Committee shall also deal with issues relating to the balance sheet and income statement and shall discuss these with Management. In addition, when the internal audit projects are completed, the Audit Committee shall receive the audit reports, which must also include any actions taken.

The Sustainability Committee consists of three members and is responsible for promoting business sustainability as well as awareness of the need to act fairly, honestly, positively and creatively in every decision made and every action taken.

The Nominating Committee has three members, who may only be representatives of the shareholders on the Administrative Board. The Nominating Committee proposes suitable shareholder candidates to the Administrative Board for its voting recommendations to the Annual General Meeting.

The current composition of the committees can be found in the Notes to the Consolidated Financial Statements (last chapter).

The **Managing Directors** manage the Company's business with the goal of creating sustainable value with shared responsibility. They implement the guidelines and targets issued by the Administrative Board. The Board currently consists of three members and has a chairman. The Managing Directors inform the Administrative Board regularly, comprehensively, and in a timely manner regarding all company-related issues with respect to planning, business development, the risk situation, risk management and compliance. They provide details on and reasons for deviations of business performance from established plans and objectives.

The Managing Directors are required to disclose conflicts of interest to the Administrative Board immediately and inform the other Managing Directors about any such conflicts. They are permitted to carry out additional activities, especially Supervisory Board or similar mandates outside the PUMA Group, only with the prior approval of the Administrative Board. In the past year, Managing Directors of PUMA SE had no conflicts of interest.

The principles of cooperation of the Managing Directors of PUMA SE are laid down in the Rules of Procedure for the Managing Directors, which can be viewed at http://about.PUMA.com under "Corporate Governance".

Taking diversity and our international culture into account

The members of the Administrative Board of PUMA SE possess the appropriate knowledge, skills and professional experience necessary for the proper fulfillment of their duties. A sufficient number of members have strong international backgrounds. The Administrative Board has established the goal of ensuring that a sufficient number of future members of the Board will also have international backgrounds by requiring that proposed candidates to the Administrative Board must also have a strong international background and the relevant networks, international experience and orientation.

The Administrative Board has put its objective of increasing the proportion of women on the Administrative Board in concrete terms. The target for the proportion of women on the Administrative Board was set at 30 % by resolution of July 22, 2015. This target must be reached by June 30, 2017. This is consistent with the requirements of the act on the equal participation of women and men in executive positions in the private and the public sector, which entered into force in May 2015 and must be implemented from January 2016.

The Chairman of the Audit Committee has specialist knowledge and experience in the application of accounting principles and internal control procedures and is independent. The Administrative Board prevents potential conflicts of interest of its members by regularly monitoring and critically scrutinizing its members' other activities. According to Section 1(4) of the Rules of Procedure for the Administrative Board, Administrative Board members may, in principle, not be over 70 years of age and their maximum term of office may not exceed three terms. Including the employees' representative on the Administrative Board, the Administrative Board has an appropriate number of independent members.

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

Decisions on promoting the participation of women in management positions

The act on the equal participation of women and men in executive positions in the private and the public sector of May 2015 required PUMA to set targets for the proportion of women at the level of Managing Directors and the next two management levels below by September 30, 2015. In addition, it was required to specify a deadline for meeting these targets. Under the law the first implementation deadline must not go beyond June 30, 2017. When setting the next implementation deadline, the period may be up to five years.

On July 22, 2015, the Administrative Board of PUMA SE set a target of 20 % women at the level of the Managing Directors, on the condition that PUMA SE has five or more Managing Directors. The deadline for implementation is June 30, 2017.

On July 22, 2015, the Administrative Board of PUMA SE set a target of 20 % for the first management level below the Managing Directors, to be implemented by June 30, 2017. For the second management level below the Managing Directors the Administrative Board of PUMA SE adopted a target of 30 %, also to be met by June 30, 2017.

In the future, the inclusion of women among the Managing Directors shall be guaranteed in the event of a new appointment, in particular by giving special consideration to women from among several equally qualified applicants. If a position must be filled by outside candidates, special care should be taken to consider properly qualified female candidates. The same applies when filling management positions. In order to include even more women in management positions in the future, PUMA SE is using part-time and half-day models, as well as flexible working hours and the provision of more childcare places to promote a better balance between work and family life.

Directors’ Dealings

In the reporting year, the Managing Directors and the members of the Administrative Board have acquired no PUMA shares. No sales were reported to us.

Shareholdings of the Administrative Board and the Managing Directors

According to the notification dated August 3, 2011 pursuant to Sections 21 and 22 of the German Securities Trading Act (WpHG), on this date Messrs. François-Henri Joseph Pinault (Administrative Board member) and François Jean-Henri Pinault indirectly held 75.12 % (11,330,446 voting rights) of the voting rights in PUMA SE, of which 1.15 % of the voting rights (173,377 voting rights) were treasury shares of PUMA SE.

Declaration by the Legal Representatives

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

Herzogenaurach, February 5, 2016

The Managing Directors

Gulden **Lämmermann** **Sørensen**

CONSOLIDATED FINANCIAL STATEMENTS

PUMA SE

as of December 31, 2015

- International Financial Reporting Standards - IFRS

Consolidated Statement of Financial Position	Notes	31.12.2015 € million	31.12.2014 € million
ASSETS			
Cash and cash equivalents	3	338.8	401.5
Inventories	4	657.0	571.5
Trade receivables	5	483.1	449.2
Income tax receivables	22	50.5	75.0
Other current financial assets	6	76.8	93.6
Other current assets	7	78.6	91.8
Current assets		**1,684.8**	**1,682.5**
Deferred taxes	8	219.8	178.8
Property, plant and equipment	9	232.6	224.0
Intangible assets	10	403.3	391.4
Investments in associates	11	15.2	15.2
Other non-current financial assets	12	39.3	34.6
Other non-current assets	12	25.2	23.4
Non-current assets		**935.5**	**867.5**
Total assets		**2,620.3**	**2,549.9**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current financial liabilities	13	14.0	19.8
Trade payables	13	519.7	515.2
Income taxes	22	49.7	58.8
Other current provisions	16	52.7	69.5
Liabilities from acquisitions	17	3.0	0.5
Other current financial liabilities	13	115.9	51.0
Other current liabilities	13	125.1	107.8
Current liabilities		**880.0**	**822.6**
Deferred taxes	8	64.2	54.6
Pension provisions	15	23.8	26.0
Other non-current provisions	16	23.5	23.1
Liabilities from acquisitions	17	0.0	2.5
Other non-current financial liabilities	13	7.2	0.3
Other non-current liabilities	13	2.2	2.5
Non-current liabilities		**121.0**	**109.0**
Subscribed capital	18	38.6	38.6
Group reserves	18	162.5	176.0
Retained earnings	18	1,441.7	1,412.0
Treasury stock	18	-31.4	-31.4
Equity attributable to the shareholders of the parent	18	**1,611.3**	**1,595.2**
Non-controlling interest	18	8.0	23.1
Shareholders' equity	18	**1,619.3**	**1,618.3**
Total liabilities and shareholders' equity		**2,620.3**	**2,549.9**

Consolidated Income Statement	Notes	2015 € million	2014 € million
Sales	25	**3,387.4**	**2,972.0**
Cost of sales	25	-1,847.2	-1,586.7
Gross profit	25	**1,540.2**	**1,385.4**
Royalty and commission income		16.5	19.4
Other operating income and expenses	20	-1,460.5	-1,276.8
Operating income (EBIT)		**96.3**	**128.0**
Result from associated companies	21	1.0	1.3
Financial income	21	11.2	4.8
Financial expenses	21	-23.4	-12.3
Financial result		**-11.2**	**-6.2**
Earnings before taxes (EBT)		**85.0**	**121.8**
Taxes on income	22	-23.3	-37.0
Consolidated net earnings for the year		**61.7**	**84.8**
attributable to: Non-controlling interest	18	-24.6	-20.8
Equity holders of the parent (net earnings)		**37.1**	**64.1**
Earnings per share (€)	23	2.48	4.29
Earnings per share (€) - diluted	23	2.48	4.29
Weighted average shares outstanding (million)	23	14.940	14.940
Weighted average shares outstanding, diluted (million)	23	14.940	14.940

Consolidated Statement of Comprehensive Income	After tax 2015 € million	Tax impact 2015 € million	Before tax 2015 € million	After tax 2014 € million	Tax impact 2014 € million	Before tax 2014 € million
Net earnings before attribution	**61.7**		**61.7**	**84.8**		**84.8**
Currency changes	-0.0	0.0	-0.0	29.5	0.7	28.7
Cashflow hedge						
Release to the income statement	-34.6	13.5	-48.1	3.2	-0.1	3.3
Market value for cashflow hedges	21.2	-5.3	26.5	34.6	-13.5	48.1
Net result of available-for-sale financial assets	0.5	-0.2	0.6	-2.6	1.0	-3.5
Share in the other comprehensive income of at equity accounted investments	0.2	0.0	0.2	0.1	0.0	0.1
Items expected to be reclassified to the income statement in the future	**-12.7**	**8.1**	**-20.8**	**64.8**	**-11.9**	**76.7**
Remeasurements of the net defined benefit liability	1.4	-0.3	1.7	-3.1	0.9	-4.0
Items not expected to be reclassified to the income statement in the future	**1.4**	**-0.3**	**1.7**	**-3.1**	**0.9**	**-4.0**
Other result	**-11.3**	**7.7**	**-19.1**	**61.7**	**-11.0**	**72.7**
Comprehensive income	**50.4**	**7.7**	**42.6**	**146.6**	**-11.0**	**157.5**
attributable to: Non-controlling interest	26.9		26.9	23.3		23.3
Equity holder of the parent	23.5	7.7	15.7	123.2	-11.0	134.2

Consolidated Statement of Cashflows	Notes	2015 € million	2014 € million
Operating activities			
Earnings before tax (EBT)		85.0	121.8
Adjustments for:			
Depreciation	9, 10	57.5	50.5
Non-realized currency gains/losses, net		-5.3	-1.2
Result from associated companies	11	-0.9	-1.3
Financial income	21	-11.0	-4.8
Financial expenses	21	15.2	10.8
Changes from the sale of fixed assets		-16.4	0.6
Changes to pension accruals	15	-0.5	-7.1
Other non cash effected expenses/income		10.9	3.0
Gross Cashflow	26	**134.5**	**172.2**
Changes in receivables and other current assets	5, 6, 7	-8.8	-45.3
Changes in inventories	4	-92.2	-35.9
Changes in trade payables and other current liabilities	13	-24.1	98.0
Cash inflow from operating activities		9.4	188.9
Dividends received	11, 12	0.9	0.4
Interest paid	21	-9.1	-9.8
Income taxes paid	22	-38.4	-53.2
Net cash from operating activities	26	**-37.1**	**126.4**
Investing activities			
Payment for acquisitions	17	-0.5	-2.4
Payments to acquire long term shareholdings	12	0.0	-21.4
Purchase of property and equipment	9, 10	-79.0	-72.6
Proceeds from sale of property and equipment		23.8	12.6
Payment for other assets	12	-13.2	-8.0
Interest received	21	7.2	4.8
Cash outflow from investing activities		**-61.7**	**-87.0**
Financing activities			
Changes in non-current liabilities	13	0.1	0.2
Raising/ (-) Repayment of current financial liabilities	13	71.0	-10.2
Raising of non-current financial liabilities	13	7.3	0.0
Dividend payments to equity holders of the parent	18	-7.5	-7.5
Dividend payments to non-controlling interests	18	-42.0	-16.2
Payments to acquire non-controlling interests	18	0.0	-2.6
Cash inflow/ outflow from financing activities	26	**28.9**	**-36.2**
Exchange rate-related changes in cashflow		7.3	8.2
Change in cash and cash equivalents		**-62.7**	**11.4**
Cash and cash equivalents at beginning of the financial year		401.5	390.1
Cash and cash equivalents at the end of the financial year	3, 26	**338.8**	**401.5**

