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PUMA ANNUAL REPORT 2001

Sales and Earnings Postion

	2001 € Mio.	2000 € Mio.	Deviation
Brand Sales	**1,011.7**	831.1	21.7%
Consolidated Net Sales	**598.1**	462.4	29.3%
Gross profit	**250.6**	176.4	42.1%
- in %	**41.9%**	38.2%	+3.7%
E B I T	**59.0**	22.8	158.7%
- in %	**9.9%**	4.9%	+5.0%
EBT	**57.4**	21.2	170.5%
- in %	**9.6%**	4.6%	+5.0%
Net earnings	**39.7**	17.6	126.0%
- in %	**6.6%**	3.8%	+2.8%
Shareholders' equity	**176.7**	131,3	34.6%
- Equity ratio in %	**44.7%**	42.1%	+2.6%
Working capital	**110.3**	78.8	39.9%
- in % of sales	**18.4%**	17.0%	+1.4%
Cash flow	**69.7**	33.9	105.5%
Earnings per share (in €)	**2.58**	1.14	126.0%
Cash flow per share (in €)	**4.53**	2.20	105.5%
Equity per share (in €)	**11.48**	8.53	34.6%
Stock exchange rate at year-end (in €)	**34.05**	12.70	168.1%
Stock market value	**525.3**	195.5	168.1%
Number of shares (in million)	**15.392**	15.390	- - -

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Mission

Brand
"to be one of the most desirable sports brands in the world"

Corporate
"to be the first truly virtual sports company"

Kien Lieu

Travis Pastrana

Dear Fellow Shareholders,

PUMA realized outstanding performance in 2001. In a year marked by global economic turbulence, the consistency of our ability to deliver strong results is ever more noteworthy. We managed to exceed our sales and profit goals, which once again makes us one of the fastest growing brands in the industry.

There are several reasons why the company exudes such excellent health. They all stem from the heart of what makes PUMA roar. Four years ago, we initiated a strategy to be the brand that mixes it up by fusing the creative influences from the worlds of sport, lifestyle, and fashion; and we stuck to it. As a result, we cleared the way to achieve our mission, to be one of the most desirable sports brand in the world, and everything else fell into place.

We made it our priority to establish a unified global brand presence that recognizes a world without boundaries of time, geography, or culture. This extended across all our communication efforts. We also evolved our product mix even further to meet the changing needs of a consumer audience, whom we consider part of our family. Gearing the way we do business to a more consumer oriented approach, we are now expanding our thought processes from a traditional wholesaler to a retailer mentality. This shift will help us to become more agile and competitive in a rapidly changing environment.

Since everything today is speed, we continually work to strengthen the corporate infrastructure that supports our brand strategy. A lean, flexible, virtualized organization enables quick response to changes, and we are constant in pursuit of managing our growing size and facilitating fast, efficient decision-making processes within the company. We have created a tremendous opportunity for PUMA to be well equipped, focused, and geographically empowered to go after our markets more fiercely and effectively.

We are therefore poised to deliver solid progress again in 2002. The strong support from our shareholders has allowed us to make strategic investments that are already paying off through excellent stock growth in 2001. As the future brings with it many new challenges, we are always committed to thinking ahead and beyond today's successes to ensure we keep the brand fresh, relevant, and exciting. Our focus will be on speed to market – springing surprises faster and better for our consumers. This is the key to enduring success, as it will build infinite value for PUMA fans around the globe.

We remain grateful for the unwavering support of our loyal consumers, dedicated employees, and of course you, our committed shareholders.

Best regards,

Jochen Zeitz

Management Report – Report of the Board of Management

2001-An Exceptional Year for PUMA

2001 was an exceptional year for PUMA, with sales increasing by more than 20% for the third consecutive year. The results achieved are an impressive confirmation of the success of PUMA's brand and corporate strategies. Phase II of PUMA's corporate development investment plan, initiated in 1998, will therefore pay off sooner than expected. The 2002 sales target of DM 1 billion (€ 511 million) was already exceeded in 2001, one year earlier than anticipated. The company's consolidated sales grew by 29.3% and pre-tax profit reached record levels in PUMA history. At € 2.58, earnings per share more than doubled over the previous year. Worldwide brand sales, including sales generated by licensees, broke the billion Euro threshold for the first time. In 2001, the PUMA share topped the DAX performance ranking list of all DAX 100 companies and achieved a value enhancement of more than 168%.

Enock Koech

General Overview

Worldwide weakness in ecconomic activity

In the course of 2001, global economic growth slowed considerably. Realizing more than 4% growth in 2000, the year 2001 saw only marginal progress. This turn of events was largely a consequence of the continued weak economy in the US, which deteriorated further after the dramatic events of September 11. Japan experienced another recession and continued structural problems are still curbing possible attempts at a new upturn. The EU member states were also affected by the worldwide economic weakness. Overall, most countries in Asia, Latin America and Eastern Europe were affected by the slowdown in the market.

As a consequence of the cyclical downturn, many companies throughout the world were unable to achieve their expected sales and income targets, and this in turn lead to massive profit warnings in many industries. The weak global economy also made itself felt on international finance and capital markets, which responded with a marked decline in share prices.

The significant worsening of the market and industrial environment led to a decline in the demand for consumer goods, as well as sustained weakness regarding investment developments in the largest sporting goods industry market, the US. The shock that followed the terrorist attack on September 11 had additional adverse effects, which also had an impact on the European and Japanese economies.

General Overview of the sporting goods industry

The sporting goods industry is still undergoing a period of far-reaching change that brings many new challenges and trends, driven by ever faster technological progress. Although the first six months of the year appeared to show an improved market and industrial environment, the second half of the year saw a worldwide decline. While sales of high-value sporting goods decreased slightly in comparison with the previous year, moderate growth was recorded in the lifestyle segment.

On a regional level, the sporting goods industry saw minor improvements in the European and Asian markets. By contrast, sales in the footwear, apparel and accessories segments in the US declined.

Despite the continuing difficult market environment, PUMA succeeded in countering worldwide economic sluggishness. The company continued to strengthen its image in its core markets through focused implementation of its brand and corporate strategies. PUMA is clearly poised to overcome the challenges to achieve its aim of becoming one of the world's most desirable sports brands.

Against this background, PUMA has further improved its competitive position, achieving absolute record results in terms of sales and income during the financial year under review.

Sales and Earnings Position

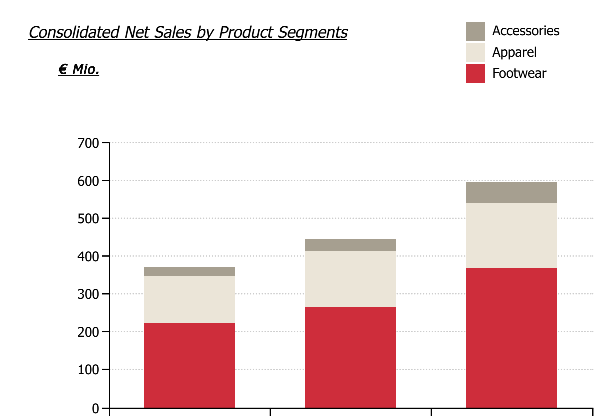
Increase in consolidated sales by almost 30%

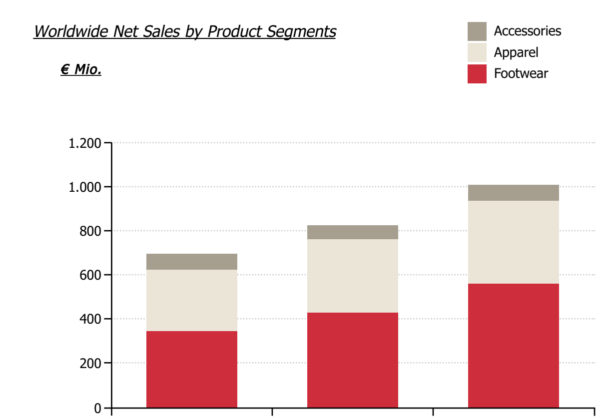
Consolidated sales increased significantly for the third consecutive year. PUMA achieved a record result and continued to maintain its position as one of the fastest growing companies in the sporting goods industry. Sales increased by 29.3% from € 462.4 million to € 598.1 million. The impact of currency fluctuations was minor. In effect, the 2002 sales target was clearly exceeded one year earlier than expected. The first-time consolidation of the Tretorn Group contributed approximately 5% to overall growth. Footwear sales increased by +41.8% to € 384.1 million, apparel by +3.6% to € 169.5 million and accessories by +59.1% to € 44.5 million. The most important markets, Western Europe and the Americas in particular, saw extraordinary growth with a 39.9% increase in Western Europe and 19.5% in the USA. Taken together, these regions accounted for 86.3% of consolidated sales.

Worldwide brand sales over € 1 billion for the first time

Worldwide PUMA brand sales, including sales from licenses rose significantly by 21.7% from € 831.1 million to € 1,011.7 million. The company clearly exceeded the one billion Euro level for the first time in its history in 2001. Footwear contributed +34.5%, apparel 5.5% and accessories +31.6% to worldwide sales.

The footwear segment accounted for 55.4% (50.2%), apparel for 37.6% (43.4%) and accessories for 6.9% (6.4%) of worldwide brand sales. Subdivided by regions, worldwide sales were as follows: Western Europe 43.0% (40.9%), Eastern Europe 2.7% (2.8%), Americas 16.8% (18.3%), Asia/Pacific Rim 36.0% (36,3%) and Africa/Middle East 1.5% (1,7%).





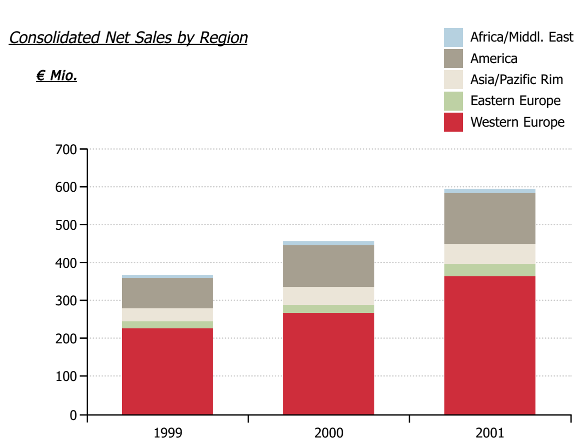
Brand Sales	Jan. 1, - Dec. 31 2001						+/- in %		
	Worldwide		Licensee		**PUMA Group**		World-	Licen-	PUMA
	Mio. €	%	Mio. €	%	**Mio. €**	%	wide	see	Group
- by regions									
Western Europe	435.4	43.0%	61.4	14.8%	**374.0**	62.5%	28.1%	-15.2%	39.9%
Eastern Europe	27.5	2.7%	1.8	0.4%	**25.7**	4.3%	19.0%	3.1%	20.3%
America	169.5	16.8%	27.3	6.6%	**142.2**	23.8%	11.6%	-17.0%	19.5%
Asia/Pacific Rim	364.5	36.0%	319.2	77.2%	**45.3**	7.6%	20.7%	24.1%	1.3%
Africa/Near East	14.8	1.5%	4.0	1.0%	**10.9**	1.8%	3.5%	-10.0%	9.4%
Total	**1,011.7**	100.0%	**413.6**	100.0%	**598.1**	100.0%	21.7%	12.2%	**29.3%**
- by segments									
Footwear	560.8	55.4%	176.8	42.7%	**384.1**	64.2%	34.5%	20.9%	41.8%
Apparel	380.6	37.6%	211.1	51.0%	**169.5**	28.3%	5.5%	7.1%	3.6%
Accessories	70.3	6.9%	25.8	6.2%	**44.5**	7.4%	31.6%	1.4%	59.1%
Total	**1,011.7**	100.0%	**413.6**	100.0%	**598.1**	100.0%	21.7%	12.2%	**29.3%**

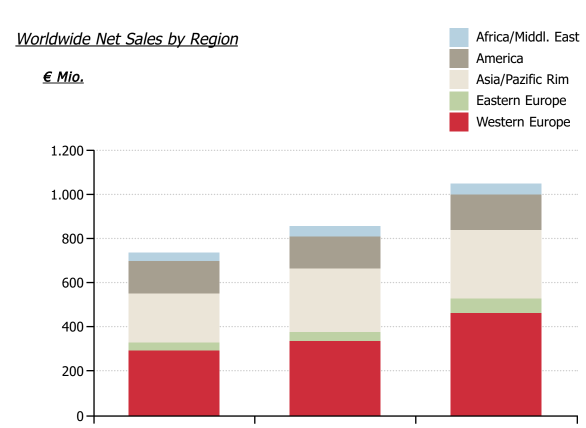
Strong growth of over 40% in footwear

Footwear saw particularly strong growth. Consolidated sales increased by 41.8%, from € 270.9 million to € 384.1 million. The footwear segment thus accounted for 64.2% (58.6%) of consolidated sales and confirms the strength of this segment in the sporting goods industry. In addition to team sport, sport lifestyle products contributed decisively to PUMA's growth.