Statement of Changes in Equity in € million		Reserves									
	Subscribed capital	Capital reserve	Revenue reserves	Difference from currency conversion	Cash flow hedges	At equity accounted investments	Retained earnings	Treasury stock	Equity before non-controlling interests	Non-controlling interests	TOTAL equity
Dec. 31, 2013	**38.6**	**193.3**	**66.0**	**-137.5**	**-3.2**	**0.3**	**1,355.4**	**-31.4**	**1,481.6**	**15.7**	**1,497.3**
Net Earnings							**64.1**		**64.1**	20.8	84.8
Net income directly recognized in equity			-5.6	26.9	37.7	0.1			**59.2**	2.6	61.7
Total comprehensive income			-5.6	26.9	37.7	0.1	**64.1**		**123.2**	23.3	146.6
Dividends paid to equity holders of the parent company / non-controlling interests							**-7.5**		**-7.5**	-16.2	-23.6
Valuation from option programs		0.3							**0.3**		0.3
Acquisition of non-controlling interests			-2.5						**-2.5**	-0.1	-2.6
Changes in the group of consolidated companies										0.4	**0.4**
Dec. 31, 2014	**38.6**	**193.7**	**57.9**	**-110.6**	**34.6**	**0.5**	**1,412.0**	**-31.4**	**1,595.2**	**23.1**	**1,618.3**
Net Earnings							**37.1**		**37.1**	24.6	61.7
Net income directly recognized in equity			1.9	-2.4	-13.3	0.2			**-13.7**	2.3	-11.3
Total comprehensive income			1.9	-2.4	-13.3	0.2	**37.1**		**23.5**	26.9	50.4
Dividends paid to equity holders of the parent company / non-controlling interests							**-7.5**		**-7.5**	-42.0	-49.5
Changes in the group of consolidated companies				0.1					**0.1**		**0.1**
Dec. 31, 2015	**38.6**	**193.7**	**59.7**	**-112.8**	**21.2**	**0.6**	**1,441.7**	**-31.4**	**1,611.3**	**8.0**	**1,619.3**

Changes in Fixed Assets

Changes in 2014	Purchase costs					Accumulated depreciation					Carrying amounts	
	Balance Jan. 1, 2014 € million	Currency changes and other changes	Additions/ retransfers	Disposals	Balance Dec. 31, 2014 € million	Balance Jan. 1, 2014 € million	Currency changes and other changes	Additions/ retransfers [1)]	Disposals	Balance Dec. 31, 2014 € million	Balance Dec. 31, 2014 € million	Balance Dec. 31, 2013 € million
PROPERTY, PLANT AND EQUIPMENT												
Land, land rights and buildings including buildings on third party land	168.1	6.1	1.9	-15.8	160.3	-53.5	-1.8	-5.9	6.8	-54.4	105.9	114.6
Technical equipment and machines	8.9	4.7	4.3	-2.0	15.9	-4.6		-1.5	1.9	-4.2	11.7	4.3
Other equipment, factory and office equipment	279.5	10.1	42.3	-28.4	303.5	-196.8	-5.4	-32.4	26.2	-208.4	95.1	82.7
Payments on account and assets under construction	11.2	-9.4	9.8	-0.3	11.3						11.3	11.2
	467.7	**11.5**	**58.3**	**-46.5**	**491.0**	**-254.9**	**-7.2**	**-39.8**	**34.9**	**-267.0**	**224.0**	**212.8**
INTANGIBLE ASSETS												
Goodwill	292.6	3.5	2.2		298.3	-49.6		-7.0		-56.6	241.7	243.0
Intangible fixed assets with an indefinite useful life	120.7	14.1			134.8	-17.6				-17.6	117.2	103.1
Other intangible fixed assets	110.8	-11.5	14.3	-3.1	110.5	-82.8	12.9	-11.0	2.9	-78.0	32.5	28.0
	524.1	**6.1**	**16.5**	**-3.1**	**543.6**	**-150.0**	**12.9**	**-18.0**	**2.9**	**-152.2**	**391.4**	**374.1**

1) including impairment for fixed assets (€0.3 million) and intangible assets (€7.0 million), see chapters 9 and 10

Changes in 2015	Balance Jan. 1, 2015 € million	Currency changes and other changes	Additions/ retransfers	Disposals	Balance Dec. 31, 2015 € million	Balance Jan. 1, 2015 € million	Currency changes and other changes	Additions/ retransfers [1)]	Disposals	Balance Dec. 31, 2015 € million	Balance Dec. 31, 2015 € million	Balance Dec. 31, 2014 € million
PROPERTY, PLANT AND EQUIPMENT												
Land, land rights and buildings including buildings on third party land	160.3	8.6	8.2	-9.9	167.2	-54.4	-0.8	-5.8	5.4	-55.6	111.6	105.9
Technical equipment and machines	15.9	-0.3	2.5	-0.1	18.0	-4.2	0.3	-2.2		-6.1	11.9	11.7
Other equipment, factory and office equipment	303.5	11.4	44.2	-35.1	324.0	-208.4	-5.1	-36.7	31.3	-218.9	105.1	95.1
Payments on account and assets under construction	11.3	-13.2	7.5	-1.6	4.0						4.0	11.3
	491.0	**6.5**	**62.4**	**-46.7**	**513.2**	**-267.0**	**-5.6**	**-44.7**	**36.7**	**-280.6**	**232.6**	**224.0**
INTANGIBLE ASSETS												
Goodwill	298.3	5.6	0.2	-12.7	291.4	-56.6	-0.6		6.1	-51.1	240.3	241.7
Intangible fixed assets with an indefinite useful life	134.8	13.5			148.3	-17.6	-0.1			-17.7	130.6	117.2
Other intangible fixed assets	110.5	-2.4	16.6	-1.5	123.2	-78.0	-1.2	-12.8	1.2	-90.8	32.4	32.5
	543.6	**16.7**	**16.8**	**-14.2**	**562.9**	**-152.2**	**-1.9**	**-12.8**	**7.3**	**-159.6**	**403.3**	**391.4**

1) There was no impairment for fixed assets and intangible assets in the financial year 2015, see chapters 9 and 10

Notes to the Consolidated Financial Statements

1. General

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

The consolidated financial statements of PUMA SE and its subsidiaries (hereinafter referred to as the "Group" or "PUMA") were prepared in accordance with the International Financial Reporting Standards (IFRS) accounting standards issued by the International Accounting Standards Board (IASB), as they are to be applied in the EU, and the supplementary accounting principles to be applied in accordance with Section 315a (1) of the German Commercial Code (Handelsgesetzbuch, HGB). All IASB standards and interpretations, as they are to be applied in the EU, which are mandatory for financial years as of January 1, 2015 have been applied.

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

Standard	Name
First-time adoption in the current financial year	
Amendment IAS 19	Defined benefit plans: employee contributions
IFRIC 21	Levies
AIP 2010 - 2012	Improvements to IFRS
AIP 2011 - 2013	Improvements to IFRS

The standards and interpretations used for the first time as of January 1, 2015 did not have any effect on the consolidated financial statements.

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

Standard	Name	Date of adoption *	Planned adoption
Endorsed			
Amendment IFRS 11	Accounting for the acquisition of an interest in a joint operation	1/1/2016	1/1/2016
Amendment IAS 1	Disclosure initiative	1/1/2016	1/1/2016
Amendment IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortization	1/1/2016	1/1/2016
Amendment IAS 16 and IAS 41	Agriculture: bearer plants	1/1/2016	1/1/2016
Amendment IAS 27	Application of the equity method in separate financial statements	1/1/2016	1/1/2016
AIP 2012 - 2014	Improvements to IFRS	1/1/2016	1/1/2016
Endorsement pending			
IFRS 9	Financial instruments	1/1/2018	1/1/2018
IFRS 14	Regulatory deferral accounts	1/1/2016	1/1/2016
IFRS 15	Revenue from contracts with customers	1/1/2018	1/1/2018
IFRS 16	Leasing	1/1/2019	1/1/2019
Amendment IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception	1/1/2016	1/1/2016
Amendment IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	-	-

* Adjusted by EU endorsement, if applicable

Detailed analyses are still being conducted with respect to the first-time application of IFRS 9 and IFRS 16. The new leasing standard IFRS 16 will result in all future leases being accounted for in the form of a usage right and a corresponding leasing obligation. In all cases, it is presented in the income statement as a financing transaction, i.e. the usage right is normally subject to straight-line depreciation and the leasing obligation is carried forward using the effective interest method.
The company does not anticipate that the remaining standards mentioned above will have a significant impact on accounting.

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

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

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

2. Significant Consolidation, Accounting and Valuation Principles

Consolidation Principles
The consolidated financial statements were prepared as of December 31, 2015, the reporting date of the annual financial statements of the PUMA SE parent company, on the basis of uniform accounting and valuation principles according to IFRS, as applied in the EU.

Subsidiaries are those companies in which the Group has existing rights that give it the ability to direct their main activities. The main activities are the activities that have a material impact on the profitability of the company. Control thus only exists if the Group is exposed to variable returns from the relationship with a company and its power over the main activities gives it the opportunity to influence these returns. As a rule, the possibility of control is based on a direct or indirect majority of the voting rights by PUMA. Subsidiaries are consolidated from the date on which the possibility of control exists. They are no longer consolidated when this possibility no longer exists.

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

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

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

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

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

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

Group of Consolidated Companies

In addition to PUMA SE, all subsidiaries in which PUMA SE, directly or indirectly, has existing rights that give it the ability to direct their main activities are fully consolidated in the consolidated financial statements. Currently the possibility of control for all Group companies is based on a direct or indirect majority of the voting rights. Associated companies are accounted for in the Group using the equity method. The changes in the number of Group companies (including the parent company PUMA SE) were as follows:

As of 12/31/2014	**117**
Formation of companies 2015	3
Disposal of companies 2015	10
As of 12/31/2015	**110**

The following changes occurred within the group of consolidated companies in financial year 2015:

The additions to the group of consolidated companies relates to the establishment of the companies Dobotex International B.V., Branded Sports Merchandising B.V., and Importationes Brand Plus Licensing S.A. de C.V.

The disposals in the group of consolidated companies relate to the closing of the companies Brandon Germany GmbH, PUMA Hungary Kft. and PUMA Serbia DOO and the sale of the companies Tretorn Finland Oy, Tretorn R&D Ltd., Tretorn Norway AS, and Hunt Sport AB. In addition, the companies PUMA Speedcat SAS, PUMA Blue Sea Ltd. and PUMA Schweiz AG left the group of consolidated companies due to mergers.

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

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

The Group companies are allocated to regions as follows:

as of December 31, 2015						
No.	Companies/Legal Entities	Country	City	Shareholder	Share in Capital	
	- parent company -					
1.	PUMA SE	Germany	Herzogenaurach			
	EMEA					
2.	Austria PUMA Dassler Ges. m.b.H.	Austria	Salzburg	direct	100%	
3.	Dobotex Austria GmbH	Austria	Salzburg	indirect	100%	
4.	Wilderness Holdings Ltd.	Botswana	Maun	direct	20.0%	
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 Estonia OÜ	Estonia	Tallinn	indirect	100%	
9.	PUMA Finland Oy	Finland	Espoo	indirect	100%	
10.	Brandon Oy	Finland	Helsinki	indirect	100%	
11.	PUMA FRANCE SAS	France	Illkirch-Graffenstaden	indirect	100%	
12.	Dobotex France SAS	France	Paris	indirect	100%	
13.	PUMA International Trading GmbH	Germany	Herzogenaurach	direct	100%	
14.	PUMA Europe GmbH	Germany	Herzogenaurach	direct	100%	
15.	PUMA Vertrieb GmbH	Germany	Herzogenaurach	direct	100%	
16.	PUMA Sprint GmbH	Germany	Herzogenaurach	direct	100%	
17.	PUMA Mostro GmbH	Germany	Herzogenaurach	indirect	100%	
18.	Dobotex Deutschland GmbH	Germany	Düsseldorf	indirect	100%	
19.	PUMA United Kingdom Ltd.	Great Britain	London	indirect	100%	
20.	PUMA Premier Ltd.	Great Britain	London	indirect	100%	
21.	Dobotex UK Ltd.	Great Britain	Manchester	indirect	100%	
22.	Branded Sports Merchandising UK Ltd.	Great Britain	London	indirect	100%	
23.	Sport Equipment Hellas S. A. of Footwear, Apparel and Sportswear u.Li.	Greece	Athens	direct	100%	1)
24.	Sport Equipment TI Cyprus Ltd.	Cyprus	Nicosia	direct	100%	1)
25.	PUMA Italia Srl	Italy	Milan	indirect	100%	
26.	Dobotex Italia Srl	Italy	Milan	indirect	100%	
27.	PUMA Sport Israel Ltd.	Israel	Hertzeliya	indirect	100%	
28.	PUMA Baltic UAB	Lithuania	Vilnius	indirect	100%	
29.	PUMA Malta Ltd.	Malta	St.Julians	indirect	100%	
30.	PUMA Racing Ltd.	Malta	St.Julians	indirect	100%	
31.	PUMA Benelux B.V.	Netherlands	Leusden	direct	100%	
32.	PUMA International Sports Marketing B.V.	Netherlands	Leusden	direct	100%	
33.	Brand Plus Licensing B.V.	Netherlands	's-Hertogenbosch	direct	100%	
34.	Dobotex International B.V.	Netherlands	's-Hertogenbosch	indirect	100%	
35.	Branded Sports Merchandising B.V.	Netherlands	's-Hertogenbosch	indirect	100%	
36.	Dobotex B.V.	Netherlands	's-Hertogenbosch	indirect	100%	
37.	Dobo Logic B.V.	Netherlands	Tilburg	indirect	100%	
38.	Dobotex Licensing Holding B.V.	Netherlands	's-Hertogenbosch	indirect	100%	
39.	PUMA Norway AS	Norway	Oslo	indirect	100%	
40.	PUMA Polska Sp. z o.o.	Poland	Warsaw	indirect	100%	
41.	PUMA Sport Romania Srl	Romania	Bucharest	indirect	100%	
42.	PUMA-RUS o.o.o.	Russia	Moscow	indirect	100%	
43.	PUMA Slovakia s.r.o.	Slovakia	Bratsilava	indirect	100%	
44.	PUMA Sports Distributors Ltd.	South Africa	Cape Town	indirect	100%	
45.	PUMA Sports S.A.	South Africa	Cape Town	indirect	100%	
46.	PUMA Iberia S.L.U	Spain	Barcelona	direct	100%	
47.	Dobotex Spain S.L.	Spain	Barcelona	indirect	100%	
48.	Brandon Company AB	Sweden	Gothenburg	direct	100%	
49.	Brandon AB	Sweden	Gothenburg	indirect	100%	
50.	Nrotert AB	Sweden	Helsingborg	direct	100%	
51.	PUMA Nordic AB	Sweden	Helsingborg	indirect	100%	
52.	Nrotert Sweden AB	Sweden	Helsingborg	indirect	100%	
53.	Mount PUMA AG (Schweiz)	Switzerland	Oensingen	direct	100%	
54.	PUMA Retail AG	Switzerland	Oensingen	indirect	100%	
55.	Dobotex Switzerland AG	Switzerland	Oensingen	indirect	100%	
56.	PUMA Spor Giyim Sananyi ve Ticaret A.S.	Turkey	Istanbul	indirect	100%	
57.	PUMA Ukraine TOV	Ukraine	Kiew	indirect	100%	
58.	PUMA Middle East FZ LLC	United Arab Emirates	Dubai	indirect	100%	
59.	PUMA UAE LLC	United Arab Emirates	Dubai	indirect	100%	1)

No.	Companies/Legal Entities	Country	City	Shareholder	Share in Capital	
	Americas					
60.	Unisol S.A.	Argentina	Buenos Aires	indirect	100%	
61.	PUMA Sports Ltda.	Brazil	Sao Paulo	indirect	100%	
62.	PUMA Canada, Inc.	Canada	Montreal	indirect	100%	
63.	PUMA CHILE S.A.	Chile	Santiago	direct	100%	
64.	PUMA SERVICIOS SPA	Chile	Santiago	indirect	100%	
65.	PUMA Mexico Sport S.A. de C.V.	Mexico	Mexico City	direct	100%	
66.	Servicios Profesionales RDS S.A. de C.V.	Mexico	Mexico City	indirect	100%	
67.	Importaciones RDS S.A. de C.V.	Mexico	Mexico City	direct	100%	
68.	Dobotex de Mexico SA de C.V.	Mexico	Mexico City	indirect	100%	
69.	Importationes Brand Plus Licensing S.A. de C.V.	Mexico	Mexico City	indirect	100%	
70.	Distruibuidora Deportiva PUMA S.A.C.	Peru	Lima	indirect	100%	
71.	Distribuidora Deportiva PUMA Tacna S.A.C.	Peru	Tacna	indirect	100%	
72.	PUMA Retail Peru S.A.C.	Peru	Lima	indirect	100%	
73.	PUMA Sports LA S.A.	Uruguay	Montevideo	direct	100%	
74.	PUMA Suede Holding, Inc.	USA	Westford	indirect	100%	
75.	PUMA North America, Inc.	USA	Westford	indirect	100%	
76.	Brandon USA, Inc.	USA	Chicago	indirect	100%	
77.	Cobra Golf, Inc.	USA	Carlsbad	indirect	100%	
78.	PUMA Wheat Accessories, LLC	USA	San Diego	indirect	85%	
79.	Janed, LLC	USA	New York	indirect	51%	
80.	PUMA Kids Apparel North America, LLC	USA	New York	indirect	51%	
	Asia/Pacific					
81.	PUMA Australia Pty. Ltd.	Australia	Victoria	indirect	100%	
82.	White Diamond Australia Pty. Ltd.	Australia	Victoria	indirect	100%	
83.	White Diamond Properties Pty. Ltd.	Australia	Victoria	indirect	100%	
84.	Kalola Pty. Ltd.	Australia	Victoria	indirect	100%	
85.	Liberty China Holding Ltd.	British Virgin Islands		indirect	100%	
86.	Brandon Trading (Shanghai) Ltd.	China	Shanghai	indirect	100%	
87.	PUMA China Ltd.	China	Shanghai	indirect	100%	
88.	Dobotex China Ltd.	China	Shanghai	indirect	100%	
89.	Guangzhou World Cat Information Consulting Services Company Ltd.	China	Guangzhou	indirect	100%	
90.	World Cat Ltd.	Hongkong		direct	100%	
91.	Development Services Ltd.	Hongkong		direct	100%	
92.	PUMA International Trading Services Ltd.	Hongkong		indirect	100%	
93.	PUMA Asia Pacific Ltd.	Hongkong		direct	100%	
94.	PUMA Hong Kong Ltd.	Hongkong		indirect	100%	
95.	Dobotex Ltd.	Hongkong		indirect	100%	
96.	Brandon Hong Kong Ltd.	Hongkong		indirect	100%	
97.	PUMA Sports India Private Ltd.	India	Bangalore	indirect	100%	
98.	PUMA India Retail Private Ltd.	India	Bangalore	indirect	100%	1)
99.	World Cat Sourcing India Ltd.	India	Bangalore	indirect	100%	
100.	PT PUMA Cat Indonesia Ltd.	Indonesia	Jakarta	indirect	100%	
101.	PUMA JAPAN K.K.	Japan	Tokio	indirect	100%	
102.	PUMA Korea Ltd.	Korea	Seoul	direct	100%	
103.	Dobotex Korea Ltd.	Korea	Seoul	indirect	100%	
104.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Kuala Lumpur	direct	100%	
105.	PUMA New Zealand Ltd.	New Zealand	Auckland	indirect	100%	
106.	PUMA Sports SEA Trading Pte. Ltd.	Singapore		direct	100%	
107.	PUMA SEA Holding Pte. Ltd.	Singapore		indirect	100%	
108.	PUMA Taiwan Sports Ltd.	Taiwan	Taipei	indirect	100%	1)
109.	World Cat Vietnam Co. Ltd.	Vietnam	Long An Province	indirect	100%	
110.	World Cat Vietnam Sourcing & Development Services Co. Ltd.	Vietnam	Ho Chi Minh City	indirect	100%	
1)	Subsidiaries which are assigned to be economically 100% PUMA Group					

Currency Conversion

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

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

The significant conversion rates per Euro are as follows:

	2015		2014	
Currency	Reporting date exchange rate	Average exchange rate	Reporting date exchange rate	Average exchange rate
USD	1.0887	1.1095	1.2141	1.3285
HKD	8.4376	8.6014	9.4170	10.3025
JPY	131.0700	134.3140	145.2300	140.3061
GBP	0.7340	0.7258	0.7789	0.8061

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

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

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

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

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

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

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

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

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

Non-current investments
The investments reported under non-current financial assets belong to the category "available for sale". This category includes financial instruments that are not loans and receivables or held-to-maturity investments and that are not stated at fair value in the income statement. The categories "held-to-maturity investments" and "financial assets stated at fair value in the income statement" do not apply within the PUMA Group.

All purchases and sales of non-current investments are recognized on the date of the trade. The initial recognition of non-current investments takes place at fair value plus transaction costs. They are also recognized in subsequent periods at fair value, if this can be reliably determined. Unrealized gains and losses are stated in comprehensive income, taking into account deferred taxes. When non-current investments are sold, the gain or loss is recognized in the income statement.

If there is material objective evidence of the impairment of non-current investments, these assets are written down against income. For equity investments categorized as "available for sale", material objective evidence of impairment exists when there is a significant or prolonged decline in the fair value of the assets below their acquisition cost. The same applies if there is no longer an active market for listed shares.

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

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

Other Intangible Assets
Acquired intangible assets largely consist of concessions, intellectual property rights and similar rights. These are valued at acquisition cost, net of cumulative amortization. The useful life of intangible assets is between three and ten years and they are subject to linear depreciation.

The item also includes acquired trademark rights, which were assumed to have an indefinite useful life in light of the history of the brand and due to the fact that the brand is continued by PUMA.

Impairment of Assets

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

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

Holdings in Associated Companies

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

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

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

Financial Debt, Other Financial Liabilities and Other Liabilities

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

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

Provisions for Pensions and Similar Obligations
In addition to defined benefit plans, some companies provide defined contribution plans, which do not result in any further obligation other than the payment of current contributions. The pension provision for defined benefit plans is generally calculated using the projected unit credit method. This method takes into account not only pension benefits and pension rights accrued as of the reporting date, but also expected future salary and pension increases. The defined benefit obligation (DBO) is calculated by discounting expected future cash flows based on a discount rate by reference to high quality corporate bonds. The currency and estimated term of the corporate bonds are consistent with the currency and estimated term of the obligations. Some of the plans are funded. The fair value of plan assets is then deducted from the defined benefit obligation in order to determine the net defined benefit liability.

Remeasurements, resulting from actuarial profits and losses, changes in the asset ceiling and return on plan assets (without interest on the net liability) are shown in Other Comprehensive Income. The remeasurements shown in Other Comprehensive Income are part of the retained earnings and are no longer reclassified in the income statement. Past service costs are included in the pension expense when they occur.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Income Taxes
Current income taxes are determined in accordance with the tax regulations of the respective countries where the individual Group companies conduct their operations.

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

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

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

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

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

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

Taxes
Tax items are determined by taking into account prevailing local tax laws and the relevant administrative opinions and, due to their complexity, may be subject to different interpretations by persons subject to tax, on the one hand, and the tax authorities, on the other hand. As an effect of tax audits, different interpretations of tax laws may result in additional tax payments for prior years and are taken into account based on management's considerations.
The recognition of deferred taxes, in particular with respect to tax loss carryforwards, requires that estimates and assumptions be made concerning future tax planning strategies as well as the expected date of initial recognition and the amount of future taxable income. The taxable income from the relevant corporate plan is derived for this judgment. This takes into account the past financial position and the business development expected in the future. Active deferred tax assets on losses carried forward are recorded for companies incurring a loss only if it is highly likely that future positive income will be achieved that can be offset against these tax loss carryforwards. Please see paragraph 8 for further information and detailed assumptions.

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

3. Cash and cash equivalents

As of December 31, 2015, the Group had €338.8 million (previous year: €401.5 million) in cash and cash equivalents. The average effective interest rate of financial investments was virtually unchanged from the previous year at 0.3%. There are no restrictions on disposition.

4. Inventories

Inventories are allocated to the following main groups:

	2015 € million	2014 € million
Raw materials, consumables and supplies	19.9	17.6
Finished goods and merchandise/inventory		
Footwear	218.6	166.1
Apparel	177.3	153.5
Accessories/Other	102.6	88.1
Goods in transit	138.6	146.2
Total	**657.0**	**571.5**

The table shows the carrying amount of the inventories net of value adjustments. Of the value adjustments of €48.2 million (previous year: €62.5 million), approx. 72% (previous year approx. 69%) were recognized as expense under cost of sales in the 2015 financial year.