Increase in apparel

Following the strong apparel growth in recent years, sales in this segment show only a marginal improvement of 3.6% from € 163.5 million to € 169.5 million in 2001, representing 28.3% (35.4%) of consolidated sales. While sales during the first six months of the year were still 4.8% below the previous year's level, an increase of 11.3% was reached in the second half of the year.





Strong growth in accessories

Excellent successes were again recorded for accessories. Sales increased significantly by 59.1% from € 28.0 million to € 44.5 million. The success of the collections was primarily driven by sport and sport lifestyle bags, balls and other sporting equipment. As of mid-2001, this segment also contained tennis balls. As a whole, accessories increased to 7.4% (6.1%) of consolidated sales.

Strongest growth in Western Europe and the Americas

Consolidated sales in **Western Europe** saw an exceptional improvement during the past year. Sales rose by 39.9% from € 267.4 million to € 374.0 million. The first-time consolidation of Tretorn contributed approximately 9% to the growth figure in this region. All product categories improved significantly. Footwear increased +53,1%, apparel +11.6%, and accessories +72.9%. Most markets realized double-digit growth.

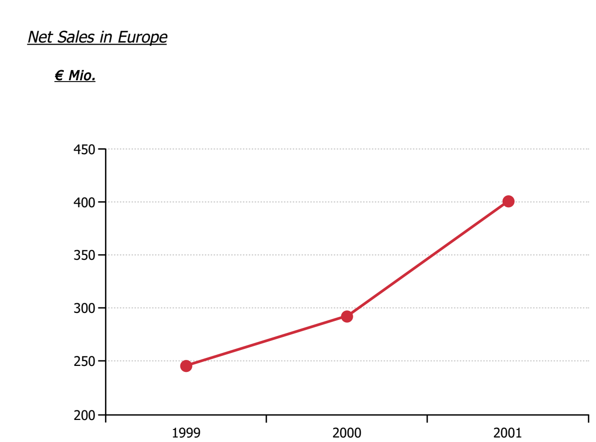
In the **Eastern European** region sales increased 20.3% from € 21.4 million to € 25.7 million.

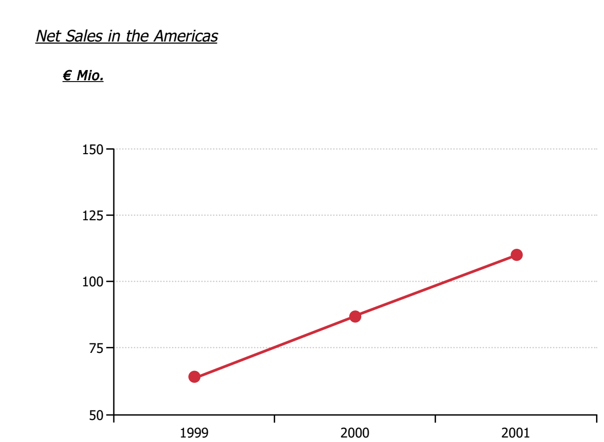
Consolidated sales in the **Americas** improved by 19.5% from € 119.0 million to € 142.2 million. Despite general market trends, the success achieved in this region was due exclusively to sales in the US, the world's largest sporting goods market. The 100 million dollar threshold was exceeded in the US for the first time with sales more than quadrupling during the past four years. In 2001, sales improved 28.1% or, currency-adjusted, 24.2%. The original target of 10% growth was therefore far exceeded. In the US, PUMA achieved a sales increase of 42.8% for footwear and 79.9% for accessories. Apparel sales were 13% below the level last year. In Latin America, sales remained at € 17.3 million, which was at the previous year's level.

In the **Asia/Pacific Rim** region sales amounted to € 45.3 million and exceeded the previous year's level by 1.3%. Adjusted for currency influences, sales grew by 9.4%. Australia, New Zealand and the Pacific Islands, which are serviced by subsidiaries, mainly contributed to the sales generated in this region. Footwear increased by 11.8%, accessories by 7.2%, while apparel sales declined by 8.8%.

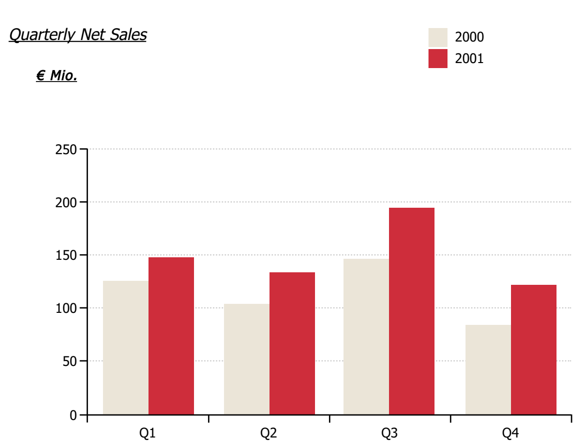
The other Asian markets such as Japan, Korea and South-East Asia are strictly license markets for PUMA. License sales in this region grew markedly by 24.1% to € 319.2 million.

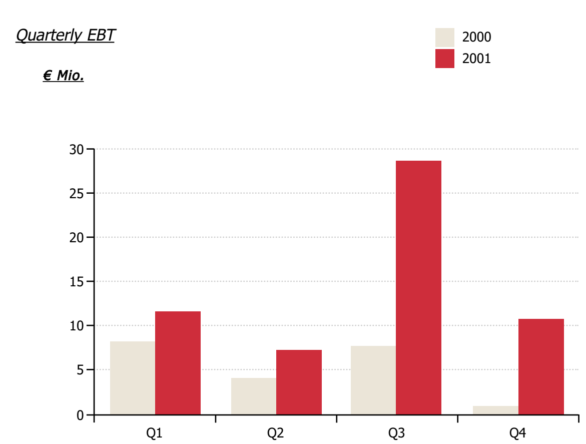
Consolidated sales in the **Africa/Middle East** region improved by 9.4% to € 10.9 million compared to € 9.9 million in the previous year.





PUMA Group Management Income Statement	2001		2000		+/- %
	Mio. €	**%**	**Mio. €**	**%**	
Consolidated Sales	**598.1**	100.0%	**462.4**	100.0%	**29.3%**
Cost of material	**347.5**	58.1%	**286.0**	61.8%	**21.5%**
Gross profit	**250.6**	41.9%	**176.4**	38.2%	**42.1%**
License and commission income	**37.2**	6.2%	**28.9**	6.3%	**28.8%**
Selling, administration and general expenses					
Marketing/Retail expenses	**-86.9**	-14.5%	**-67.0**	-14.5%	**29.7%**
Cost of product development	**-19.9**	-3.3%	**-18.2**	-3.9%	**9.4%**
Other expenses	**-113.6**	-19.0%	**-90.6**	-19.6%	**25.5%**
Total	**-220.5**	-36.9%	**-175.7**	-38.0%	**25.4%**
EBITDA	**67.4**	11.3%	**29.6**	6.4%	**127.7%**
Depreciation	**-8.4**	-1.4%	**-6.8**	-1.5%	**23.4%**
EBIT	**59.0**	9.9%	**22.8**	4.9%	**158.7%**
Financial result	**-1.6**	-0.3%	**-1.6**	-0.3%	**0.9%**
EBT	**57.4**	9.6%	**21.2**	4.6%	**170.5%**
Total tax expense	**-17.3**	-2.9%	**-6.7**	-1.4%	**159.4%**
Tax rate		30.1%		31.2%	
Minority interests	**-0.5**	-0.1%	- - -	- - -	
Net earnings before e.o. items	**39.7**	6.6%	**14.6**	3.1%	**172.6%**
Extraordinary items	- - -	- - -	4.3	0.9%	
Taxes on e.o. items	- - -	- - -	-1.3	-0.3%	
Extraordinary items, net	- - -	- - -	**3.0**	0.6%	
Net earnings	**39.7**	6.6%	**17.6**	3.8%	**126.0%**
Numbers of shares, basics in million	15.392		15.390		
Earnings per share before extraordinary items in €	2.58		0.95		**172.5%**
Earnings per share in €	**2.58**		**1.14**		**126.0%**





Gross profit margin reaches record level of 41.9%

The gross profit margin achieved an absolute record level in 2001. Compared to the previous year, the margin improved significantly by 370 basis points from 38.2% to 41.9%. The footwear margin increased from 38.9% to 42.2%, apparel from 36.7% to 41.2% and accessories from 39.5% to 41.7%. Several factors led to the favorable margin increase. More specifically, the strategic expansion of the retail business, a larger proportion of sales in the higher price segment, and a shift in the product mix. On a regional basis, the Americas recorded the most significant increase with approximately nine percentage points, an improvement in the margin from 32.2% to 41.6%. Western Europe improved from 42.4% to 43.9% and Eastern Europe from 19.6% to 33.4%. In the Asia/Pacific Rim region, the margin declined from 40.3% to 35.0% due to another devaluation of the Australian Dollar against the US Dollar. Africa/Middle East was slightly below the previous year's level at 24.5%.

Increase in royalty and commission income

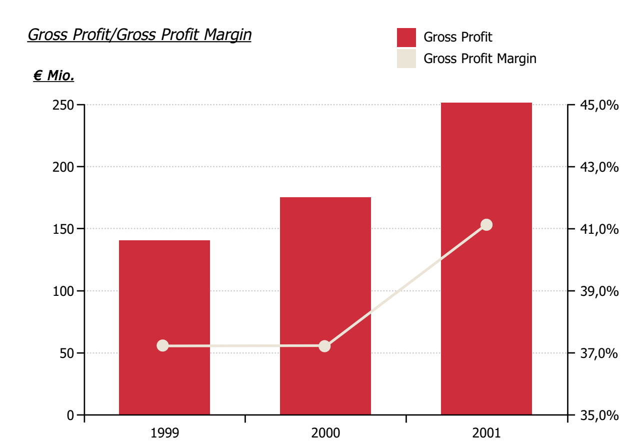
Income from royalty and commission saw a further 28.8% increase from € 28.9 million to € 37.2 million. This improvement was largely due to excellent sales developments in Asia.

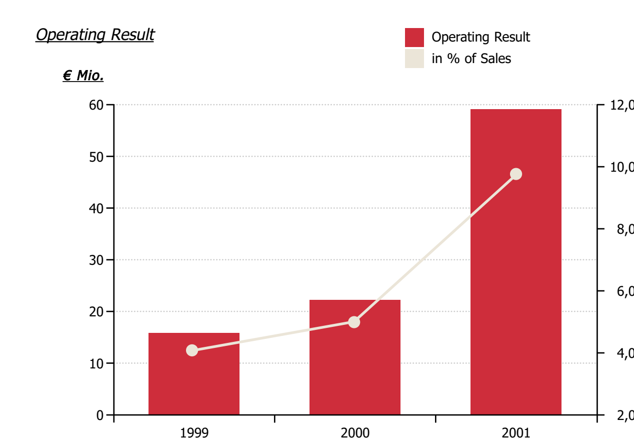
Marked reduction in expenses as a percentage of sales

Selling, general and administration expenses were reduced significantly by 110 basis points from 38.0% to 36.9% of sales, despite continued strong investments in marketing and retail, as well as product development and design. As in the previous year, 14.5% of sales were spent on marketing and retail; this represents an increase of € 19.8 million or 29.6%. Expenses for product development and design rose by 9.4% from € 18.2 million to € 19.9 million. Measured as a percentage of sales, expenses declined from 3.9% to 3.3%. Other selling, general and administration expenses were reduced from 19.6% to 19.0% of sales.

EBIT increases by more than 150%

Owing to the significantly improved gross profit margin and a percentage decline in selling, general and administration expenses, the operating result (EBIT) increased by 158.7% from € 22.8 million to € 59.0 million. The EBIT margin improved considerably from 4.9% to 9.9% of sales.





EBT far exceed expectations

Earnings before taxes (EBT) and before extraordinary items, increased by 170.5% from € 21.2 million to € 57.4 million in 2001. Initial expectations that had been adjusted upwards several times during the year were far exceeded. In 2001, gross return on sales was 9.6% compared to 4.6% in 2000. Including extraordinary items of the previous year, earnings before taxes increased by 124.9% from € 25.5 million to € 57.4 million.

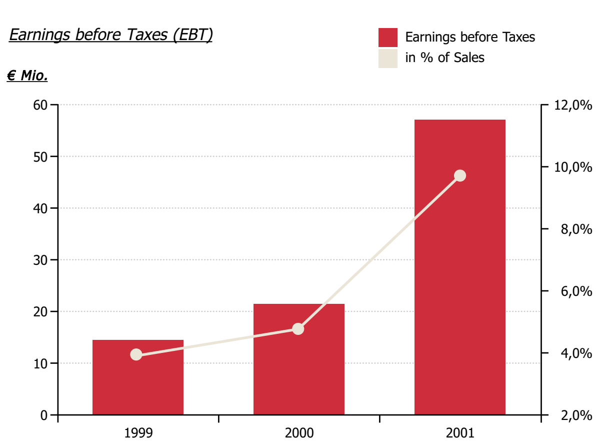
The fourth quarter in particular saw an above average improvement with sales rising 46.8%. At the same time, a high gross profit margin was secured despite a traditionally weak fourth quarter. The growth of directly operated retail stores was a contributing factor to this favorable development. The fourth quarter ended with earnings before taxes of € 10.4 million and has therefore substantially exceeded expectations.