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

5. Trade Receivables

This item consists of:

	2015 € million	2014 € million
Trade receivables, gross	521.9	488.6
Less value adjustments	-38.8	-39.4
Trade receivables, net	**483.1**	**449.2**

Allowances for trade receivables changed as follows:

	2015 € million	2014 € million
Status of value adjustments as of January 1	**39.4**	**53.9**
Exchange rate differences	0.3	0.2
Allocations	7.3	10.9
Utilization	-6.0	-19.6
Reversals	-2.2	-6.0
Status of value adjustments as of December 31	**38.8**	**39.4**

The age structure of the trade receivables is as follows:

Gross values								
2015	Total	of which not written down						of which written down
		Not due	0–30 days	31–60 days	61–90 days	91–180 days	Over 180 days	
€ million	521.9	344.2	40.9	20.7	8.2	6.1	2.7	99.1

Gross values								
2014	Total	of which not written down						of which written down
		Not due	0–30 days	31–60 days	61–90 days	91–180 days	Over 180 days	
€ million	488.6	312.4	39.8	15.0	6.9	5.5	1.2	107.8

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

6. Other Current Financial Assets

This item consists of:

	2015 € million	**2014 € million**
Fair value of derivative financial instruments	51.0	58.0
Other financial assets	25.8	35.6
Total	**76.8**	**93.6**

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

7. Other Current Assets

This item consists of:

	2015 € million	**2014 € million**
Prepaid expense relating to the subsequent period	35.5	35.9
Other receivables	43.1	55.9
Total	**78.6**	**91.8**

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

Other receivables mainly include VAT receivables amounting to €15.7 million (previous year: €24.8 million).

8. Deferred taxes

Deferred taxes relate to the items shown below:

	2015 € million	2014 € million
Tax loss carryforwards	119.1	98.4
Non-current assets	33.0	28.4
Current assets	32.9	24.9
Provisions and other liabilities	66.0	67.8
Deferred tax assets (before netting)	**251.0**	**219.5**
Non-current assets	76.9	74.8
Current assets	14.5	20.1
Provisions and other liabilities	4.0	0.3
Deferred tax liabilities (before netting)	**95.4**	**95.2**
Deferred tax assets, net	**155.6**	**124.3**

Of the deferred tax assets, €87.7 million (previous year: €75.3 million) and, of the deferred tax liabilities, €17.6 million (previous year: €20.4 million) are current.

As of December 31, 2015, tax loss carryforwards amounted to a total of €675.0 million (previous year: €566.2 million). This results in a deferred tax asset of €192.1 million (previous year: €160.8 million). Deferred tax receivables were recognized for these items in the amount at which the associated tax advantages are likely to be realized in the form of future taxable profits. Accordingly, deferred tax receivables for tax losses of €73.0 million (previous year: €62.4 million) have not been recognized; these are non-forfeitable. In addition, no deferred taxes were recognized for deductible temporary differences amounting to €5.9 million (previous year: €6.8 million).

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

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

	2015 € million	2014 € million
Deferred tax assets	219.8	178.8
Deferred tax liabilities	64.2	54.5
Deferred tax assets, net	**155.6**	**124.3**

The changes in deferred tax assets were as follows:

	2015 € million	2014 € million
Deferred tax assets, previous year	178.8	164.2
Recognition in the income statement	30.9	19.9
Adjustment against Other Comprehensive Income	10.1	-5.3
Deferred tax assets	**219.8**	**178.8**

The changes in deferred tax liabilities were as follows:

	2015 € million	2014 € million
Deferred tax liabilities, previous year	54.5	50.3
Recognition in the income statement	3.0	-1.4
Adjustment against Other Comprehensive Income	6.7	5.6
Deferred tax liabilities	**64.2**	**54.5**

9. Property, Plant and Equipment

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

	2015 € million	2014 € million
Land and buildings, including buildings on third-party land	111.6	105.9
Technical equipment and machinery	11.9	11.7
Other equipment, factory and office equipment	105.1	95.1
Assets under construction	4.0	11.3
Total	**232.6**	**224.0**

The carrying amount of property, plant and equipment is derived from the acquisition costs. Cumulative depreciation of property, plant and equipment amounted to €280.6 million (previous year: €267.0 million).

Property, plant and equipment include lease assets (finance lease) of €0.7 million (previous year: €0.6 million).

The changes in property, plant and equipment in the 2015 financial year are shown in “Changes in fixed assets”. There were no impairment losses that exceeded current depreciation during the reporting year (previous year: €0.3 million).

10. Intangible Assets

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

Goodwill and intangible assets with indefinite or indeterminate useful lives are not subject to scheduled amortization. Impairment tests were performed in the past financial year using the discounted cash flow method. This was based on data from the respective three-year plan. The recoverable amount was determined on the basis of the value in use; no impairment losses resulted.

The cash-generating unit 'Tretorn' includes total goodwill before impairment of €6.6 million (previous year: €6.6 million). This is allocated to the EMEA segment. Due to the sale of the Tretorn market rights, the goodwill of €6.6 million was divested. The effect on income from the sale is included in the item “Other operating income and expenses” in the consolidated income statement.

The cash-generating unit 'CPG – Cobra PUMA Golf' includes intangible assets in association with the Cobra brand, with an indefinite or indeterminate useful life of €130.6 million (previous year: €117.2 million). The intangible assets are significant in comparison to the overall carrying amount of the intangible assets with an indefinite or indeterminate useful life. This is allocated to the Central Unit segment. The recoverable amount of the Cobra brand (Level 3) was determined on the basis of the “relief from royalty” method. As in the previous year, this calculation assumed a royalty rate of 8%, a 3% growth rate and a discount rate of 6.8% p.a. (previous year 7.2%).

The changes in intangible assets in the 2015 financial year are shown in “Changes in fixed assets”. Other intangible assets include advance payments of €0.5 million (previous year: €5.6 million). There were no impairment losses that exceeded current depreciation (previous year: €7.0 million).

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

	2015 € million	2014 € million
EMEA (including Dobotex)	143.4	150.3
Americas	40.0	39.6
Asia/Pacific	56.9	51.8
Total	**240.3**	**241.7**

Assumptions used in conducting the impairment test in 2015:

	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
EEA	24.5%-25.0%	7.8%-8.4%	6.3%-6.8%
EEMEA*	28.0%	16.2%	12.3%
EMEA	**24.5%-28.0%**	**7.8%-16.2%**	**6.3%-12.3%**
North America*	28.3%	8.1%	6.5%
Latin America	18.5%-35.0%	9.4%-27.2%	8.1%-25.6%
Americas	**18.5%-35.0%**	**8.1%-27.2%**	**6.5%-25.6%**
Asia/Pacific	**17.0%-30.0%**	**8.0%-10.3%**	**6.7%-8.1%**

* Information for each of the EEMEA and North America regions relates solely to one cash-generating unit (CGU)

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

The cash-generating unit 'Dobotex' includes goodwill of €139.4 million (previous year: €139.4 million), which is significant in comparison to the overall carrying amount of the goodwill. The cash-generating unit corresponds to a business unit at PUMA that was allocated to the Central Unit segment. The recoverable amount was determined by calculating value in use, using a discount rate of 6.3% p.a. (previous year: 7.1% p.a.) and a growth rate of 2% (previous year: 2%).

Sensitivity analyses related to the performed impairment tests as of the balance sheet date indicate that neither a one percentage point increase in the discount rate nor a one percentage point decrease in the growth rate result in an impairment of goodwill or of intangible assets with an indefinite or indeterminate useful life. Accordingly, the sensitivity analyses with a one-percentage-point increase in the discount rate and the sensitivity analyses with a one-percentage-point reduction in the growth rate do not show any indication of impairment.

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

	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
EEA	24.5%-26.3%	8.7%-9.6%	7.1%-7.7%
EEMEA	20.0%-28.0%	17.2%-20.3%	12.8%-14.5%
EMEA	**20.0%-28.0%**	**8.7%-20.3%**	**7.1%-14.5%**
North America	28.3%-37.0%	8.0%-9.0%	7.2%
Latin America	18.5%-35.0%	10.4%-37.0%	9.0%-24.3%
Americas	**18.5%-37.0%**	**8.0%-37.0%**	**7.2%-24.3%**
Asia/Pacific	**17.0%-30.0%**	**9.0%-11.5%**	**7.9%-9.0%**

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

11. Holdings in Associated Companies

The 20.0% interest in Wilderness Holdings Ltd. is shown under Holdings in associated companies. The carrying amount of the shares is unchanged from the previous year at €15.2 million.

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

	2015 € million	2014 € million
Gains relating to continuing operations	4.8	6.3
Other result	0.0	0.0
Comprehensive income	4.8	6.3

PUMA's share of the net earnings of Wilderness Holdings Ltd. amounts to €1.0 million (previous year: €1.3 million).

The balance sheet date of Wilderness Holdings Ltd. is February 28, 2016. The information stated above relates to the company's financial information as of December 31.

12. Other Non-Current Assets

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

	2015 € million	2014 € million
Non-current investments	18.5	17.9
Other financial assets	20.8	16.7
Total of other non-current financial assets	**39.3**	**34.6**
Other non-current non-financial assets	25.2	23.4
Other non-current assets, total	**64.5**	**58.0**

The non-current investments relate to the 5% share of Borussia Dortmund GmbH & Co. KGaA (BVB).

Other financial assets mainly include rental deposits of €18.8 million (previous year: €14.2 million). The other non-current non-financial assets mainly include deferrals in connection with promotional and advertising agreements.

In the 2015 financial year, there were no indicators of impairment of other non-current assets.

13. Liabilities

The residual terms of the liabilities are as follows:

	2015				2014			
		Residual term of				Residual term of		
	Total	up to 1 year	1 to 5 years	over 5 years	**Total**	up to 1 year	1 to 5 years	over 5 years
	€ million	€ million	€ million	€ million	**€ million**	€ million	€ million	€ million
Financial liabilities	**14.0**	14.0			**19.8**	19.8		
Trade payables	**519.7**	519.7			**515.2**	515.2		
Liabilities from acquisitions of business enterprises	**3.0**	3.0			**3.0**	0.5	2.5	
Other liabilities								
Liabilities from other taxes	**33.9**	33.9			**31.9**	31.9		
Liabilities relating to social security	**6.3**	6.3			**5.6**	5.6		
Payables to employees	**70.7**	70.7			**57.7**	57.7		
Liabilities from market valuation of forward exchange transactions	**18.7**	18.7			**8.3**	8.3		
Liabilities from leases	**0.5**	0.5			**0.4**	0.4		
Other liabilities	**120.2**	110.8	9.4		**57.5**	54.8	2.7	
Total	**787.0**	777.6	9.4	0.0	**699.4**	694.2	5.2	0.0

PUMA has confirmed credit facilities totaling €401.7 million (previous year: €343.2 million). Of the financial liabilities of €95.6 million (previous year: €19.8 million), of which none (previous year: €1.0 million) was claimed from credit facilities only granted until further notice. The unused credit facilities as of December 31, 2015 amounted to €306.0 million, compared to €324.4 million the previous year.

The effective interest rate of the financial liabilities ranged between 0.6% and 12.2% (previous year: 0.5% and 14.2%).

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

Cash flows from non-derivative and derivative financial liabilities	Carrying amount 2015	Cash flow for 2016		Cash flow for 2017		Cash flow for 2018 et seqq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Non-derivative financial liabilities							
Financial liabilities	14.0		14.0				
Trade payables	519.7		519.7				
Liabilities from finance leases	0.5		0.5				
Purchase price liabilities	3.0		3.0				
Other liabilities	104.2		104.2				7.0
Derivative financial liabilities and assets							
Forward exchange transactions with cash flow hedges – inflow			1,491.2		264.8		
Forward exchange transactions with cash flow hedges – outflow			1,465.1		260.0		

Liabilities to banks can be repaid at any time.

The following values were determined in the previous year:

Cash flows from non-derivative and derivative financial liabilities	Carrying amount 2014	Cash flow for 2015		Cash flow for 2016		Cash flow for 2017 et seqq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Non-derivative financial liabilities							
Financial liabilities	19.8		19.8				
Trade payables	515.2		515.2				
Liabilities from finance leases	0.4		0.4				
Purchase price liabilities	3.0		0.5		2.5		
Other liabilities	42.6		42.6				
Derivative financial liabilities and assets							
Forward exchange transactions with cash flow hedges – inflow			862.4		54.3		
Forward exchange transactions with cash flow hedges – outflow			815.1		54.3		

14. Additional Disclosures on Financial Instruments

	Measurement categories under IAS 39	Carrying amount 2015 € million	Fair value 2015 € million	Carrying amount 2014 € million	Fair value 2014 € million
Assets					
Cash and cash equivalents	[1] LAR	338.8	338.8	401.5	401.5
Trade receivables	LAR	483.1	483.1	449.2	449.2
Other current financial assets	LAR	25.9	25.9	35.6	35.6
Derivatives with hedging relationship (fair value)	n.a.	46.5	46.5	57.6	57.6
Derivatives without hedging relationship (fair value)	hft	4.5	4.5	0.4	0.4
Other non-current fin. assets	LAR	20.8	20.8	16.7	16.7
Non-current investments	[3] AfS	18.5	18.5	17.9	17.9
Liabilities					
Financial liabilities	[2] OL	14.0	14.0	19.8	19.8
Trade payables	OL	519.7	519.7	515.2	515.2
Purchase price liabilities	OL	3.0	3.0	3.0	3.0
Liabilities from leases	n.a.	0.5	0.5	0.4	0.4
Other financial liabilities	OL	104.2	104.2	42.6	42.6
Derivatives with hedging relationship (fair value)	n.a.	16.1	16.1	8.3	8.3
Derivatives without hedging relationship (fair value)	hft	2.7	2.7	0.0	0.0
Total LAR		**868.6**	**868.6**	**903.0**	**903.0**
Total OL		**640.9**	**640.9**	**580.6**	**580.6**
Total AfS		**18.5**	**18.5**	**17.9**	**17.9**

[1] LAR: Loans and Receivables; [2] OL: Other Liabilities; [3] AfS: Available for Sale

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

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

The fair values of the financial assets in the “available-for-sale” category (AfS) were determined on the basis of Level 1. The market values of derivative assets or liabilities were determined on the basis of Level 2.

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

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

The fair value of other financial assets corresponds to their carrying amounts, taking into account prevailing market interest rates. Other financial assets include €25.1 million (previous year: €16.2 million) that was pledged as rental deposits at usual market rates.

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

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

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

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

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

Net income by valuation categories:

	2015 € million	2014 € million
Loans and receivables (LAR)	25.6	6.7
Other liabilities (OL)	-43.9	-17.6
Derivatives without hedging relationship	2.1	1.2
Non-current financial assets (AfS)	0.6	-3.5
Total	**-15.6**	**-13.2**

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

General administrative expenses include write-downs of receivables.

15. Pension Provisions

Pension provisions result from statutory or contractual benefits, depending on the country, which are granted in the event of invalidity, death or when a certain retirement age has been reached. Pension liabilities in the PUMA Group result either from defined benefit or defined contribution plans and comprise pensions payable both now and in the future. Pension plans are financed internally or via external pension funds.

The risks associated with the pension plans are typical risks of defined benefit plans – mainly possible changes in the discount rate and, to a minor degree, inflation rates and longevity. In order to limit the risks of changed capital market conditions and demographic changes the pension plans in the countries with the main liabilities, Germany and the UK, were closed to new hires a few years ago or are fully insured.

	Germany € million	UK € million	Other Companies € million	PUMA Group € million
Present value of the defined benefit obligation 12/31/2015				
Salary-based obligations				
Annuity	0.0	37.9	6.9	44.8
Lump sum payment	0.0	0.0	5.3	5.3
Non-salary-based obligations				
Annuity	17.8	0.0	0.0	17.8
Lump sum payment	6.4	0.0	0.0	6.4

The following values were determined in the previous year:

	Germany € million	UK € million	Other Companies € million	PUMA Group € million
Present value of the defined benefit obligation 12/31/2014				
Salary-based obligations				
Annuity	0.0	35.2	7.6	42.8
Lump sum payment	0.0	0.0	4.6	4.6
Non-salary-based obligations				
Annuity	17.3	0.0	0.0	17.3
Lump sum payment	6.2	0.0	0.0	6.2

The main plan rules are described below:

The general pension agreement of PUMA SE provides benefits amounting to €127.82 per month as a maximum. This plan was closed for new hires from 1996 onwards. For some employees, individual pension agreements apply under which higher fixed pension amounts are granted. In addition, there are individual contribution based programs (to some extent deferred compensation) which are fully insured. There are no statutory minimum funding requirements. The defined benefit obligation for the German pension arrangements amounts to €24.2 million or 32.6% of the total obligation at the end of 2015. The fair value of plan assets for these arrangements amounts to €13.0 million. The corresponding balance sheet liability amounts to €11.2 million.

The defined benefit scheme in the United Kingdom has been closed to new entrants since 2006. Benefits are provided in the event of disability, death, or upon retirement and are based on salary and length of service with the company. Benefits are paid as annuities or can be converted partly into lump sum payments. There are statutory minimum funding requirements. The defined benefit obligation for the UK pension scheme amounted to €37.9 million, or 51.0% of the total obligation, at the end of 2015. The corresponding balance sheet liability amounts to €34.2 million. The provision is €3.7 million.

The present value of the defined benefit obligation is set out below:

	2015 € million	2014 € million
Present value of the defined benefit obligation January 1	**70.9**	**68.8**
Service cost	2.7	2.5
Past service cost	-0.1	0.2
Gains (-) and losses from plan settlements	0.0	-3.1
Interest expense on defined benefit obligation	2.3	2.6
Employee contributions	0.3	0.4
Benefits paid	-2.3	-7.4
Transfers In / (Out)	-1.2	-0.1
Actuarial profits (-) and losses	-1.0	4.9
Exchange rate changes	2.7	2.1
Present value of the defined benefit obligation December 31	**74.3**	**70.9**

The changes in the plan assets are as follows:

	2015 € million	2014 € million
Fair value of plan assets January 1	**45.0**	**40.7**
Interest income on plan assets	1.6	1.6
Actuarial profits and losses (-)	0.8	0.9
Employer contributions	2.3	2.2
Employee contributions	0.3	0.4
Benefits paid	-1.6	-2.8
Transfers In / (Out)	0.0	0.0
Exchange rate changes	2.3	2.0
Fair value of plan assets December 31	**50.7**	**45.0**

The reconciliation of the pension liability is shown below:

	2015 € million	2014 € million
Present value of the defined benefit obligation	74.3	70.9
Fair value of plan assets	-50.7	-45.0
Funded status	**23.6**	**25.9**
Effect of asset ceiling	0.0	0.0
Balance sheet liability December 31	**23.6**	**25.9**

In 2015, benefits paid amounted to €2.3 million (previous year: €7.4 million). Payments in 2016 are expected to amount to €1.9 million. Of these, €0.9 million is expected to be paid directly by the employer. In 2015, contributions to external plan assets amounted to €2.3 million (previous year: €2.2 million). Contributions in 2016 are expected to amount to €2.0 million.

The changes in balance sheet liability are as follows:

	2015 € million	2014 € million
Balance sheet liability January 1	**25.9**	**28.1**
Pension expense	3.4	0.7
Actuarial profits (-) and losses recorded in Other Comprehensive Income	**-1.7**	**4.0**
Employer contributions	-2.3	-2.2
Benefits paid by the employer	-0.9	-4.8
Transfer In / (Out)	-1.2	-0.1
Exchange rate changes	0.4	0.1
Balance sheet liability December 31	**23.6**	**25.9**
Thereof pension assets	0.2	0.1
Thereof pension liabilities	23.8	26.0

Components of pension expense for the 2015 financial year are as follows:

	2015 € million	2014 € million
Service cost	2.7	2.5
Past service cost	-0.1	0.2
Effect of settlements	0.0	-3.1
Interest expense on defined benefit obligation	2.3	2.6
Interest income on plan assets	-1.6	-1.6
Administration costs	0.1	0.1
Expenses for Defined Benefit Plans	**3.4**	**0.7**
Employer Contributions for Defined Contribution Plans	**10.6**	**8.9**
Total Expenses for Defined Benefit and Defined Contribution Plans	**14.0**	**9.6**
of which personnel costs	13.3	8.6
of which financial costs	0.7	1.0

Actuarial profits and losses recorded in Other Comprehensive Income:

	2015 € million	2014 € million
Remeasurements relating to Defined Benefit Obligation	**-1.0**	**4.9**
Actuarial profits **(-)** and losses resulting from changes in demographic assumptions	-2.2	0.0
Actuarial profits **(-)** and losses resulting from changes in financial assumptions	0.8	4.9
Actuarial profits **(-)** and losses due to adjustments based on experience	0.4	0.0
Remeasurements relating to plan assets	**-0.8**	**-0.9**
Effect of asset ceiling	0.0	0.0
Adjustment of administrative costs	0.1	0.0
Total remeasurements (included in Other Comprehensive Income)	**-1.7**	**4.0**

Plan asset investment categories:

	2015 € million	2014 € million
Cash and cash equivalents	0.1	0.1
Equity instruments	0.1	0.1
Bonds	12.4	11.0
Investment funds	19.6	17.6
Real estate	4.2	3.6
Insurance	13.1	11.7
Other	1.2	0.9
Total Plan Assets	**50.7**	**45.0**

Of which investment categories with a quoted market price:

	2015 € million	2014 € million
Cash and cash equivalents	0.1	0.1
Equity instruments	0.1	0.1
Bonds	12.4	11.0
Investment funds	19.4	17.4
Real estate	3.9	3.3
Insurance	0.0	0.0
Other	0.0	0.0
Plan Assets with a Quoted Market Price	**35.9**	**31.9**

As in the previous year, plan assets do not include any Group's own financial instruments or real estate used by Group companies.

The plan assets are used solely to fulfill the pension claims. There are legal funding requirements in some countries; in other countries (for example Germany) there are no rules as to how and to what extent pension plans have to be funded. In the UK, a board of trustees made up of Company representatives and employees is in charge of asset management. The UK investment strategy is aimed at long-term profits and low volatility.

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

	2015	2014
Discount rate	3.11%	3.16%
Future pension increase rate	2.35%	2.42%
Future salary increase rate	4.00%	3.91%

The assumptions stated above are a weighted average of the assumptions of the individual plans. The discount rate for all Euro zone countries was 2.00% (previous year 2.00%).

The following overview shows how the present value of the defined benefit obligation would have been affected by changes to the most significant actuarial assumption.

	2014 € million	2014 € million
Effect on present value of defined benefit obligation if		
the discount rate was 50 basis points higher	-6.4	-6.2
the discount rate was 50 basis points lower	5.6	6.0

Changes in salary and pension increase rates only have a negligible effect on the present value of the defined benefit obligation due to the structure of the benefit plans.

The weighted average duration of the pension obligations is 19 years.

16. Other Provisions

	2014					2015
		Currency adjustments, retransfers	Addition	Utilization	Reversal	
	€ million	€ million	€ million	€ million	€ million	**€ million**
Provisions for:						
Warranties	**9.5**	0.5	1.4	-2.9		**8.5**
Purchasing risks	**6.9**		6.1	-4.6	-0.9	**7.5**
Other	**76.2**	1.1	24.7	-32.5	-9.3	**60.2**
Total	**92.6**	1.6	32.2	-40.0	-10.2	**76.2**

The warranty provision is determined on the basis of the historical value of sales generated during the past six months. It is expected that the majority of these expenses will fall due within the first six months of the next financial year. The provision for warranties includes €3.7 million for non-current provisions (previous year: €3.6 million).

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

Other provisions consist primarily of €27.8 million for risks associated with legal disputes (previous year: €30.0 million), €2.4 million for restructuring (previous year: €11.0 million), and €30.0 provisions for anticipated losses from pending business and other risks (previous year: €35.2 million). Other provisions includes non-current provisions amounting to €19.8 million (previous year: €19.5 million).

17. Liabilities from the Acquisition of Business Entities

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

The purchase price liabilities consist of:

	2015 € million	2014 € million
Due within one year	3.0	0.5
Due in more than one year	0.0	2.5
Total	**3.0**	**3.0**

18. Shareholders' Equity

Subscribed capital
The subscribed capital corresponds to the subscribed capital of PUMA SE. As of the balance sheet date, the subscribed capital amounted to €38.6 million and is divided into 15,082,464 bearer shares. Each no-par-value share corresponds to €2.56 of the subscribed capital (share capital).

Changes in the circulating shares:

		2015	2014
Circulating shares as of January 1	**share**	**14,939,913**	**14,939,913**
Conversion from Management Incentive Program	share	0	0
Share buy-back	share	0	0
Circulating shares as of December 31	**share**	**14,939,913**	**14,939,913**

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

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

Reserve from the Difference Resulting From Currency Conversion
The equity item for currency conversion serves to record the differences from the conversion of the financial statements of subsidiaries with non-Euro accounting compared to the date of first-time consolidation of the subsidiaries.