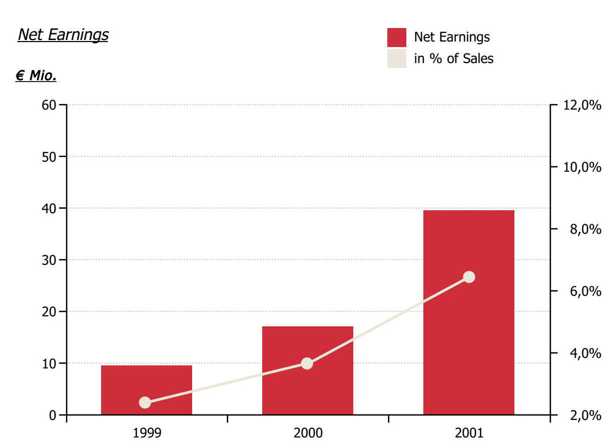
Tax rate at 30.1%

Tax expenses increased from € 7.9 million to € 17.3 million. The tax rate was 30.1% and thus better than expected. The improvement was due to the fact that above-average profit increases were realized, in particular in countries with lower tax rates. Furthermore, the positive results led to a new assessment of the valuation for the tax losses carried forward concerning two subsidiaries.

Earnings per share more than doubled

Consolidated net earnings rose from € 17.6 million to € 39.7 million, a net yield of 6.6% of sales compared to 3.8% in the previous year. With an increase from € 1.14 to € 2.58, earnings per share more than doubled, representing an increase of 126.0%. Adjusted for extraordinary items included in the previous year, earnings per share improved by as much as 172.5%.





Net Assets and Financial Position

Equity ratio improves despite higher balance sheet total

The balance sheet total increased by 26.9% from € 311.5 million to € 395.4 million as of December 31, 2001. Without the extension of the consolidated group, the balance sheet total would have grown by 15.7%. A large part of the increase can be attributed to the rise in inventories and receivables, which are both a normal function of rapid expansion. Equity improved by 34.6% from € 131.3 million to € 176.7 million. Despite the higher balance sheet total, the equity ratio improved from 42.1% to 44.7.

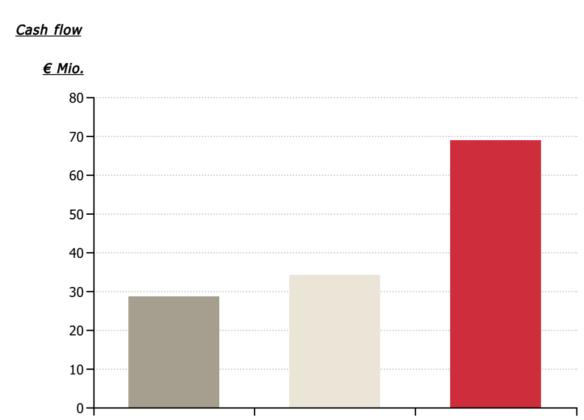
Inventories increased by 52.1%, from € 95.0 million to € 144.5 million. This increase was necessary in order to service the solid order position at the end of the year, and in particular deliveries scheduled for January 2002.

Trade receivables and other receivables rose by 10.6% from € 108.7 million to € 120.2 million. Trade receivables grew by 30.4%, a level significantly below the sales increase in the fourth calendar quarter (46.8%).

Working capital at 18.4% of sales

Determined on the basis of net current assets, working capital is 18.4% of sales, or € 110.3 million, versus 17.0% or € 78.8 million in the previous year. The working capital ratio is well below the industry average. The increase in absolute terms compared to last year is largely a result of the first-time consolidation. Working capital is determined on the basis of inventory plus short-term receivables, net of short-term non-interest bearing liabilities and accruals.

PUMA Group Consolidated Balance Sheet Structure	2001		2000		+/- %
	Mio. €	%	Mio. €	%	
Cash and cash equivalents	35.3	8.9%	42.9	13.8%	-17.6%
Inventories	144.5	36.5%	95.0	30.5%	52.1%
Accounts receivables	120.2	30.4%	108.7	34.9%	10.6%
Other short-term assets	6.6	1.7%	0.9	0.3%	622.3%
Total current assets	**306.7**	77.6%	**247.5**	79.5%	23.9%
Deferred income taxes	**17.0**	4.3%	**28.8**	9.2%	-40.8%
Long-term assets	**71.7**	18.1%	**35.2**	11.3%	103.8%
Total assets	**395.4**	100.0%	**311.5**	100.0%	26.9%
Bank borrowings	43.1	10.9%	38.1	12.2%	13.2%
Other liabilities	116.6	29.5%	87.0	27.9%	34.1%
Total current liabilities	**159.7**	40.4%	**125.0**	40.1%	27.8%
Pension accruals	17.4	4.4%	13.4	4.3%	29.9%
Other accruals	39.6	10.0%	39.9	12.8%	-0.8%
Accruals	**57.0**	14.4%	**53.3**	17.1%	6.9%
Long-term interest bearing borrowings and minorities	**1.9**	0.5%	**1.9**	0.6%	2.6%
Shareholders' equity	**176.7**	44.7%	**131.3**	42.1%	34.6%
Total liabilities and shareholders' equity	**395.4**	100.0%	**311.5**	100.0%	26.9%
Working Capital	**110.3**		**78.8**		39.9%
- in % of sales	**18.4%**		**17.0%**		



Distinct rise in cash flow

At € 69.8 million, cash flow exceeded the previous year's level by 105.5%. The main factor contributing to this development is the extraordinary rise in profits. Also, cash provided by operating activities improved from € 16.3 million to € 43.7 million, despite the required working capital build-up.

PUMA Group Cash Flow	2001	2000	+/- %
	Mio. €	Mio. €	
Earnings before taxes on income	57.4	25.5	124.9%
Non cash effected expenses and income	12.2	8.4	46.4%
Cash Flow	**69.7**	**33.9**	**105.5%**
Change in Working Capital	-25.7	-4.3	501.7%
Interests, taxes and other payments	-0.2	-13.4	-98.5%
Net cash from operating activities	**43.7**	**16.3**	
Net cash used in investing activities	**-40.8**	**-7.1**	471.6%
Net cash from operating activities	**-11.0**	**-2.1**	417.5%
Effect on exchange rates on cash	0.4	0.4	22.5%
Increase in cash and cash equivalents	-7.6	7.4	-202.5%
Cash and cash equivalents at beginning of financial year	42.9	35.5	20.8%
Cash and cash equivalents at year-end	**35.3**	**42.9**	-17.6%

Strong increase in investments

Cash used for investing activities totaled € 40.8 million. Investments in property, plant and equipment as well as intangible assets rose from € 9.4 million to € 24.8 million in a year-to-year comparison. A significant amount (€ 16.3 million) can be attributed to investments associated with the strategic extension of the directly operated PUMA retail business. During the financial year, concept stores were opened in locations such as, San Francisco, Paris, Tokyo, New York, and Rome as well as in a high-end shopping mall in the Los Angeles area. In addition to the investments in retail, € 8.5 million (€ 9.4 million) was spent on current operating activities, and € 19.5 million was spent on the take-over of the Scandinavian market through the Tretorn-Group acquisition.

Cash used for financing activities totaled € 11.0 million. In addition to dividend payments of € 1.6 million for 2000, € 10.0 million were used for repaying bank liabilities and other long-term obligations.

Liquid funds declined by € 7.6 million from € 42.9 million to € 35.3 million. Financial liabilities amounted to € 43.1 million (€ 38.1 million). Net liquidity thus declined by € 12.6 million as a result of the increase in investments.

Outlook

Order backlog again at record level: +55%

The order backlog increased from € 232.1 million to € 360.1 million, 55.2% more than the previous year. In effect, orders achieved record levels for the sixth consecutive year. There are no effects from currency fluctuations to be noted.

The order backlog for footwear rose significantly by 63.5% to € 264.6 million, apparel saw a 28.2% rise to € 77.9 million, while accessories climbed 86.0% to € 17.7 million. On a regional basis, the order backlog situation is as follows: Western Europe +71.8%, Eastern Europe +18.4%, Americas +37.5%, Asia/Pacific +11.0%, Africa/Middle East +33.4%.

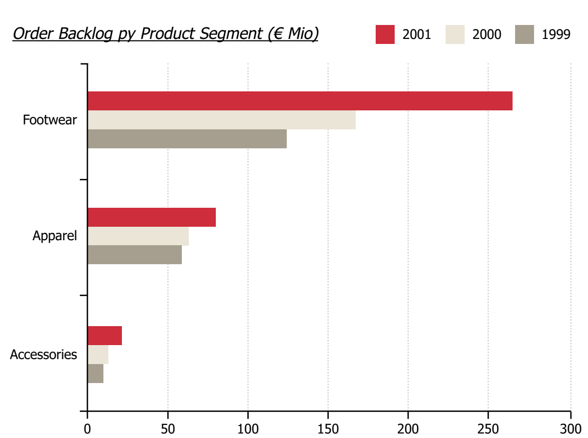
Significant increase in sales and earnings expected for the 4th consecutive year

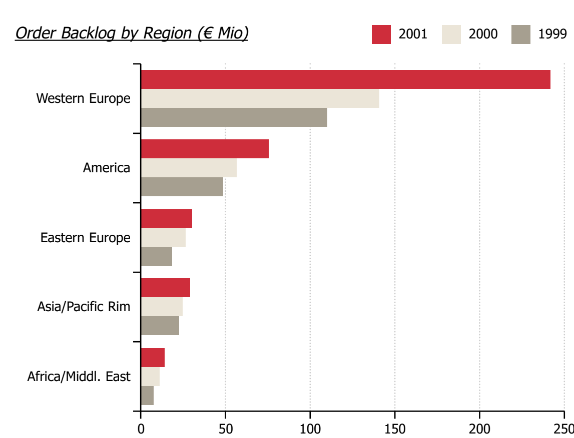
Given an excellent order position, PUMA may once again expect significant sales and earnings growth for 2002. From the current viewpoint, management anticipates a sales increase of at least 20%. This would translate into a growth rate of over 20% for the fourth consecutive year.

The gross profit margin may also maintain the high level achieved in 2001. Selling, general and administration expenses are expected to develop at a lower rate than sales growth, whereby investments in marketing/retail and product development will continue at a level above the industry average.

The high expectations for a favorable sales growth, as well as a margin equal to that of the previous year, in conjunction with a further reduction of the cost ratio may lead to a double-digit improvement in pre-tax results. The tax rate for fiscal year 2002 is expected to range between 32% and 35%.

Management has an optimistic outlook for 2002, and anticipates another positive year for PUMA, in which new record levels in sales and earnings will be reached. In effect, PUMA is poised to gain further market share, and improve its market position as a successful sports lifestyle brand.





Risk Management and Existing Risks

In order to operate successfully in the market, PUMA continually monitors the business risks associated with its endeavors. PUMA operates in an environment that varies depending on the business sector and economic region. Cross-group reporting and control systems are a means to identify, evaluate, and actively control risks. It is PUMA's aim to limit risks in order to better capitalize on opportunities.

PUMA has established a methodical and systematic management reporting process, which ensures that the Company Boards receive regular updates on developments and changes in existing and new risk fields. Risks are identified and recorded in a risk portfolio by global functions, and assessed according to their potential damage and the probability of risk occurrence. The guidelines defined in the risk manual, combined with corporate instruction, form the basis for an efficient internal monitoring system.

PUMA's risk management instruments include comprehensive planning tools such as the strategic "OSAM Planner" (OSAM = Objectives, Strategies, Actions, Measurements), hedging instruments to safeguard against exchange rate fluctuations, insurance policies, controlling instruments, and an extensive monthly financial reporting mechanism. PUMA has established a reporting system that permits timely comparison of business developments with those of the previous year, and with the planning values defined for the current year on a prorata temporis basis. Risk monitoring instruments also include regular reporting to the Board of Management that, in turn, informs the Supervisory Board on the current status and changes in risks.

The RMC committee (Risk-Management-Committee) founded with the purpose to control and monitor the risks facing the company, convened three times during the financial year and assessed the development of identified risks. The Board of Management was provided with a report on the respective current risk status. The Board issued its own statements regarding individual report contents to the RMC. In so doing, there was an active exchange of information between the Board and the RMC during the year under review. The RMC cooperates closely with the operative areas responsible for the permanent monitoring of all risk fields. Although adjustments have been made in individual risk fields, this did not lead to any significant change in the assessment of risks.

As in the previous year, significant business risks for the PUMA Group relate to the following areas:

Market risks:
Changes in market and fashion trends may influence sales development.