Cash Flow Hedges
The Cash flow hedges item includes the market valuation of derivative financial instruments. The item includes €21.2 million (previous year: €34.6 million), which is offset against deferred taxes amounting to €-5.3 million (previous year: €-13.5 million).

Treasury Shares
The resolution adopted by the Annual General Meeting on May 6, 2015 authorized the company to purchase its own shares up to a value of ten percent of the share capital until May 5, 2020. If purchased through the stock exchange, the purchase price per share may not exceed or fall below 10% of the average closing price for the Company's shares with the same attributes in the XETRA trading system (or a comparable successor system) during the last three trading days prior to the date of purchase.

The Company did not make use of the authorization to purchase treasury shares during the reporting period. As in the previous year, as of the balance sheet date, the Company holds a total of 142,551 PUMA shares in its own portfolio, which corresponds to 0.95% of the subscribed capital.

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

A) By issuing up to €7.5 million worth of up to 2,929,687 new no-par bearer shares on one or more occasions with a pro-rata amount of the share capital of €2.56 per share in exchange for cash contributions. The new shares can also be acquired by one or several banks as determined by the Administrative Board, subject to the obligation to offer these to the shareholders for subscription (indirect subscription right). The shareholders are basically entitled to a subscription right, whereby the shareholders' subscription right may be barred to avoid fractional amounts (Authorized Capital I).

B) By issuing up to €7.5 million worth of up to 2,929,687 new no-par bearer shares on one or more occasions with a pro-rata amount of the share capital of €2.56 per share in exchange for cash contributions. The new shares can also be acquired by one or several banks as determined by the Administrative Board, subject to the obligation to offer these to the shareholders for subscription (indirect subscription right). Shareholders have, in principle, a subscription right whereby the shareholders' subscription right may be wholly or partially barred to avoid fractional shares (Subscribed Capital II).

Conditional Capital
Pursuant to the resolution passed by the Annual General Meeting of April 22, 2008, the share capital could be increased by up to €1.5 million through the issuance of up to 600,000 new shares. The contingent capital increase was meant to be used exclusively for granting subscription rights (stock options) to former members of the Board and the Managing Directors of the Company as well as other executives of the company and subordinate associated companies. The authorization period has expired. Section 4.4. of the Articles of Association of the Company will be deleted upon a respective resolution of the Administrative Board of the Company.

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

The Managing Directors recommend to the Administrative Board and the Annual General Meeting that a dividend of €0.50 per circulating share, or a total of €7.5 million (with respect to the circulating shares as of December 31), be distributed to the shareholders from the net income of PUMA SE for financial year 2015. This corresponds to a payout ratio of 20.2% relative to consolidated net income compared to 11.7% in the previous year.

Appropriation of the Net Income of PUMA SE:

		2015	2014
Net income of PUMA SE as of December 31	€ million	134.3	60.7
Dividend per share	€	0.50	0.50
Number of circulating shares *	share	14,939,913	14,939,913
Total dividend *	€ million	7.5	7.5
Carried forward to the new accounting period *	€ million	126.8	53.2

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

Non-controlling Interests
The non-controlling interest remaining as of the balance sheet date relates to PUMA Wheat Accessories, LLC with €-0.5 million (previous year: €0.1 million), Janed, LLC with €7.2 million (previous year: €22.6 million) and PUMA Kids Apparel North America, LLC, with €1.3 million (previous year: €0.4 million).

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

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

19. Equity Compensation Plans/Management Incentive Program

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

The current programs are described below:

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

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

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

The following parameters were used to determine the fair value:

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

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

Changes in the "SOP" during the financial year:

SOP	2008 Tranche I	2008 Tranche II	2008 Tranche III	2008 Tranche IV	2008 Tranche V
Issue date	21.07.2008	14.04.2009	22.04.2010	15.04.2011	30.04.2012
Amount issued	113,000	139,002	126,184	151,290	145,375
Exercise price	€0.00	€0.00	€2.56	€2.56	€2.56
Residual term	0.00 years	0.00 years	0.00 years	0.29 years	1.33 years
Circulating as of 01/01/2015	**0**	**0**	**98,693**	**103,463**	**113,469**
Exercised	0	0	0	0	0
Ø Share price when exercised	€220.83	€214.57	n.a.	n.a.	n.a.
Expired	0	0	-98,693	-2,000	-6,500
Circulating as of 12/31/2015	**0**	**0**	**0**	**101,463**	**106,969**
Exercisable options as of the reporting date	0	0	0	0	0

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

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

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

Pursuant to the allocation, the average fair value per option was €61.81 for "Tranche III – 2008". Taking into account the vesting period, there are no further expenses for the current financial year. Of the options in circulation, 0 options belong to the previous members of the Board of Management of PUMA AG or the current Managing Directors.

Pursuant to the allocation, the average fair value per option was €40.14 for "Tranche IV – 2008". Taking into account the vesting period, there are no further expenses for the current financial year. A total of 86,463 options belong to the previous members of the Board of Management of PUMA AG or the current Managing Directors as of year-end.

Pursuant to the allocation, the average fair value per option was €44.59 for "Tranche V – 2008". Taking into account the vesting period, there are no further expenses for the current financial year. A total of 13,453 options belong to the current Managing Directors of PUMA AG as of year-end.

Explanation of "Virtual Shares", known as "Monetary Units"

In 2013, the company began granting monetary units annually as part of a management incentive program. Monetary units are based on the performance of the PUMA and Kering shares. Each monetary unit entitles the holder to a cash payout at the end of its term. This payout is determined partly by the final determined price of the PUMA share (component 1), which has a 70% weighting, and partly by the final determined price of the Kering share (component 2), which has a 30% weighting. Component 1 compares the success with the average virtual stock appreciation rights of the last 30 days of the previous year. Component 2, however, measures the success by comparing the performance of Kering shares to the average performance of a benchmark portfolio of the luxury and sport sector for the same period. These monetary units are subject to a vesting period of three years. After that, there is an exercise period of two years (in the period from April to October) which can be freely used by participants for the purpose of exercising the options. The fundamental exercise condition after the vesting period is the existence of an active employment relationship with PUMA.

Provisions amounting to €1.9 million were recorded for this program in financial year 2015, based on commitments to the Managing Directors in employment contracts.

Virtual Shares (Monetary Units)				
Issue date	01.01.2013	01.01.2014	01.01.2015	
Term	5	5	5	Years
Vesting period	3	3	3	Years
Base price component 1	224.00	173.86	199.47	EUR/share
Base price component 2	152.00	144.00	167.00	EUR/share
Benchmark component 1 at the end of the financial year	199.47	199.47	199.47	EUR/share
Benchmark component 2 at the end of the financial year	163.57	136.54	103.49	EUR/share
Participants in year of issue	4	3	3	people
Participants at the end of the financial year	2	3	3	people
Number of monetary units component 1	1,915	3,799	3,556	share
Number of monetary units component 2	3,031	5,501	7,965	share

This commitment consisting of share-based remuneration transactions with cash compensation are recorded as personnel provisions and revalued on every balance sheet date at fair value. Expenses are likewise recorded over the vesting period. Based on the market price on the balance sheet date, the provision for the two programs amounted to a total of €3.0 million at the end of the financial year.

Explanation of the program "Game Changer 2017"
In addition, in 2014, a further long-term incentive program called "Game Changer 2017" was launched. Participants in this program consist mainly of top executives who report to the Managing Directors, as well as occasional key functions in the PUMA Group. The goal of this program is to promote the loyalty of this group of employees to the company and to allow them to share in the medium-term success of the company.

The duration of the program is 3 years and is based on the medium-term objectives of the PUMA Group in relation to the operating result (EBIT) (70%), working capital (15%) and gross profit margin (15%). The program calls for a provision to be formed each year upon fulfillment of the currency-adjusted targets. The credit accrued in this way will then be paid out to participants in March 2017. The payment is subject to the condition that the participant is in an ongoing employment relationship with a company of the PUMA Group as of December 31, 2016. €0.8 million was set aside for this program in the reporting year.

Explanation of the program "Game Changer 2018"
The "Game Changer 2018" program was launched in 2015; the program has the same parameters as the program "Game Changer 2017". €1.0 million was set aside for this program in the reporting year.

20. Other Operating Income and Expenses

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

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

	2015 € million	2014 € million
Sales and distribution expenses	1,140.4	997.7
Product management/merchandising	37.5	34.8
Research and development	56.7	46.2
Administrative and general expenses	249.8	215.4
Other operating expenses	**1,484.4**	**1,294.1**
Other operating income	**23.9**	**17.3**
Total	**1,460.5**	**1,276.8**
Of which scheduled depreciation	57.5	50.5
Of which impairment expenses	0.0	7.3

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

Administrative and general expenses include expenses for the statutory auditor of PUMA SE of €0.8 million (previous year: €0.8 million). Of this, €0.7 million is allocated to auditing expenses (previous year: €0.6 million), €0.1 million to tax advisory services (previous year: €0.1 million) and €0.0 million to other assurance services (previous year: €0.1 million).

Other operating income includes €6.1 million (previous year: €16.3 million) relating to income from the allocation of development costs and €17.8 million (previous year: €1.0 million) relating to other income.

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

	2015 € million	2014 € million
Wages and salaries	387.1	341.3
Social security contributions	50.2	47.8
Expenses from share-based remuneration with compensation in shares	0.0	0.3
Expenses from share-based remuneration with cash compensation	1.9	0.5
Expenses for retirement pension and other personnel expenses	44.6	35.4
Total	**483.8**	**425.3**

In addition, cost of sales includes personnel costs of €20.7 million (previous year: €13.6 million).

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

	2015	2014
Marketing/retail/sales	7,367	7,247
Product development/design	866	864
Administrative and general units	2,755	2,719
Total annual average	**10,988**	**10,830**

As of the end of the year, a total of 11,351 people were employed (previous year: 11,267) on a full-time basis.

21. Financial Result

The financial result consists of:

	2015 € million	2014 € million
Income from associated companies	**1.0**	**1.3**
Financial income	**11.2**	**4.8**
Interest expense	-14.4	-9.8
Interest accrued on purchase price liabilities from acquisitions of business enterprises	-0.1	-0.1
Valuation of pension plans	-0.7	-0.9
Expenses from currency-conversion differences, net	-8.2	-1.5
Financial expenses	**-23.4**	**-12.3**
Financial Result	**-11.2**	**-6.2**

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

Financial income includes only interest income.

Interest expenses relate to short-term financing liabilities.

The financial result also includes a total of €8.2 million in expenses from currency-conversion differences (previous year: expenses of €1.5 million), which are attributable to financing activities.

22. Income Taxes

	2015 € million	2014 € million
Current income taxes		
Germany	26.5	11.9
Other countries	25.0	46.4
Total current income taxes	**51.5**	**58.3**
Deferred taxes	**-28.2**	**-21.3**
Total	**23.3**	**37.0**

In general, PUMA SE and its German subsidiaries are subject to corporate income tax, plus a solidarity surcharge, and trade tax. The resulting weighted mixed tax rate applied for the financial year remains at 27.22%.

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

	2015 € million	2014 € million
Earnings before income tax	**85.0**	**121.8**
Theoretical tax expense Tax rate of the SE = 27.22% (previous year: 27.22%)	23.1	33.1
Taxation difference with respect to other countries	-12.6	-13.1
Other tax effects:		
Income tax for previous years	4.9	7.9
Losses and temporary differences for which no tax claims were recognized	9.8	2.2
Changes in tax rate	0.3	0.8
Non-deductible expenses for tax purposes and non-taxable income and other effects	-2.2	6.1
Effective tax expense	**23.3**	**37.0**
Effective tax rate	27.5%	30.4%

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

Other effects include withholding taxes of €11.4 million (previous year: €11.9 million).

23. Earnings per share

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

The calculation is shown in the table below:

		2015	2014
Net Earnings	€ million	37.1	64.1
Average number of circulating shares	share	14,939,913	14,939,913
Diluted number of shares	share	14,939,913	14,939,913
Earnings per share	€	2.48	4.29
Earnings per share, diluted	€	2.48	4.29

24. Management of the Currency Risk

In the 2015 financial year, PUMA designated "forward purchase USD" currency derivatives as cash flow hedges in order to hedge the amount payable of purchases denominated in USD, which is converted to EUR.

The nominal amounts of open rate-hedging transactions, which relate mainly to cash flow hedges, refer to currency forward contracts totaling €1,491.2 million (previous year: €862.4 million). Cash flows for these underlying transactions are expected in 2016. Please see also the details in paragraph 13.

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

	2015 € million	2014 € million
Currency forward contracts, assets (see paragraph 6)	51.0	58.0
Currency forward contracts, liabilities (see paragraphs 13 and 14)	-18.7	-8.3
Net	**32.3**	**49.7**

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

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

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

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

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

If, as of December 31, 2015, the USD had appreciated (devalued) against all other currencies by 10%, the hedge reserve in equity and the fair value of the hedging transactions would have been €105.5 million higher (lower) (December 31, 2014: €59.0 million higher (lower)).

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

25. Segment Reporting

Segment reporting is based on geographical regions in accordance with our internal reporting structure. Sales revenues and operating results (EBIT) are shown according to the head office of the respective Group company of the corresponding region. Intra-group sales for the respective region 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 into EMEA (Europe, Middle East and Africa), Americas (North and Latin America) and Asia/Pacific.

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

Investments and depreciation/amortization relate to additions and depreciation/amortization of property, plant and equipment and intangible assets during the current financial year. In addition, total impairment expenses of €0.0 million (previous year: €7.3 million) were taken into account in the segments EMEA (€0.0 million, previous year: €1.5 million), Americas (€0.0 million, previous year: €1.4 million), Asia/Pacific (€0.0 million, previous year: €0.2 million) and central units/consolidation (€0.0 million, previous year: €4.2 million).

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

Operating Segments 1-12/2015

Regions	External Sales		EBIT		Investments	
	1-12/2015 € million	1-12/2014 € million	1-12/2015 € million	1-12/2014 € million	1-12/2015 € million	1-12/2014 € million
EMEA	**1,165.8**	1,109.8	**-16.6**	-5.6	**30.8**	26.9
Americas	**1,191.4**	968.1	**30.4**	41.6	**25.4**	27.2
Asia/Pacific	**652.6**	559.3	**31.8**	12.8	**12.5**	11.4
Central units/consolidation	**377.6**	334.8	**50.7**	79.2	**10.5**	9.3
Total	**3,387.4**	2,972.0	**96.3**	128.0	**79.2**	74.8

	Depreciation		Inventories		Trade Receivables	
	1-12/2015 € million	1-12/2014 € million	1-12/2015 € million	1-12/2014 € million	1-12/2015 € million	1-12/2014 € million
EMEA	**12.1**	12.0	**280.0**	227.2	**159.7**	160.0
Americas	**15.8**	13.4	**201.8**	191.7	**160.9**	160.4
Asia/Pacific	**10.7**	9.1	**97.7**	68.5	**91.5**	69.8
Central units/consolidation	**18.9**	16.0	**77.5**	84.1	**71.0**	59.0
Total	**57.5**	50.5	**657.0**	571.5	**483.1**	449.2

Product	External Sales		Gross Profit Margin	
	1-12/2015 € million	1-12/2014 € million	1-12/2015 € million	1-12/2014 € million
Footwear	**1,506.1**	1,282.7	**41.2%**	42.6%
Apparel	**1,244.8**	1,103.1	**49.3%**	49.5%
Accessories	**636.4**	586.3	**48.0%**	50.0%
Total	**3,387.4**	2,972.0	**45.5%**	46.6%

Bridge to EBT	1-12/2015 € Mio.	1-12/2014 € Mio.
EBIT	**96.3**	128.0
Financial Result	**-11.2**	-6.2
EBT	**85.0**	121.8

26. Notes to the Cash Flow Statement

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

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

27. Contingencies and Contingent Liabilities

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

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

28. Other Financial Obligations

Obligations from Operating Leases
The Group rents and leases offices, warehouses, facilities, and fleets of vehicles, as well as selling space for the Company's own retail stores. Rental agreements for the retail business are concluded for terms of between five and fifteen years. The remaining rental and lease agreements have residual terms of between one and five years. Some agreements include options to renew and price adjustment clauses.

Total expenses resulting from these agreements amounted in 2015 to €143.3 million (previous year: €123.5 million). Some of the expenses are dependent on sales.

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

	2015 € million	2014 € million
Under rental and lease agreements:		
2016 (2015)	119.6	103.4
2017 – 2020 (2016 – 2019)	253.4	215.5
from 2021 (from 2020)	124.9	63.3

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

	2015 € million	2014 € million
Under license, promotional and advertising agreements:		
2016 (2015)	157.4	135.6
2017 – 2020 (2016 – 2019)	366.3	388.1
from 2021 (from 2020)	68.4	93.9

In addition, there are industry-standard obligations concerning the provision of sports equipment under sponsorship agreements.

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

In addition, there are other financial obligations totaling € 6.7 million, of which € 1.3 million relate to the years from 2017. These include service agreements of € 5.7 million and obligations associated with the construction of a building costing € 1.0 million.

29. Managing Directors and Administrative Board

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

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

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

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

The Managing Directors

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

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

The bonus component of performance-related compensation is mainly based on the PUMA Group's operating income (EBIT) and free cash flow and is staggered according to the degree to which targets are met. In addition, qualitative individual goals are set. The parties also agree on an upper limit.

The previous performance-based compensation components with long-term incentives (appreciation rights) that were part of a stock option plan were not granted after the 2012 financial year. The existing options can be exercised until May 2017 if the exercise criteria are met. Details on the parameters for these programs can be found in paragraph 19.

Pro-rata provisions totaling €1.9 million (previous year: €0.7 million) for the compensation program with long-term incentives for the financial year 2015 (from the years 2013, 2014 and 2015) for the Managing Directors were set up based on the commitments made. Under the performance-based program, 70% of the compensation will be based on the medium-term performance of PUMA SE’s share and 30% will be based on the medium-term performance of Kering SA’s share in relation to benchmark companies. Further information on the program can be found in paragraph 19.

The fixed compensation for the three Managing Directors amounted to €1.9 million in the financial year (previous year: for the five Managing Directors €2.5 million) and variable bonuses came to €1.5 million (previous year: €2.4 million). Non-cash compensation totaled €0.1 million (previous year: €0.2 million).

The Managing Directors receive pension benefits, for which the Company took out a pension liability insurance policy. The proportion of the pension capital that is already financed through contributions to the pension liability insurance is deemed to be vested. During the financial year, €0.4 million was allocated for Managing Directors (previous year: €0.5 million). The present value of the pension benefits granted to Managing Directors in the amount of €1.7 million as of December 31, 2015 (previous year: €1.3 million) was offset against the pledged asset value of the pension liability insurance policy, which was of an equal amount.

Pension obligations to former members of the Board of Management, their widows and Managing Directors amounted to €13.3 million (previous year: €12.5 million) and are accordingly recognized as liabilities under pension provisions, unless they are offset against asset values of an equal amount. Pensions paid totaled €0.2 million (previous year: €0.2 million).

In 2015, a long-term incentive program, “Game Changer 2018”, was introduced for global senior management and strategically important employees that will allow this group of employees to participate in PUMA SE’s earnings over the medium term. €1.0 million was set aside for this program. An additional €0.8 million (previous year: €0.9 million) was set aside for the predecessor program “Game Changer 2017” (Tranche 2). Further information on the program can be found in paragraph 19.

Administrative Board

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

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

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

30. Related Party Relationships

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

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

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

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

The following overview illustrates the scope of the business relationships:

	Deliveries and services rendered		Deliveries and services received	
	2015 € million	2014 € million	**2015 € million**	2014 € million
Artémis-Group consolidated comapnies	0.0	0.0	0.1	0.1
Kering-Group consolidated companies	1.8	2.8	4.8	2.3
Other related parties	25.2	7.1	18.2	14.0
Total	**27.0**	**9.9**	**23.1**	**16.4**

	Net receivables from		Payables to	
	2015 € million	2014 € million	**2015 € million**	2014 € million
Artémis-Group consolidated comapnies	0.0	0.0	0.0	0.0
Kering-Group consolidated companies	2.2	1.1	75.3	0.7
Other related parties	1.9	17.9	1.8	0.2
Total	**4.1**	**19.0**	**77.1**	**0.9**

Receivables from related parties are, with one exception, not subject to value adjustments. Only with respect to the receivables from a non-controlling shareholder and its group of companies were gross receivables of €52.2 million fully adjusted in value for a subsidiary of PUMA SE in Greece as of December 31, 2015 (previous year: €52.2 million). As in the previous year, no expenses were recognized in this respect in the 2015 financial year.

Liabilities to companies consolidated in the Kering Group include €74.7 million (previous year: €0.0 million) in current financial liabilities which were taken out as part of the financing activities. These liabilities are recognized under Other current financial liabilities.

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

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

31. Corporate Governance

In November 2015, the Managing Directors and the Administrative Board submitted the required compliance declaration with respect to the recommendations issued by the Government Commission German Corporate Governance Code pursuant to Section 161 of the AktG (Aktiengesetz, German Stock Corporation Act) and published it on the Company's website (www.puma.com). Please also refer to the Corporate Governance Report in the Group Management Report of PUMA SE.

32. Events after the Balance Sheet Date

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

33. Declaration by the Legal Representatives

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

Date of Release
The Managing Directors of PUMA SE released the consolidated financial statements on February 5, 2016 for distribution to the Administrative Board. The task of the Administrative Board is to review the consolidated financial statements and state whether it approves them.

Herzogenaurach, February 5, 2016

The Managing Directors

Gulden **Lämmermann** **Sørensen**

Managing Directors

Bjørn Gulden
Chief Executive Officer (CEO)
Membership of other supervisory boards and controlling bodies:
- Tchibo GmbH, Hamburg
- Borussia Dortmund GmbH & Co. KG, Dortmund
- Dansk Supermarked A/S, Højbjerg/Denmark
- Pandora A/S, Kopenhagen/Denmark

Michael Laemmermann
Chief Financial Officer (CFO)

Lars Radoor Sørensen
Chief Operating Officer (COO)
Membership of other supervisory boards and controlling bodies:
- Scandinavian Brake Systems A/S, Svendborg/Denmark

Administrative Board

Jean-François Palus
(Chairman)
London, United Kingdom
Group Managing Director and member of the Administrative Board of Kering S.A., Paris/France, responsible for Strategy, Operations and Organization

Membership of other supervisory boards and controlling bodies:
- Kering Americas, Inc., New York/USA
- Volcom Inc., Costa Mesa/USA
- Luxury Goods International (L.G.I.) S.A., Cadempino/Switzerland
- Kering Luxembourg S.A., Luxembourg/Luxembourg
- Kering Tokyo Investment Ltd. Tokyo/Japan
- Pomellato S.p.A, Penne/Italy
- Volcom Luxembourg Holding S.A., Luxembourg/Luxembourg
- Sowind Group S.A., La Chaux-de-Fonds/Switzerland
- Kering Americas, Delaware/USA
- Guccio Gucci SpA,, Florence/Italy
- Gucci America Inc,, Delaware/USA
- Christopher Kane Ltd,, London/United Kingdom
- Ulysse Nardin SA,, Le Locle/Switzerland
- Kering Eyewear S.p.A,, Padua/Italy

François-Henri Pinault
(Deputy Chairman)
Paris, France
CEO and Chairman of the Administrative Board of Kering S.A., Paris/France

Membership of other supervisory boards and controlling bodies:
- Artémis S.A., Paris/France
- Financière Pinault S.C.A., Paris/France
- Société Civile du Vignoble de Château Latour S.C., Pauillac/France
- Christie's International Ltd., London/United Kingdom
- Bouygues S.A., Paris/France
- Soft Computing S.A., Paris/France
- Boucheron Holding S.A.S, Paris/France
- Yves Saint Laurent S.A.S, Paris/France
- Kering Holland N.V. (previously named Gucci Group N.V), Amsterdam/Netherlands
- Sapardis SE, Paris/France
- Volcom Inc., Costa Mesa/USA
- Stella McCartney Ltd., Haywards Heath/West Sussex/United Kingdom
- Kering International Ltd., London/United Kingdom
- Kering Netherlands B.V,, Amsterdam/The Netherlands
- Ulysse Nardin S.A., Le Locle/Switzerland
- Kering Eyewear S.p.A., Padua/Italy

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

Membership of other supervisory boards and controlling bodies:
- Nobia AB, Stockholm/Sweden
- Bastec AB, Malmo/Sweden
- Elite Hotels AB, Stockholm/Sweden
- Tomas Frick AB, Vellinge/Sweden
- Tjugonde AB, Malmo/Sweden