In recent years, PUMA has positioned itself as the alternative sports brand that successfully fuses the creative influences from the worlds of sport, lifestyle, and fashion. Today, in addition to traditional sports performance products, our products encompass a broad range of sport lifestyle models. These design-oriented sports products are particularly aimed at a young core consumer group. In comparison to the traditional sports segments, the increasing lifestyle orientation is more vulnerable to fashion trends and cyclical fluctuations. It also leads to opportunities that permit PUMA to present itself as the alternative sports lifestyle brand. PUMA's flexible corporate structure permits a swift response to any changes in trends. In addition, heavy investments in product development are aimed at integrating new market trends in the development and design of new products at an early stage.

PUMA's presence in the largest sporting good market in the world, the US, also involves risks due to high volatility and a difficult industry environment. On the other hand, given its importance in the industry and the high standard it sets for the brand globally, the US provides great opportunities to increase PUMA's competitiveness and achieve its goal of becoming one of the world's most desirable sports brands.

Together with positioning itself as the alternative sports brand, PUMA made a strategic decision to open directly operated retail stores. The objective is to increase PUMA's presence and availability on the market. In addition, this approach is a means to help consumers gain exposure to PUMA's entire product range. In all, PUMA plans to open a total of fifteen concept stores in the major capital cities of the world. This approach brings with it long-term rental commitments and investments, which may adversely effect results in the event of a decline in sales, given a high proportion of fixed costs.

PUMA copes with these market risks through careful planning, maximizing its internationally oriented corporate structure, seamless implementation of marketing strategies, a global product range, and efficient cost management.

Sourcing risks:
Cyclical, political or legal changes in general conditions

PUMA co-operates with a large number of suppliers, particularly in Asia and Eastern Europe. Diversifying capacity needs prevents a dependency on individual contracting parties and ensures readiness to deliver products. At approximately 60%, China is the biggest procurement market for footwear. There is a potential sourcing risk in the event of spontaneously levied import restrictions that would, however, apply to almost all sporting shoe manufacturers. By diversifying existing capacities to several procurement markets, the Company expects to be able to respond quickly to any changes that may occur. The Afghanistan conflict was an example of how quickly PUMA was able to respond to the situation without material effect on the business through its flexible structure. There are no noticeable procurement risks, although in recent years, PUMA has purchased extensive products in the accessories segment from Pakistan, a neighboring country of the Afghanistan conflict.

Procurement risks also arise concerning the compliance of social standards by contract suppliers, and the use of dangerous or illegal health-endangering substances related to the product-manufacturing environment. PUMA is among the forerunners in the industry that upholds strict international environmental and social standards. To ensure that these standards are upheld, the Company enforces product controls at regular intervals and continuously monitors its contract suppliers. PUMA also set up a formal internal control management function to ensure that its standards are met. Potential damage to PUMA's image or significant impairment of operational results are therefore avoided to a great extent.

Management Report – Report of the Board of Management

Financial risks:
Exchange rate fluctuations, changes in the course of business and planning deviations.

PUMA is exposed to currency risks within the scope of its global business operations. This risk is countered by an internal foreign exchange policy in conjunction with hedging transactions. Both primary and derivative financial instruments are used to this end. These instruments are explained in more detail in the notes to the consolidated financial statements.

Within the scope of monthly reporting and regular management meetings, further risks involved in operating activities and the course of business are closely monitored in order to permit an early response in the event that problems occur.

Organizational risks:
Managing strong growth through global corporate planning, via decentralized operating units, increases the dependence on highly efficient operating systems and processes. Continuously improving the Company's merchandise and logistical systems are a particular focus. By the same token, PUMA continuously refines and prepares its business to excel through corporate growth, as part of its comprehensive strategic planning unit. The optimization of key processes is supported by IT systems that are regularly reviewed and upgraded. Such technological advances foster productivity and offer new market potential for the company in the short and long-term.

Through its risk management system, PUMA complies with the legal requirements imposed by law on transparency and control in companies (KonTraG). PUMA is further able to recognize any developments that may potentially endanger the health of the Company at an early stage and take swift, appropriate measures to counteract these risks.

Herzogenaurach, February 8, 2002

The Board of Management

Zeitz Gänsler Heyd

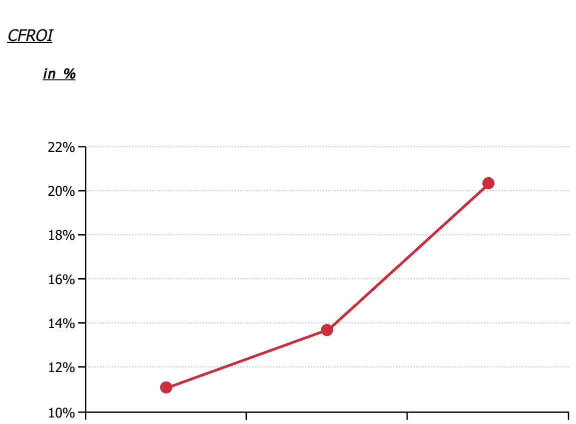
Value Management Concept

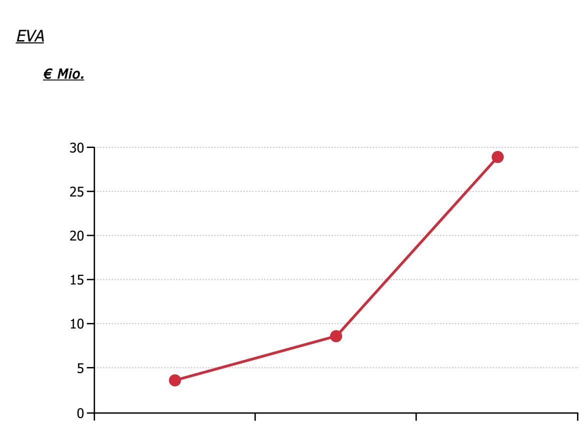
The increase in corporate value in the interests of the PUMA shareholders is part of our strategy. With our value management concept we deliberately pursue an approach that ensures long-term corporate success. Added value is created when the capital yield is in excess of capital costs. The measure for all activities are capital costs. Only if investment projects and activities exceed these costs, value can be created. We aim at increasing the absolute value contribution on a sustained basis.

In the reporting year, PUMA was able to disclose high growth and a marked increase in profitability. This has lead to a sustained improvement in corporate value.

PUMA uses the Cash Flow-Return-on Investment CFROI indicator and Economic Value Added, EVA in order to measure corporate value. Regular review of CFROI and EVA create the basis for added value for the company. These indicators also serve as the foundation for medium term corporate planning that is adopted once a year for the following five years on a rolling basis.

In the year under review, PUMA achieved a CFROI of 20%. Taking capital costs into account, PUMA thus succeeded in creating value, achieving an EVA to the amount of € 29 million. This clearly indicates that the heavy corporate development investments of Phase II (Brand Focus), initiated in 1998 are paying off. The value added is accordingly reflected in the development of share prices.





Dividend Tripled

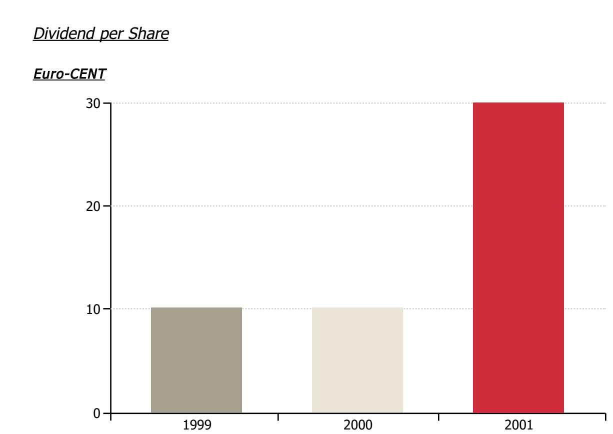
PUMA AG, as the parent company of the PUMA Group discloses a balance sheet profit of € 32.1 million (previous year: € 5.7 million) as at 31 December 2001.

Owing to the substantial increase in profits in the PUMA Group from € 17.6 million to € 39.7 million or 126%, the Company intends to raise its dividend markedly in comparison to previous years. Within the scope of corporate strategy oriented towards shareholder value, the Board of Management and the Supervisory Board propose to the Shareholders' Meeting that a dividend of € 0.30 per share be distributed. This is equivalent to a tripling of the dividend in comparison with the previous year. Given 14,428,500 shares, the dividend payout totals € 4.6 or approximately 12% of consolidated profits.

Proposal for the appropriation of the PUMA AG balance sheet profit:

		2001 Mio-€	**2000 Mio-€**
Outstanding shares	share	15,428,500	15,390,000
Dividend per share	€	0.30	0.10
Total distiribution	Mio-€	4.6	1.6
Carryforward of the remaining balance sheet profit of PUMA AG to the new accounting period	Mio-€	27.5	4.1
Balance sheet profit of PUMA AG		**32.1**	**5.7**

The Shareholders' Meeting shall take place on May 14, 2002 at 1 p.m. in Herzogenaurach.



Motivated and flexible employees are a successful company's most important asset.

Employees – our most important asset

Our employees make the most important contribution to our corporate success by communicating and acting across cultural borders. PUMA promotes a corporate culture where work is fun, where processes serve as a means to an end and traditional ways of thinking are combined with new, unconventional ones. PUMA concentrates its efforts on developing the company further by promoting common values that are in compliance with the brand personality. These common values may be summarized in four terms: Passion, Openness, Self-belief and Entrepreneurship.

It is our aim to recognize and promote the performance of each individual employee. To this end employees and their superiors discuss current performance and set targets for future performance within the framework of performance appraisals that are held once a year. Within the scope of internal seminars, executive staff is being prepared to professionally hold such talks.

Management incentives and bonus programs

In order to actively involve management in the creation of added corporate value, share options were issued to an extended group of employees. Traditional convertible bonds were replaced. Incentive programs are intended to help retain competent employees in the company and so to secure corporate success in the long-term.

In addition to the option programs, the PUMA Group concludes bonus agreements with its employees at all levels.

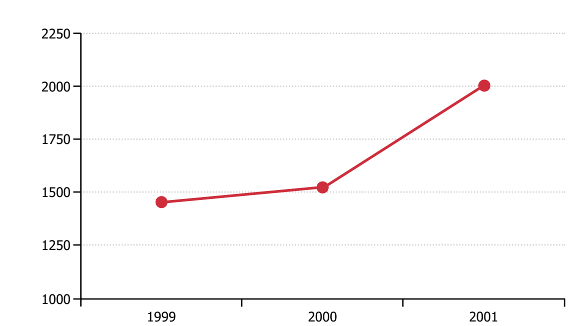
These payments are based on personal performance, the performance of the corporate unit concerned, or corporate success as a whole. Through this, PUMA has installed a variable performance-oriented compensation system in addition to fixed salary.

Increase in the number of employees

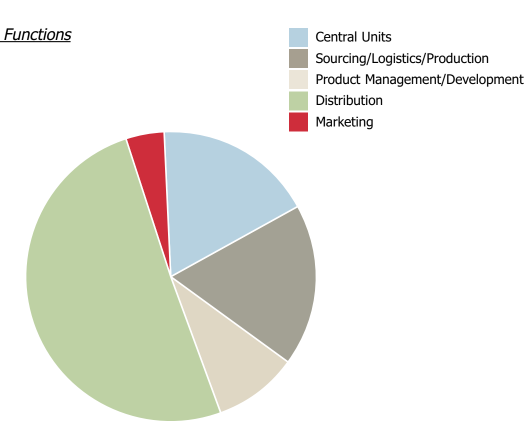
PUMA employed 2,012 people on December 31, 2001, an increase of 490 in comparison with the end of the previous year. Three factors are responsible for this increase: The extension of the retail business, strengthening of the organization due to high growth and the extension of the consolidated group.

In 2001 an average of 1,717 employees were working for the company compared to 1,524 during the past financial year.

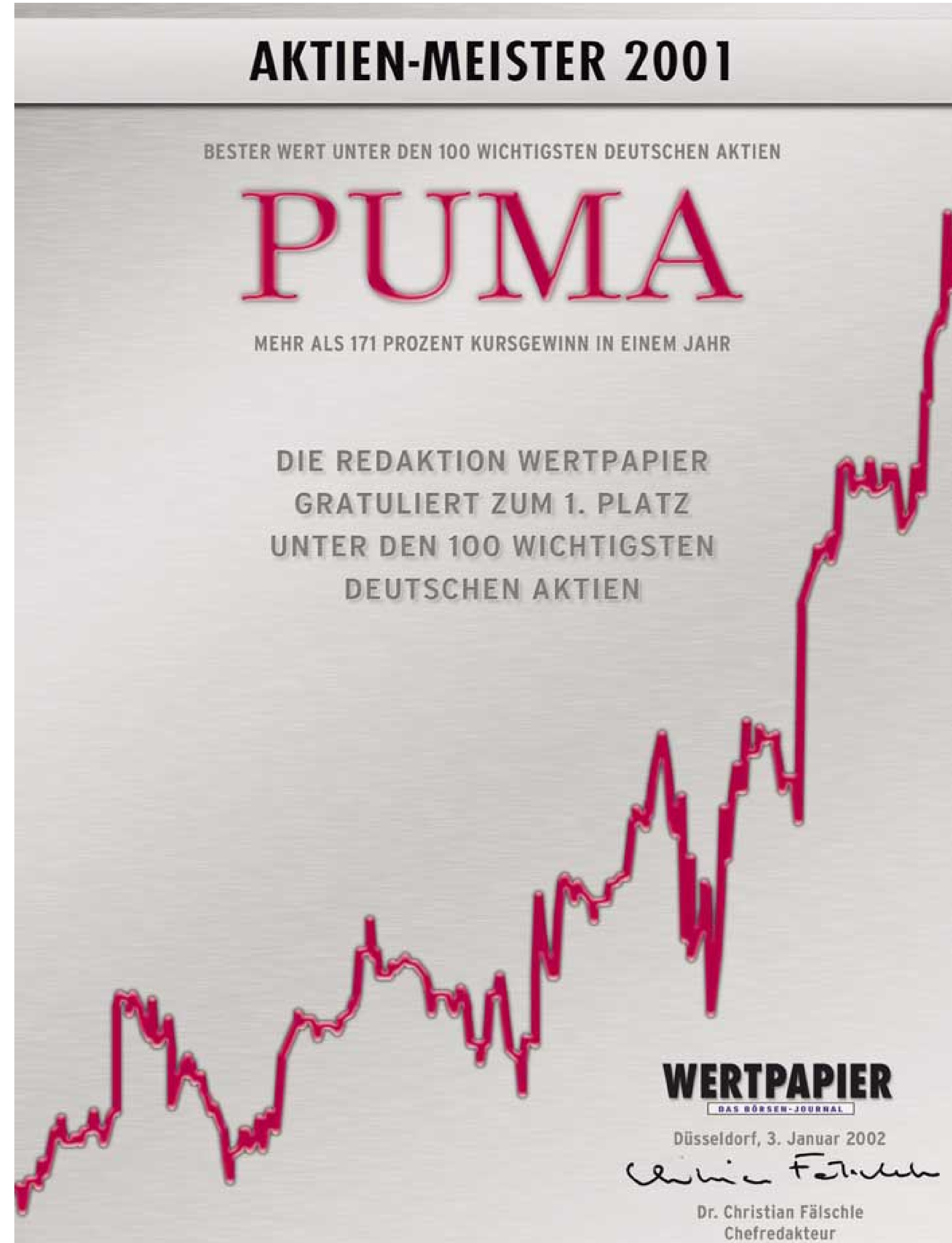
Employees



Employees by Functions



In 2001, PUMA was honored as the best performing share value in Germany by the financial publication, "Das Wertpapier."



Source: Das Wertpapier

Successful Year for PUMA Shares

The year 2001 was another difficult one for the global capital markets. The first months of the year were characterized by a weakening of the economy, reductions in corporate profits and continued declines in growth, which prevented the recovery of stock prices and a stabilizing of investor confidence. Furthermore, the latter part of the year was affected by dramatic changes brought about by the terrorist attacks in the USA on September 11. Initially, the stock markets reacted to these events with high sales: The DAX and MDAX lost 19% and 15% respectively. However, within a few days, the indices fell to their lowest level for the year on September 21 to 3,787 and 3,570 points, respectively. The last time these levels were reached was during the Asia crisis in the autumn of 1997.

Nevertheless, the last quarter of the year eventually saw a distinct advance in prices on the stock markets, which were mainly driven by the expectation of a sustained economic recovery in 2002, as well as an expansive monetary policy that was particularly supported by the US Federal Reserve. Investors increasingly changed over from defensive sectors to cyclical shares that appeared to be undervalued. The DAX and MDAX closed 2001 with 5,160 and 4,326 points respectively, i.e. a loss of 20% and 8% compared to the beginning of the year. As in 2000, most German shares once again showed a negative value development.

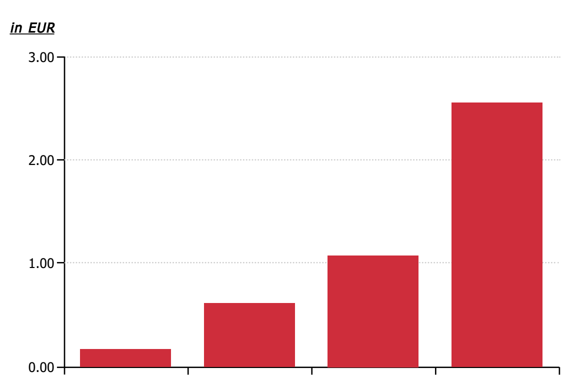
In 2001, the PUMA share succeeded in overcoming the generally weak capital market environment, and closed the year as the best value in the DAX 100. The excellent performance of the PUMA share exceeded the price development of all other large international sporting goods manufacturers.

Driven by strong interim results, PUMA's share price rose to an annual high of € 22.70 on September 3, after closing 2000 at € 12.70. After September 11, the PUMA share initially fell by 22% to € 16.60, but, recovered in the overall price rally, that started on September 21. The third quarter results published on October 25, and the prospect of a record result for 2001 triggered a 20% price jump, thus increasing the positive momentum of the share. On December 28, 2001, the PUMA share closed the trading day with a high for the year of € 34.05 and thus recorded a price increase of 168% in 2001.

Key Data per Share in EURO (IAS)

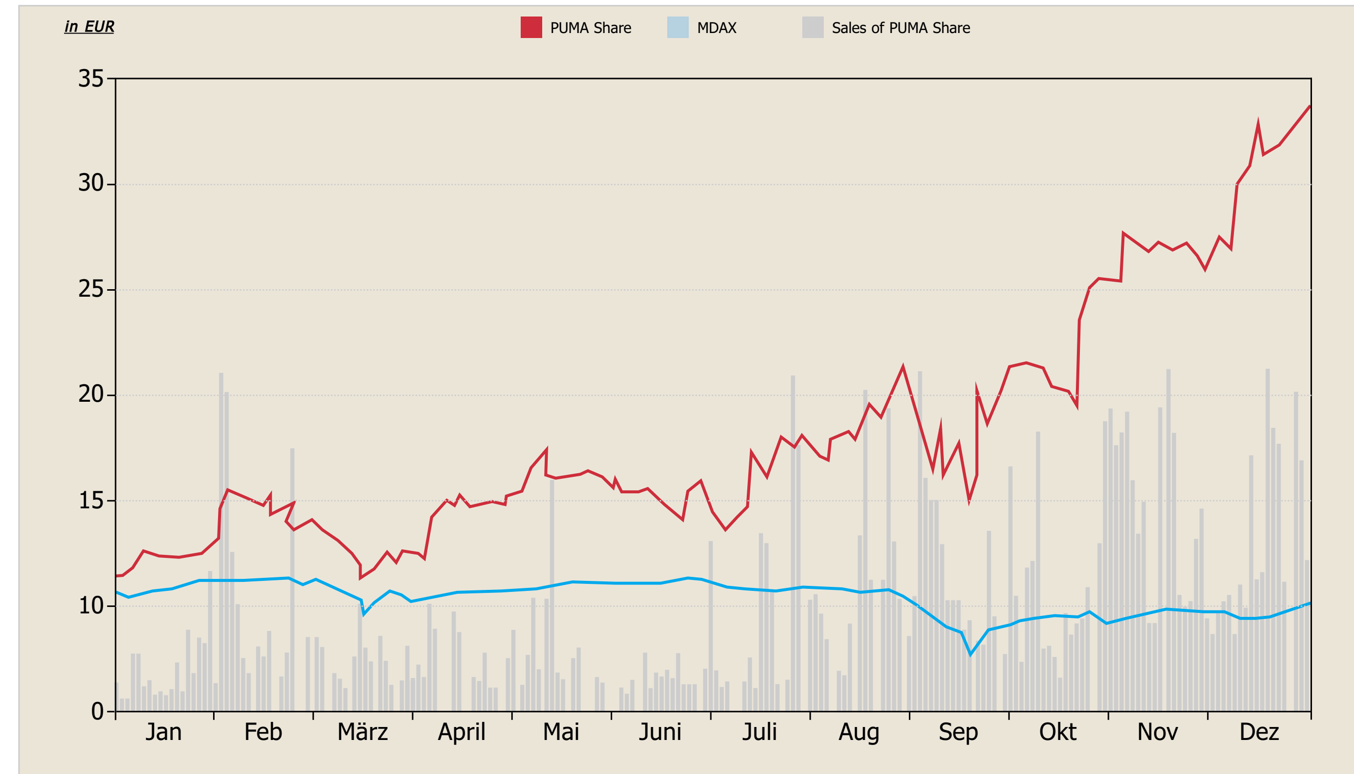
	2001	2000	1999	1998
End of Year Price	34.05	12.70	17.20	11.25
Highest Price Listed	34.05	21.00	20.50	25.82
Lowest Price Listed	12.45	12.50	12.30	11.22
Earnings per Share	2.58	1.14	0.62	0.26
Cash flow per Share	4.53	2.20	1.91	0.64
Shareholders' Equity per Share	11.48	8.53	7.29	6.35

Earnings per Share



Since 1986, the PUMA share has been traded on the official market of the Frankfurt and Munich stock exchanges. Since 1996, it has been included in the MDAX, the Mid Cap Index of the German Stock exchange which encompasses 70 companys. In order to facilitate US American investors' activities in PUMA, the ADR Program (American Depository Receipts) was started in 1996. The ADRs are traded in US Dollars in OTC trading under "PMMAY". The Deutsche Bank, New York, acts as depository agent.

Performance PUMA-Share in 2001



Serena Williams

Team News Corp

Strategy

Brand

2001 marked an extraordinary year for PUMA. Staying true to our strategic plan to build the brand over the past years, we made amazing strides towards making our brand mission a reality. We endeavored not only to evolve PUMA and pioneer new frontiers, but also to create an even stronger corporate foundation to support our efforts. Our strategy is clear and simple: explore the potential of the PUMA brand and grow a profitable business. To this end, we relied on our key cornerstones: Marketing, Retail, Product and Corporate Structure.

Corporate

Our company strategy is at the focal point of PUMA's sustained success and forward thinking philosophy. Throughout the last few years we have made it our corporate mission to be the first truly virtual sports company. Our vision is to create a seamless organizational structure that allows for the ultimate in speed, flexibility, and process efficiency – turning great ideas into profitable business ventures. One of our key corporate initiative focuses on the improvement of PUMA's supply chain. By shortening our lead times and combining all facets of our product process into a collaborative platform, we aspire to reduce time to market and eliminate internal redundancies. Our goal is to reach new levels of efficiencies through our internal communications, culture and innovative spirit.

In an effort to add further value and transparency to our operations, we successfully redesigned the look and content of our corporate website. Now, PUMA fans can not only learn something new about us on each visit, but also have fun in the process. The new site offers investors and shoppers alike a refreshing new format in which product and company information can be accessed more easily, and with greater detail and flexibility than ever before. As technology continues to play a larger role in our every day life, PUMA is making sure to implement the latest tools to maximize relationships and information exchange on every front.

Marketing

We designed our advertising campaigns for 2002 to showcase PUMA products in bold and assertive settings. We developed our "Sports Our Way" campaign to feature a more aggressive and active-sport lifestyle execution. Gearing up for the 2002 Soccer World Cup, we created unique, illustrative TV and print advertisements focused on the African Cup of Nations winner, Cameroon's Lions. The underlying goal with this campaign is to make the Lions everyone's second favorite team. Needless to say, this resulted in a fun communication that we will continue to expand. We also devised our 2002 Sports Lifestyle campaign to fuse the simplicity of line art with modern-day settings and tag lines.

Our statement athletes performed well for PUMA in 2001. On the tennis court Serena Williams powered her way into the US Open Tennis Finals, to meet her sister in a highly publicized match-up. Our newest addition to the PUMA family, Travis Pastrana continued to push the boundaries of motocross when he won the gold at the X Games and the Gravity Games. Kenyan runner, Enock Koech, ran circles around his competitors placing first in the men's short course at the World Cross Country Championship. Greek sprinting champion, Konstandinos Kenteris, added to his gold medal collection by winning the 200m at the World Outdoor Championships.

Possibly more evident of PUMA's growing momentum is the extensive list of influential figures spanning the worlds of music, film, and lifestyle that have embraced our forward thinking style and innovative looks. PUMA has also extended its reach on the big screen, with product appearing in top Hollywood films.

Retail

We made successful advances in expanding our network of directly operated retail stores. In 2001, we opened new PUMA concept stores in key locations throughout the world such as San Francisco, Paris, Tokyo, New York, and Rome. Together with our retail concept in Santa Monica, these stores provide an excellent opportunity to further improve brand visibility and availability, not to mention create a new and profitable business venture. Perhaps most important is that we are gaining direct access to our core consumers and understanding how to fulfill their needs even more effectively. Our retail initiatives will prove to be crucial drivers for sustaining growth, and the benefits will only strengthen as we continue our directly operated retail store expansion into 2002.