Todd Hymel
Santa Ana, USA
Chief Executive Officer (CEO) of Volcom Inc., Costa Mesa/ USA

Membership of other supervisory boards and controlling bodies:
- Electric Visual Evolution LLC, Costa Mesa/USA

Jean-Marc Duplaix
Paris, France
Chief Financial Officer (CFO) of Kering S.A., Paris/France

Membership of other supervisory boards and controlling bodies:
- Sapardis SE, Paris/France,
- Redcats S.A., Paris/France
- E_lite S.p.A., Milan/Italy
- Kering Italia S.p.A., Florence/Italy
- Pomellato S.p.A., Milan/Italy
- Kering Japan Ltd., Tokyo/Japan
- Kering Tokyo Investment Ltd., Tokyo/Japan
- Kering Luxembourg S.A., Luxembourg/Luxembourg
- Qeelin Holding Luxembourg S.A., Luxembourg/Luxembourg
- E-Kering Lux S.A., Luxembourg/Luxembourg
- Luxury Fashion Luxembourg S.A., Luxembourg/Luxembourg
- Noga Luxe S.L., Barcelona/Spain
- Kering Eyewear S.p.A., Padua/Italy
- GPo Holding SAS, Paris/France
- Gucci Immobiliare Leccio Srl, Florence/Italy
- Design Management Srl, Florence/Italy
- Design Management 2 Srl, Florence/Italy
- Kering Studio SAS, Paris/France
- Balenciaga Asia Pacific Ltd., Hong Kong

Belén Essioux-Trujillo,
Paris, France
Senior Vice-President Human Resources, Kering S.A., Paris/France

Member since 6 May 2015

Membership of other supervisory boards and controlling bodies:
- Sapardis SE, Paris/France
- Castera SARL, Luxembourg/Luxembourg
- Luxury Goods Services SA, Cadempino/Switzerland

Bernd Illig
(Employees' Representative)
Bechhofen, Germany
Administrator IT Systems of PUMA SE

Martin Koeppel
(Employees' Representative)
Weisendorf, Germany
Chairman of the Works Counsel of PUMA SE

Guy Buzzard
(Employees' Representative)
West Kirby, United Kingdom
Field Account Manager of PUMA United Kingdom Ltd.

Administrative Board Committees

Executive Committee

- Thore Ohlsson (Chairman)
- Jean-Marc Duplaix
- Martin Koeppel

Personnel Committee

- François-Henri Pinault (Chairman)
- Jean-François Palus
- Bernd Illig

Audit Committee

- Thore Ohlsson (Chairman)
- Jean-Marc Duplaix
- Guy Buzzard

Sustainability Committee

- Jean-François Palus (Chairman)
- François-Henri Pinault
- Martin Koeppel

Nominating Committee

- François-Henri Pinault (Chairman)
- Jean-François Palus
- Todd Hymel

Statutory Auditor’s Opinion

We have audited the consolidated financial statements prepared by PUMA SE, Herzogenaurach, which consist of the consolidated balance sheet, the consolidated income statement, the Group's consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements, as well as the Group management report for the financial year from January 1 through December 31, 2015. The Company's Managing Directors are responsible for preparing the consolidated financial statements and the Group management report in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU, as well as in accordance with the supplementary regulations under commercial law pursuant to Section 315a(1) HGB. It is our duty to render an opinion on the basis of the audit we conducted of the consolidated financial statements and the Group management report.

We conducted our audit of the consolidated financial statements pursuant to Section 317 HGB in compliance with the German principles of proper auditing established by the Institute of Public Auditors. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are identified with reasonable assurance. Knowledge of the business activities and the Group's economic and legal environment as well as expectations of possible misstatements are taken into account when determining audit procedures. The effectiveness of the accounting-related internal control system as well as evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a random basis within the framework of the audit. The audit comprises the evaluation of the annual financial statements, the annual financial statements of the companies included in consolidation, the determination of those companies to be included in consolidation, the accounting and consolidation principles applied and material evaluations by the Managing Directors, as well as the acknowledgement of the entire 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 reservations.

Based on the information obtained during our audit, in our opinion the consolidated financial statements of PUMA SE, Herzogenaurach, have been properly prepared in accordance with the IFRS, as applicable in the EU, as well as in accordance with the supplementary regulations under commercial law pursuant to Section 315a(1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and accurately presents the opportunities and risks of future development.

Munich, February 5, 2016

Deloitte & Touche GmbH
Audit company

(Stadter)	(Besli)
Auditor	Auditor

Report by the Administrative Board

Dear Shareholders,

In financial year 2015, the Administrative Board has exercised all its duties under the law, statutes and company rules. It has managed the Company, determined the basic business strategies and monitored their implementation by the Managing Directors.

In this regard, the Administrative Board has in its four regular meetings discussed and resolved on the Company's business policies, all relevant aspects of corporate development and corporation planning, the Company's economic situation, including its net assets, financial position and results of operations, and all key decisions for the Group. All members participated in drawing up the resolutions. The Managing Directors have informed the Administrative Board regularly, comprehensively, and in a timely manner in written and verbal form about the implementation of all decisions and about all major business transactions.

The Administrative Board discussed in detail all of the Company's key business transactions, based on the reports by the Managing Directors and the committees, and presented its own ideas. The Managing Directors has provided the Administrative Board with information on any deviations from business performance based on the specifications that have been given to the Managing Directors by the Administrative Board. The Administrative Board verified all of these explanations using the supporting documents submitted. The Administrative Board was involved in all key decisions at an early stage. In addition, the Chairman of the Administrative Board and other members of the Administrative Board maintained, and continue to maintain, regular verbal or written contact with the Managing Directors and keep themselves informed of all major developments. Overall, these discussions did not give rise to any doubts that the Managing Directors were managing the Group in anything other than a lawful and proper manner.

Main advisory focus

In the financial year 2015, the focus was primarily on the following topics: Audit and approval of the 2014 financial statements, dividend policy, setting the agenda for the Annual General Meeting of May 6, 2015, ongoing business development, the Group's financial position, business planning for 2016 and medium-term planning, including investments, compliance and internal control system, material litigation in the Group, sustainability, implementation of the new law for equal participation of women and men in management positions, corporate governance, including amendment of the Rules of the Procedure for the Administrative Board with respect to the maximum term of office of the members of the Administrative Board and amendment of the Rules of Procedure for the Managing Directors with respect to the age regulation.

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

Conflicts of interest

The members of the Administrative Board are required to disclose any conflicts of interest immediately. In the past year, no such disclosures were made.

Committees

The Administrative Board has established five committees to perform its duties and receives regular reports on their work. The members of the committees are listed in the Notes to the Consolidated Financial Statements of the Annual Report.

Executive Committee

The Executive Committee organizes the Administrative Board meetings and makes decisions when instructed by the Administrative Board to do so on its behalf. This committee did not meet in 2015.

Personnel Committee

The Personnel Committee is responsible for entering into and making changes to Managing Directors' employment contracts and for establishing policies for Human

Resources and personnel development. It met once in 2015. Discussions focused on recommendations for setting bonus payments for the Managing Directors. The Administrative Board was given a respective recommendation for a resolution.

Audit Committee

The Audit Committee held four regular meetings in financial year 2015. In particular, the Audit Committee is responsible for accounting issues and monitoring the accounting process, the effectiveness of the internal control system, risk management and the risk management system, internal audits, compliance and the statutory audit of the financial statements, with particular regard to the required independence of the statutory auditors, issuing the audit mandate to the statutory auditors, defining the audit areas of focus, any additional services to be performed by the auditors and the fee agreement.

Sustainability Committee

The Committee is responsible for promoting corporate sustainability and an awareness of the need to act fairly, honestly, positively and creatively in every decision made and every action taken. One meeting was held in 2015. The discussions focused on new funding programs with the IFC (World Bank), supporting manufacturers' sustainability achievements, cooperation with the international organization SHIFT that analysis the implementation of the UN Guiding Principles for Business and Human Rights at PUMA and the integration of sustainability within the procurement team.

Nominating Committee

The Nominating Committee proposes suitable shareholder candidates to the Administrative Board for its voting recommendations to the Annual General Meeting. It held one meeting in the last financial year. The discussions focused on the elections to the Administrative Board after Mr. Michel Friocourt resigned from his position as member of the Administrative Board effective October 31, 2014. The Nominating Committee recommended that the Administrative Board proposes the election of Ms. Belén Essioux-Trujillo (Senior Vice-President Human Resources, Kering S.A., Paris, France) to the Administrative Board at the Annual General Meeting on May 6, 2015.

Corporate Governance

As in previous years, the Administrative Board addressed current developments in the German Corporate Governance Code (GCGC) in the financial year 2015. The GCGC contains essential statutory regulations and recommendations for the management and supervision of listed companies and standards for responsible corporate governance. The corporate governance standards have long been a part of the corporate routine. None of this is changed in the single-tier corporate governance system now in place at PUMA.

Pursuant to Paragraph 3.10 of the GCGC, the Administrative Board reports on corporate governance in the Corporate Governance Report. With very few exceptions, the Company satisfies the requirements of the GCGC and explains these system-related exceptions, as well as deviations from the GCGC resulting from PUMA's single-tier system, in the Statement of Compliance. The Statement of Compliance of November 9, 2015 is available to our shareholders at any time on the Company's website under http://about.puma.com/de/investor-relations/corporate-governance/declaration-of-compliance/.

Annual financial statements adopted

The annual financial statements for PUMA SE prepared by the Managing Directors in accordance with German Commercial Code (Handelsgesetzbuch/HGB) and the management report for the financial year 2015 as well as the consolidated financial statements and the consolidated management report for the financial year 2015 prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS) have been audited by the statutory auditors, Deloitte & Touche GmbH, Munich, who were appointed at the Annual General Meeting on May 6, 2015 and commissioned by the Administrative Board to audit the annual financial statements and the consolidated financial statements and have been given an unqualified auditor's opinion.

In their report, the statutory auditors conclude that PUMA's institutionalized risk management system, in accordance with Section 91(2) of the German Stock

Corporation Act (Aktiengesetz/AktG), is capable of detecting at an early stage and countering any developments that might jeopardize the continuity of the Company as a going concern. The Administrative Board has been updated by the Managing Directors regularly on all relevant risks in this regard, in particular their assessments of market and procurement risks, financial risks (including currency risks) and organizational risks.

The accounting records, the audit reports from the statutory auditors and the Managing Directors' recommendation on the appropriation of net profit were made available to all members of the Administrative Board in a timely manner. At the meeting of the Audit Committee on February 16, 2016 and at the subsequent Administrative Board meeting held on the same day, the statutory auditors reported on the key results of their audit and discussed them in detail with the Managing Directors and the members of the Administrative Board. No discrepancies were detected. Further, the Managing Directors explained to the Administrative Board the disclosures made in the management report, pursuant to Sections 289(4) and (5) and Section 315(4) of German Commercial Code (HGB).

The Administrative Board reviewed in detail the annual financial statements, the management report, the Managing Directors' recommendation on the appropriation of net profit and the consolidated financial statements as well as the Group management report and raised no objections. In accordance with the recommendation of the Audit Committee, the Administrative Board agreed with the results of the audit of both statements and approved the annual financial statements of PUMA SE and the consolidated financial statements for the 2015 financial year. The 2015 annual financial statements have thus been adopted.

The Administrative Board likewise agrees with the Managing Directors' proposal to distribute a dividend of € 0.50 per dividend entitled share to the shareholders for financial year 2015. The dividend will be funded from cash and cash equivalents, which will not jeopardize the Company's liquidity. A total amount of € 7.5 million will be paid out in dividends from PUMA SE's net income. The remaining net income of € 126.8 million will be carried forward.

Report on relationships with affiliated companies

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

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

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

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

Personnel changes in the Administrative Board

There was one change in personnel on the part of the shareholder representatives. The Administrative Board elected Ms. Belén Essioux-Trujillo (Senior Vice-President Human Resources, Kering S.A., Paris, France) as shareholder representative at the Annual General Meeting on May 6, 2015. Her term of office ends with the close of the Annual General Meeting that adopts the resolutions approving the actions of the Board for the financial year 2016.

Thanks

We would like to express our gratitude and recognition to the Managing Directors, the management teams at the Group companies, the Works Council and all our employees for their hard work and their outstanding cooperation.

Herzogenaurach, February 16, 2016

On behalf of the Administrative Board

Jean-François Palus

Chairman