Juliet Campbell

Product

New Collection

New Collection is a visual interpretation of PUMA's brand strategy. Conceptualized to embody the carefree phrases that inspired it, New Collection has a youthful spirit that offers a new perspective on sport. Regardless of the activity, whether it be skateboarding, running, or just going about your day-to-day routine, New Collection successfully blends the elements of sport, lifestyle and fashion. In doing so, the wearer is able to tackle any environment with confidence.

Shudoh

Japanese for "the way to become the master of soccer," Shudoh is a fully integrated collection of footwear, apparel, and accessories. Highlighting our debut collection, the Shudoh boot is the most innovative performance shoe. We worked with the development team at Jordan Grand Prix to learn new techniques of working with carbon fiber materials, which were incorporated into the PUMA Tuning Chassis (PTC). Depending on surface conditions and skill level, the PTC offers players the choice between two inserts allowing the cleat to be customized to provide greater cushioning or more rigidity and stability. Putting a spin on conventional materials, we are also introducing the Dimple CW-System in our latest soccer ball. This material gives the ball the flight characteristics of a golf ball, and the Perimeter Balance Technology guarantees outstanding shooting accuracy with a perfect trajectory.

Complete

If you believe in running you will believe in Complete. PUMA's Complete line of high-performance running shoes was designed with the serious athlete in mind. Incorporating PUMA's Cell Technology, the Complete collection stacks the forces of gravity in the wearers favor to ensure that performance, comfort, and fit are optimized. Complete is in line with PUMA's forward looking approach, catering to the needs of the professional athlete in all of us by uniting passion and excellence.

Nuala

Nuala continues to position itself at the vanguard of spiritually inspired fitness by creating elegant, fashion-forward, and functional apparel. Created together with Christy Turnington, whose passion for yoga served as the main inspiration for the line, Nuala was designed to meet the work, travel and exercise needs of the modern-day woman. In addition to its active aim, this high-end sportswear collection incorporates the finest fabrics and quality to provide the ultimate in luxury and comfort. As the interest in our Nuala line has grown, we have expanded our collection to include a greater variety of footwear, apparel, and accessories.

Platinum

Platinum is PUMA's experimental foray into sports couture. Throughout the past few seasons the line has continued to evolve, melding the worlds of fashion and sport by developing cutting edge styles and looks. The innovative charge that the Platinum line brings with it is further augmented by an underlying functionality component that makes it an authentic PUMA creation.

Rudolf Dassler Schuhfabrik

The new Dassler collection helps carry the identity of original sport-influenced products to today's casual, sneaker market. The 2001 collection brought the traditionally heavy staid worker boot up to date with sleeker, minimalist styling. The result: a leisure boot that is just as fun to work in, as it is to play in.

Co-op

Over the past years, PUMA has been at the forefront of harnessing the creative talents of leading trendsetters. We have developed exciting projects with contemporary and futuristic designers such as Yahuro Mihara and Jil Sander. Just as an example, PUMA's 2002 Mihara collection cleverly combines the influences from the sport of kickboxing with unmistakable fashion flair. Set to debut in high-end retail stores in major cities, Mihara marks the continuation of PUMA's cooperative ventures with internationally renown designers and fashion icons.

Environmental & Social Standards

Preamble

People involved in sports are in direct contact with their environment. Therefore, environmental protection is of enormous importance to PUMA. It is our aim, not only to make the environmentally compatible production of our sporting goods transparent to our partners, but also to continuously improve it. We recognize our high degree of ecological and social accountability towards the environment, our suppliers, manufacturers, employees, and customers.

Transparency

PUMA's aim is to offer our customers high-quality products that are free of substances that are harmful to people or the environment. Prior to production, PUMA employs independent institutes to test the quality and ecological compatibility of its products. With the help of our product-related environmental and social standards, as well as the publication of environmental and social reports, we guarantee the transparency required for a platform of mutual trust and cooperation between our suppliers, manufacturers and customers.

Dialogue

Questions and problems regarding environmental and social matters can best be solved within a team by way of constructive dialogue. Our commitment to a permanent exchange of opinions between our partners and us enables us to seek solutions that are valuable to both sides and, as a consequence, improve our products.

Sustainability

The foundation of PUMA's business activities lies on a sustainable environmental and social policy. We understand that a sustainable policy is one that "meets the needs of the present without compromising the ability of future generations to meet their own needs and choose their way of life" (Brundtland Commission 1987).

Social Accountability

The observance of human rights forms an essential part of social accountability. PUMA places the highest of demands on our global production sites. All activities must comply with enacted regulations and must be created in a manner that does not present any health risks. In close cooperation with its manufacturers, PUMA aims to guarantee a socially responsible workplace. The social standards that have been laid down in our Code of Conduct contain the most important social principles and are based on the conventions of the International Labour Organization (ILO).

Evaluation

The "S.A.F.E." (Social Accountability & Fundamental Environmental Standards) team's job is to ensure that our environmental and social standards are enforced. Their tasks comprise the control and monitoring of the environmental and social standards defined by PUMA on the basis of national and international laws. Where there are no obligatory limit values, self-imposed values will be laid down in cooperation with independent auditors. In light of this, the S.A.F.E. Team is more than just a monitoring body; – it is also a consulting team.

A complete copy of PUMA's social and environmental accountability report can be found at www.puma.com

Consolidated Financial Statements

IAS

International Accounting Standards

Consolidated Balance Sheet

	Notes	Dec. 31, 2001 T-€	Dec. 31, 2000 T-€
ASSETS			
Cash and cash equivalents	3	35,308	42,862
Inventories	4	144,505	95,002
Trade receivables and other receivables	5	120,237	108,742
Other short-term financial assets	6	6,602	914
Total current assets		306,652	247,520
Deferred income taxes	7	**17,036**	**28,797**
Property, plant and equipment	8	**50,033**	**29,990**
Goodwill	9	**15,074**	**3,342**
Other intangible assets	10	**4,888**	**1,088**
Other long-term financial assets	11	**1,700**	**752**
		395,383	**311,489**
LIABILITIES AND EQUITY			
Financial liabilities	12	43,100	38,058
Trade payables	13	88,614	69,947
Other liabilities	13	28,006	17,012
Total current liabilities		**159,720**	**125,017**
Pension accruals	14	17,416	13,411
Tax accruals	15	2,496	1,255
Other accruals	15	37,086	38,652
Accruals		**56,998**	**53,318**
Long-term interest bearing borrowings	16	**1,143**	**1,890**
Minority interest	17	**796**	**0**
Subscribed capital PUMA AG		39,497	39,344
Reserves PUMA AG		32,676	32,189
Other group reserves		17,611	10,917
Accumulated profits		86,942	48,814
Shareholders' equity	18	**176,726**	**131,264**
		395,383	**311,489**

Consolidated Income Statement (Nature of Expense Method)

	Notes	2001 T-€	2000 T-€
Net sales	26	**598,075**	**462,437**
Cost of sales		-347,464	-286,017
Gross profit	26	**250,611**	**176,420**
Royalty and commission income		37,247	28,919
		287,858	205,339
Personnel expenses	14,19	-81,103	-64,412
Advertising and selling costs	20	-77,294	-73,956
General and administrative expenses	20	-81,901	-51,164
Other operating income	20	19,839	13,787
Total selling, general and administrative expenses,net		-220,459	-175,745
Depreciation		-8,353	-6,768
One-off charge/one-off income	21	0	4,310
		-228,812	-178,203
Profit from operations		59,046	27,136
Financial result	22	-1,613	-1,599
Earnings before tax		**57,433**	**25,537**
Minority interest	23	-17,281	-7,965
Net earnings		40,152	17,572
Earnings per share in € before one-off results		-450	0
Net earnings		**39,702**	**17,572**
Weighted average shares outstanding (in million)		15.392	15.390
Earnings per share in € before one-off results	21,24	2.58	0.95
Earnings per share in €	24	2.58	1.14

Consolidated Cash Flow Statement

	Notes	2001 T-€	2000 T-€
Cash flows from operating activities			
Profit before tax		57,433	25,537
Adjustments for:			
One-off charge/one-off income	21	0	-4,310
Depreciation	8,9,10	8,353	6,768
Non-realized currency gains/losses, net		1,669	3,804
Interest received	22	-1,949	-2,190
Interest paid	22	3,562	3,789
Income from the sale of fixed assets		66	-135
Additions to pension accruals	14	543	639
Cash Flow	27	**69,677**	**33,902**
Increase in receivables and other current assets other current assets		-15,281	-12,820
Increase in inventories		-36,081	-9,025
Increase in trade payables and other current liabilities		25,629	17,568
Cash provided by operations		43,944	29,625
Interest paid		-3,657	-3,694
Income taxes paid		-7,601	-4,356
One time espenses paid		11,056	-5,307
Net cash from operating activities	27	**43,742**	**16,268**
Cash flows from investment activities			
Payment for goodwill (previous year: purchase of participations)		-19,500	0
Purchase of property and equipment	8,9,10	-24,836	-9,432
Proceeds from sale of property and equipment		1,381	564
Increase/decrease in other long-term assets		-20	-26
Interest received		2,204	1,761
Net cash used in investing activities	27	**-40,771**	**-7,133**
Cash flows from financing activities			
Payments made regarding long-term liabilities, net		-1,426	-2,878
Payments received regarding short-term bank borrowing, net	12	-7,852	2,480
Payments made regarding convertible bonds, net	16	-747	-145
Dividend payments		-1,574	-1,574
Other changes		644	0
Net cash used in financing activities	27	**-10,955**	**-2,117**
Effect on exchange rates on cash		**430**	**351**
Net increase in cash and cash equivalents		**-7,554**	**7,369**
Cash and cash equivalents at beginning of financial year		42,862	35,493
Cash and cash equivalents at year end	3,27	**35,308**	**42,862**

Changes in Equity

	Subscribed capital	Capital-reserve PUMA AG	Revenue-reserves PUMA AG	Difference from currency-translation	Offsetting-with natural effects on profits	Consolidated profit/ net income for the year	TOTAL
Dec. 31, 1999 (T-€)	**39,344**	**31,981**	**208**	**6,725**	**1,097**	**32,816**	**112,171**
Dividend payment						-1,574	**-1,574**
Currency changes				2,118			**2,118**
Offsetting with neutral effects on profits					977		**977**
Consolidated profit						17,572	**17,572**
Dec. 31, 2000 (T-€)	**39,344**	**31,981**	**208**	**8,843**	**2,074**	**48,814**	**131,264**
Dividend payment						-1,574	**-1,574**
Currency changes				2,694			**2,694**
Offsetting with neutral effects on profits					4,000		**4,000**
Capital increase	98	542					**640**
Currency translation in €	55		-55				
Consolidated profit						39,702	**39,702**
Dec. 31, 2001 (T-€)	**39,497**	**32,523**	**153**	**11,537**	**6,074**	**86,942**	**176,726**

Statement of Movements of Property, Plant and Equipment as well as Intangible assets and other Long-Term assets

	Purchase costs				
	Balance Jan. 1,2001 T-€	Currency changes and other changes	Additions/ retransfers	Disposals	Balance Dec.31,2001 T-€
PROPERTY, PLANT AND EQUIPMENT					
Land, land rights and buildings including buildings on third party land	22,978	2,984	1,162	183	26,941
Technical equipment and machines	1,952	2,132	724	93	4,715
Other equipment, factory and office equipment	26,939	2,274	18,219	3,304	44,128
Payments on account and assets under construction	0	5	1,242	0	1,247
	51,869	**7,395**	**21,347**	**3,580**	**77,031**
GOODWILL	**5,219**	**12,435**	**0**	**0**	**17,654**
OTHER INTANGIBLE FIXED ASSETS					
Concessions, industrial and similar rights and assets and licenses under such rights and assets	5,823	100	4,662	74	10,511
	5,823	**100**	**4,662**	**74**	**10,511**
OTHER LONG-TERM ASSETS					
Other loans	442	0	13	44	411
Other assets	310	1,080	54	155	1,289
	752	**1,080**	**67**	**199**	**1,700**

In der Spalte Währungs- und sonstige Veränderungen sind T-€ 19,697 aus der Erweiterung des Konsolidierungskreises enthalten.

	Accumulated depreciation					Book Value	
	Balance Jan. 1,2001 T-€	Currency changes and other changes	Additions/ retransfers	Disposals	Balance Dec.31,2001 T-€	Balance Dec.31,2001 T-€	Balance Dec.31,2000 T-€
PROPERTY, PLANT AND EQUIPMENT							
Land, land rights and buildings including buildings on third party land	6,742	43	765	164	7,386	19,555	16,236
Technical equipment and machines	876	-110	544	59	1,251	3,464	1,076
Other equipment, factory and office equipment	14,261	588	5,494	1,982	18,361	25,767	12,678
Payments on account and assets under construction	0	0	0	0	0	1,247	0
	21,879	**521**	**6,803**	**2,205**	**26,998**	**50,033**	**29,990**
GOODWILL	**1,877**	**30**	**673**	**0**	**2,580**	**15,074**	**3,342**
OTHER INTANGIBLE FIXED ASSETS							
Concessions, industrial and similar right and assets and licenses under such rights and assets	4,735	13	877	2	5,623	4,888	1,088
	4,735	**13**	**877**	**2**	**5,623**	**4,888**	**1,088**
OTHER LONG-TERM ASSETS							
Other loans	0	0	0	0	0	411	442
Other assets	0	0	0	0	0	1,289	310
	0	**0**	**0**	**0**	**0**	**1,700**	**752**

Notes to the Consolidated Financial Statements

1. General remarks

Under the brand name "PUMA", PUMA Aktiengesellschaft Rudolf Dassler Sport (hereinafter "PUMA AG") and its subsidiaries are engaged in the development and marketing of a broad range of sports and sports lifestyle articles including footwear, apparel, and accessories. The Company is a joint stock company under German law and has its registered head office in Herzogenaurach, Federal Republic of Germany; its corresponding registration court is in Fürth.

The consolidated financial statements of PUMA AG and its subsidiaries (hereinafter the "Company" or "PUMA") were prepared in accordance with the International Accounting Standards ("IAS") issued by the International Accounting Standards Board (IASB). All IAS and SIC interpretations required for the financial year as of January 1, 2001 have been applied. IAS 39 "Financial Instruments: Reporting and Valuation" have been applied since the 1999 financial year.

The Company prepared consolidated financial statements in accordance with IAS for the first time in 1993; deviations from the provisions set out in the German Commercial Code (HGB), as of January 1, 1993 were offset with a neutral effect on operating profits. The IAS consolidated financial statements for 2001 are regarded as exempt consolidated financial statements in accordance with Section 292a (2) HGB.

In certain items the International Accounting Standards deviate from generally accepted accounting and valuation principles applicable in the Federal Republic of Germany and set out in the German Commercial Code. Significant deviations relate to the treatment of deferred tax assets resulting from temporary valuation differences and future tax benefits from losses carried forward. Other deviations relate to the treatment of U.S. trademarks and other rights, which were sold in 1989 and repurchased in 1995, and not capitalized for IAS purposes. Furthermore, the application of IAS 39 results in accounting that differs from HGB. The remaining differences are immaterial.

The consolidated financial statements are prepared in Euro currency, and they are in compliance with EU Directive 83/349, based on the interpretation of the directive pursuant to DRS 1 of the German Accounting Standards Committee.

2. Significant consolidation, accounting and valuation principles

Consolidation principles

The consolidated financial statements are based on the individual financial statements of PUMA AG and its consolidated subsidiaries, which have been prepared in accordance with IAS; on the basis of uniform accounting and valuation guidelines, taking additional information within the scope of group reporting into account.

Equity consolidation with affiliated companies was based on the book value method. As a general rule, the shares were offset against the subsidiary's equity capital at the time of acquisition.

Intra-group receivables and liabilities have been offset. Any differences from exchange rate fluctuations are included in the consolidated earnings to the extent that they occurred in the reporting period.

Within the course of consolidating profits, inter-company sales and all significant intra-group income were offset against the respective expenses. Commission income included in the individual financial statements of the sourcing organizations, World Cat Ltd., Hong Kong, and the World Cat Europe (Profit Center within PUMA AG), and not yet realized within the group, have been eliminated as inter-company profit. As in previous years, further elimination of inter-company profits was generally waived as long as the amounts were immaterial.

Companies included in consolidation

In addition to PUMA AG, all directly and indirectly affiliated companies are included in consolidation. The number of group companies during the financial year developed as follows:

Dec. 31. 2000	22
Newly founded companies	3
Acquired companies of the Tretorn Group	14
Dec. 31. 2001	39

Broken down by regions, the consolidated companies were as follows on December 31, 2001:

No.	Companies	Shareholder/ No.	
	Western Europe		
01.	PUMA AG Rudolf Dassler Sport, Herzogenaurach/Germany - parent company -	Monarchy Enterprises Holdings B.V. – 35,25% free float of stock- 64,75%	
02.	PUMA UNITED KINGDOM LTD, Leatherhead/Great Britain	1	
03.	PUMA FRANCE SAS, Illkirch/France	1	
04.	PUMA (Schweiz) AG, Lengnau bei Biel/Switzerland	1	
05.	Austria PUMA Dassler Ges. m.b.H., Salzburg/Austria	1	
06.	PUMA Benelux B.V., Leusden/The Netherlands	1	
07.	PUMA Italia S.r.l., Milan/Italy	1	
08.	Tretorn AB, Helsingborg/Schweden	1	
09.	PUMA Nordic AB, Helsingborg/Sweden	8	
10.	PUMA Norway AS, Oslo/Norway	9	
11.	PUMA Finland Oy, Finland (in foundation)	9	
12.	PUMA Denmark A/S, Skanderborg/Denmark	8	
13.	Tretorn Sweden AB, Helsingborg/Sweden	8	
14.	Tretorn Vertrieb GmbH, Herzogenaurach/Germany	8	
15.	Tretorn Finland Oy, Helsinki/Finland	8	
16.	Tretorn Sport Ltd., Laoise/Ireland	8	
17.	Tretorn Tennis Ltd., Laoise/Ireland (non-active)	8	
18.	Tretorn Sport Sales Ltd., Laoise/Ireland	8	
19.	Tretorn R&D Ltd., Laoise/Ireland (non-active)	16	
20.	Hunt Sport AB, Helsingborg/Sweden (non-active)	8	
	Eastern Europe		
21.	PUMA Polska Spolka z.o.o., Warsaw/Poland	5	
22.	PUMA–RUS GmbH, Moscow/Russia	5 (89%) und 1 (11%)	
23.	PUMA Hungary Kft., Budapest/Hungary	5	
24.	Czech Puma Dassler s.r.o., Prague/Czech Republic	5	
	Asia/Pacific Rim		
25.	PUMA Australia Pty. Ltd., Moorabbin/Australia	1	
26.	- White Diamond Australia Pty. Ltd. , Moorabbin/Australia (non-active)	25	
27.	- White Diamond Properties, Moorabbin/Australia (non-active)	25	
28.	PUMA New Zealand LTD, Auckland/New Zealand	25	
29.	World Cat Ltd., Kowloon/Hong Kong	1	
30.	- World Cat (S) Pte Ltd./Singapore	29	
31.	- World Cat Trading Co.Ltd Taichung/Taiwan	29	
32.	Development Services Ltd. , Kowloon/Hong Kong	29	
33.	PUMA FAR EAST Ltd. , Kowloon/Hong Kong	1	
	America		
34.	PUMA North America, Inc., Westford/USA	1	
35.	PUMA Canada, Inc. Ontario/Canada (non-active)	34	
36.	PUMA CHILE S.A. Santiago/Chile	1	51%
37.	Real de Tenis S.A. de C.V., Jalisco/Mexico	20	51%
	Africa/Middle East		
38.	PUMA Sports S.A., Cape Town/South Africa	5	
39.	PUMA SPORTS DISTRIBUTORS (PTY) LIMITED, Cape Town/South Africa	5	

With effect from July 1, 2001, PUMA acquired the Swedish Tretorn Group, which consists of 14 individual companies. The Tretorn Group was consolidated for the first time at the date of acquisition. The group is engaged in marketing PUMA products in Scandinavia, and producing tennis balls, which are marketed throughout Europe. Tretorn also develops and sells outdoor products, primarily for the Scandinavian region. The purchase price of € 23 million was based on the fair market value.

Following acquisition, the companies were fully consolidated during the second half of 2001. At the time of initial consolidation (July 1, 2001), the extension of the consolidated group impacted the net assets and financial position as follows:

	July 1, 2001 **T-€**
Inventories	12.514
Receivables and other short-term assets	14.650
Fixed assets and other long-term assets	9.594
Financial obligations	12.324
Other liabilities	11.796

The effects on individual items in the consolidated balance sheet and the consolidated income statement are explained under the heading of the respective item, if relevant.

In addition, the companies “Czech Puma Dassler s.r.o.” domiciled in the Czech Republic, “Development Service Ltd.” in Hong Kong, and “PUMA SPORTS DISTRIBUTORS (PTY) LIMITED”, South Africa, were established during 2001. The influence of these companies on the net assets and financial position, and on the Group’s results of operations is insignificant.

A list of investment holdings as of December 31, 2001 is recorded in the Fürth Commercial Register under HRB 3175.

Currency translation

Foreign currency receivables and liabilities are disclosed in the individual financial statements at the rates valid on the balance sheet date.

The assets and liabilities of foreign subsidiaries that do not recognize the Deutsche Mark or the new Euro currency as their functional currency were translated into Euro at the middle rates valid on the balance sheet date. Expenses and income were converted at annual average rates. Differences from the currency conversion of net assets were netted against shareholders‘ equity with a neutral effect on income if changes in the exchange rate occurred.

The following currency translation rates were applied to convert the annual financial statements into Euro:

	Average rates during the financial year sheet date		**Middle rates as at the balance**	
	2001	**2000**	**Dec. 31, 2001**	**Dec. 31, 2000**
1 € = USD	0.8943	0.9263	0.8823	0.9302
1 € = CAD	1.3845	1.3737	1.4101	1.3929
1 € = GBP	0.6195	0.6085	0.6091	0.6233
1 € = CHF	1.5096	1.5605	1.4804	1.5224
1 € = HKD	6.9729	7.2194	6.8800	7.2578
1 € = AUD	1.7361	1.5964	1.7380	1.6770
1 € = NZD	2.1384	2.0345	2.1290	2.1120
1 € = CLP	565.1750	504.2154	577.4700	533.4500
1 € = PLN	3.6581	4.0163	3.4900	3.8498
1 € = HUF	257.0662	262.1000	245.9550	264.8000
1 € = CZK	33.1475	-	31.9500	-
1 € = SEK	9.4554	-	9.3326	-
1 € = DKK	7.6130	-	7.3659	-
1 € = NOK	8.2221	-	7.8823	-
1 € = MXN	8.5415	-	7.9766	-
1 € = ZAR	9.1225	-	10.5000	-

Derivative financial instruments / hedge accounting

In accordance with a group-wide guideline, the PUMA Group uses financial instruments exclusively to hedge against currency risks. All derivatives are based on an underlying transaction. The derivatives including the respective underlying transactions are combined in valuation units; but they have no impact on annual results.

Derivative financial instruments used to hedge future transactions are stated at market value as of the balance sheet date and reported in current financial assets or other liabilities, respectively. The resulting exchange gains or losses are initially recorded as a special item under shareholders‘ equity with neutral effects on profits. As soon as the hedged transaction is recognized on the balance sheet, the respective valuation effects are removed from the special item.

In principle, the Company hedges its net demand or surplus of the respective currencies on a rolling basis twelve months in advance. The net demand or surplus is derived from the demand in a given currency, net of expected income in the same currency. Currency risks are almost exclusively hedged on the basis of currency forwards.

Management expects no adverse effects on the Group's financial position from the use of derivative financial instruments.

Segment reporting

Since reporting is primarily based on geographical regions, secondary segment reporting is based on business fields. PUMA is engaged in only one business field, namely the sporting goods industry. Opportunities and risks within this sector of business are largely homogenous so that segment reporting based on business fields does not apply.

Cash and cash equivalents

Cash and cash equivalents include liquid funds such as cash on hand and bank balances. Bank balances that are not required to finance current assets are invested in the Euro currency market for a period of up to six months.

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. Acquisition cost of merchandise is determined using the average cost method. Value adjustments are determined in a uniform manner throughout the group and depending on the age of the goods concerned. Risks owing to fashion trends are adequately taken into account.

Receivables and other short-term assets

Trade receivables, and other receivables, as well as financial assets are stated at nominal value net of value adjustments. All recognizable risks are sufficiently accounted for in the form of individual risk assessment or on the basis of historical figures.

Deferred taxes

Tax deferrals from temporary differences in the commercial and in the tax balance sheets of individual companies, as well as from consolidation procedures are offset for each tax country and disclosed either as deferred tax assets or deferred tax liabilities. Deferred tax assets also include tax reduction claims from the expected utilization of existing loss carry forwards in subsequent years, the realization of which can be guaranteed with reasonable assurance. Deferred taxes are determined on the basis of tax rates applicable in the countries concerned at the time of realization.

Consolidated Financial Statements

Property, plant and equipment

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation. The depreciation periods depend on the item's useful life. As a general rule, the straight-line method of depreciation is applied. The useful life depends on the type of assets involved:

	Depreciation period
Buildings	10 to 50 Years
Machines, machine equipment and technical equipment, business and factory equipment.	3 to 10 Years

The costs of maintenance and repair are recorded as expense items at the time of origin. Significant improvements and renewals are capitalized. Interest on outside capital is reported as current expense.

Leased items regarded as significant in terms of their value and qualifying as finance leasing are shown under property, plant and equipment to the amount of the fair value or the lower present value of the minimum lease payments.

Extraordinary depreciation

Property, plant and equipment, intangible assets, and goodwill are subject to extraordinary depreciation or amortization if there are indications of an impairment in the value of the asset involved. In such a case, the recoverable amount (the higher amount from net realizable proceeds and utility value), is compared to the book value of the asset. If the recoverable value is lower than the book value, the asset is written down to the recoverable amount (IAS 36). If the reason for extraordinary depreciation or amortization no longer exists, the asset is revalued; the revaluation amount may not exceed the amount of continued acquisition costs.

Intangible assets

Acquired intangible assets largely consist of concessions and industrial and similar rights; they are valued at acquisition costs net of accumulated depreciation. The depreciation period is between three to five years, whereby the straight-line method of depreciation is applied. Interest on outside capital is reported as current expense.

Goodwill

Goodwill is valued at acquisition costs net of accumulated amortization. The goodwill relates to Great Britain and New Zealand, as well as the acquisition of the Tretorn Group.

Goodwill from equity consolidation relating to New Zealand dates from 1999; it is amortized over a five-year period. Amortization with respect to Great Britain and the Swedish Tretorn group is based on the straight-line method with a useful life of fifteen years. The goodwill reported for Great Britain dates from 1999, and that reported for Tretorn dates from 2001.

Other long-term financial assets

Other long-term financial assets are stated at acquisition costs; they include loans and other assets.

Financial liabilities

As a general rule, financial liabilities also include the proportion of long-term loans with residual terms of up to one year.

Liabilities

Liabilities are reported at their repayable amounts. Liabilities from finance leasing are carried on the liabilities side in the amount of the present value of the leasing installments.

Accruals for pensions and similar commitments

In general, pension accruals are determined in accordance with the projected unit credit method. This method not only accounts for annuities known and accrued pension benefits, but also expected salary and annuity increases. Actuarial gains and losses are distributed over the average residual term of service. The service cost and interest component are disclosed within personnel expenses.

There are no pension commitments concerning active PUMA AG Board Members. Corresponding compensation is included in the remuneration of the board.

Other accruals

In accordance with IAS 37, other accruals were set up on the balance sheet date to account for all risks and obligations resulting from past transactions or events where amounts or maturity were uncertain. The accruals are stated at their settlement amount; they are not offset against positive income. Accruals are also created to account for unfavourable contracts, i.e. contracts where the unavoidable costs exceed the expected benefit from the contract.

Share option plans

Share option plans are reported using the intrinsic value method. Since the intrinsic value on the day of granting the options was zero, they were not accounted for on the balance sheet.

Recognition of sales

Sales are recognized and included in profits when the transaction has been settled in full. Sales are disclosed net of returned purchases, discounts, rebates, and advertising cost.

Royalty and commission income

Royalty income is treated as income in accordance with the invoices to be presented by the licensees worldwide. In certain cases, values must be assessed in order to per mit accounting on an accrual basis. Commission income is invoiced to the extent that the underlying purchase transaction is realized.

Advertising and promotion expenses

The Company recognizes advertising expenses at the time of their occurrence. As a general rule, promotion expenses are spread over the contract term as an expense, provided that income to at least the same amount is expected.

Product development

The Company is continuously engaged in developing innovative products with fashionable design in order to comply with market requirements and trends. The costs are recorded as an expense at the date of origin; they are not capitalized since the criteria specified in IAS 38 are not fulfilled.

Financial result

The financial result includes interest income from financial investments and interest expense from credits. In general, effects from exchange rate fluctuations are included in general expenses; where such effects resulting from derivative financial instruments are to be allocated directly to an underlying transaction, disclosure is made in the respective income statement item.

Assumptions and estimates

The preparation of the consolidated financial statements is partially based on assumptions and estimates that have an impact on the amount and disclosure of the reported assets, liabilities, income expenses, and contingencies. The actual values may in some cases deviate from those assumptions and estimates. Changes are recognized as an expense or income item at the time of receiving the respective information (contingencies).

3. Cash and cash equivalents

The term of deposit investments is usually between one and six months; at present, interest rates are between 1.7% and 3.2% (previous year: 4.3% and 6.9%).

4. Inventories

Inventories are shown net of value adjustments; they are divided into the following main categories:

	Dec. 31, 2001 net T-€	Dec. 31, 2000 net T-€
Raw materials and supplies	469	402
Finished goods and merchandise		
Footwear	51,628	33,962
Apparel	38,281	30,373
Accessories/Other	13,241	6,789
Goods in transit	40,886	23,476
	144,505	**95,002**

Inventories increased by T-€ 10,926 due to the expansion of the consolidated group.

Of the total amount of reported inventories, the amount of T-€ 19,083 (previous year: T-€ 12,193) is stated at its net realizable value. Value deductions totaled T-€ 24,120 (previous year: T-€ 15,213) on the balance sheet date.

5. Trade receivables and other receivables

Receivables are presented net of itemized value adjustments. There are currently no existing receivables from management and supervisory bodies.

	Dec. 31, 2001 T-€	Dec. 31, 2000 T-€
Trade receivables	104,557	80,171
Other receivables	12,872	26,515
Prepaid expenses	2,808	2,056
	120,237	**108,742**

The present value of this item corresponds to the book value. As a rule, receivables are due within one year.

The expansion of the consolidated group affects receivables to the amount of T-€ 9,500.

Trade receivables took value adjustments to the amount of T-€ 14,083 (previous year: T-€ 9,444) into account.

6. Other short-term financial assets

This item includes the valuation of derivative financial instruments that existed as of the balance sheet date and were recognized as assets. The financial instruments as of the balance sheet date include forward exchange transactions used to hedge existing balance sheet items and future transactions. The value recorded corresponds to the market value.

7. Deferred taxes

The item is structured as follows:

	Dec. 31, 2001 T-€			Dec. 31, 2000 T-€
	Tax assets from loss carry	Forwards other tax assets	Total	Total
Deferred taxes	7,685	9,351	17,036	28,797

Other tax assets relate to temporary differences between the tax and the commercial balance sheet. The temporary differences mainly relates to Inventories, cash, accounts receivable and accruals.

For the realization of deferred tax assets, sufficient taxable income, which exceeds the income for the reversal of taxable temporary differences, is expected. Deferred tax liabilities in the amount of T-€ 4,247 (previous year: T-€ 3,548) are offset in other deferred tax assets. It cannot be assumed that deferred tax assets can be fully utilized in 2002.

8. Property, plant and equipment

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

	Dec. 31, 2001 T-€	Dec. 31, 2000 T-€
Land and buildings, including buildings on third party land	19,555	16,236
Technical equipment and machines	3,464	1,076
Other equipment, factory and office equipment	25,767	12,678
Payments on account and assets under construction	1,247	0
	50,033	**29,990**

The book values of property, plant and equipment are derived from acquisition costs. Accumulated depreciation for this item amounted to T-€ 26,998 (previous year: T-€ 21,879).

The amount of T-€ 6,945 is attributable to the extended consolidated group.

This item includes leased assets in the amount of T-€ 1,483 (previous year: T-€ 1,117), which relate to real estate in France used for business purposes, and to office and operating equipment in Australia. The real estate in France will be owned by PUMA after payment of the last lease installment in 2003.

Payments on account of assets under construction relate to the construction of a retail store in Herzogenaurach.

Individual items of property, plant and equipment and their development in the 2001 financial year are shown in the statement of movement of fixed assets. Extraordinary depreciation due to impairment in value was not necessary.

9. Goodwill

This item includes the goodwill associated with the acquisition of the companies in New Zealand, Great Britain, and Sweden, net of accumulated amortization. The development for 2001 is shown in the statement of movement of fixed assets. Extraordinary depreciation due to impairment in value was not necessary in the financial year.

10. Other intangible assets

The development of this item during 2001 is shown in the statement of movement of fixed assets. Extraordinary depreciation due to impairment in value was not necessary in the financial year.

11. Other long-term financial assets

This item is made up as follows:

	Dec. 31, 2001 T-€	Dec. 31, 2000 T-€
Loans	411	442
Other assets	1,289	310
	1,700	**752**

The development for 2001 is presented in the statement of movement of fixed assets. Extraordinary depreciation due to impairment in value was not necessary in the financial year.

12. Financial liabilities

Financial liabilities consist of bank loans (T-€ 32,202) due in less than 12 months. The loans largely relate to € (approx. 44%), GBP (approx. 20%), AUD (approx. 15%) and other currencies (approx. 21%). There were no long-term bank loans as of the balance sheet date.

The item also contains financial liabilities to Proventus AB associated with the acquisition of the Tretorn Group, Sweden, in the amount of T-€ 10,898; they are non-interest bearing until the end of September 2002.

Credit lines granted the Company total T-€ 179,082; they may be used either for bank loans or guaranteed credits. In addition to the financial liabilities of T-€ 43,100, there were guaranteed credits (largely documentary credits) amounting to T-€ 6,896 as at December 31, 2001. At that date the Company had, in addition to liquid funds, unused credit lines of T-€ 129,086.

13. Trade payables and other liabilities

The present value of trade payables and other liabilities correspond to the book value.

	Dec. 31, 2001		Dec. 31, 2000	
	of which due within 1 year T-€	**Total T-€**	**Total T-€**	of which due within 1 year T-€
Trade payables	88,614	**88,614**	**69,947**	69,947
Other liabilities				
Liabilities from taxes	4,727	4,727	2,493	2,493
Liabilities from social security contributions	1,328	1,328	1,080	1,080
Liabilities to employees	15,020	15,020	6,098	6,098
Liabilities from market assessment of forward exchange transactions	980	980	1,840	1,840
Leasing liabilities	549	549	1,308	256
Other liabilities	4,612	4,613	3,009	3,009
Deferred items	395	789	1,184	395
	27,611	**28,006**	**17,012**	15,171
	116,225	**116,620**	**86,959**	85,118

14. Pension accruals

The Company maintains and pays contributions to various pension schemes, mainly in Germany, Great Britain, and Sweden. As a general rule, the pensions are financed on the basis of pension accruals and, in Great Britain, on the basis of a pension fund. Pension accruals totaled T-€ 17,416 (previous year: T-€ 13,411), as of the balance sheet date. The accrual also contains the fund commitment in Great Britain that was reduced by the value of the fund assets. Of the total amount, T-€ 13.056 (previous year: T-€ 12,708), are attributable to PUMA AG, and T-€ 3,380 to the initial consolidation of the Tretorn Group.

The PUMA AG pension accruals concern active employees, former employees with non-forfeitable pension rights, and old-age pension recipients. As in the previous year, the calculation is based on the Dr. Klaus Heubeck mortality tables of 1998. In accordance with IAS 19, the projected unit credit method was applied in valuation.

The PUMA AG pension plan covers general commitments that are, as a rule, based on maximum pension payments of € 127.82 for each month and entitled employee; in addition, individual commitments have been made, largely consisting of non-forfeitable claims of retired PUMA AG board members to the amount of T-€ 2,336 (previous year: T-€ 2,353). The interest rate was reduced from 6% in the previous year to the present 5.5% in order to account for changed market conditions. Future pension increases, as well as the fluctuation rate (2.0% or 2.5% p.a. respectively), remained unchanged versus the previous year. The respective assumptions relate to employees in Germany to whom the largest part of the pension commitments applies.

The pension accrual is calculated as follows:

	Dec. 31, 2001 T-€	**Dec. 31, 2000 T-€**
Present value of non-funds financed pension claims pursuant to actuarial report	17,011	13,145
Present value of funds-financed pension claims	8,125	7,006
less fair value of funds assets	-7,038	-7,893
Short cover / surplus cover through the funds	1,087	-887
Present value of pension claims	18,098	12,258
Adjustment amount due to non-recorded actuarial gains / losses(-)	-682	1,153
	17,416	**13,411**

The pension expense is structured as follows:

	2001 T-€	**2000 T-€**
Expense for pension claims arising during the reporting year	1,234	1,017
Interest expense for pension rights already acquired	1,235	1,134
Expected funds asset income	-573	-504
Adjustment amount due to recorded actuarial gains / losses	59	88
	1,955	**1,735**

15. Taxes and other accruals

Development of accruals during the financial year:

	Dec. 31, 2000					Dec. 31, 2001
		Currency-adjustments, reclassifications	Utilization	Release	Addition	
	T-€	T-€	T-€	T-€	T-€	T-€
Tax accruals	**1,255**	**-17**	**519**	**352**	**2,129**	**2,496**
Other accruals						
Warranties	4,634	151	1,089	62	2,818	6,452
Structural adjustments	9,914	0	6,028	1,742	1,857	4,001
Purchase risks	8,864	373	3,179	2,903	7,327	10,482
Other	15,240	392	1,329	1,956	3,804	16,151
	38,652	**916**	**11,625**	**6,663**	**15,806**	**37,086**
	39,907	**899**	**12,144**	**7,015**	**17,935**	**39,582**

Tax accruals contain provisions for current taxes on income, property taxes and turnover taxes; they do not contain deferred tax liabilities, which are offset against the respective deferred tax assets provided the same taxing power is concerned. In this respect, attention is drawn to Paragraph 7 of these notes. The significant amounts will probably be used up in the first months of the coming year.

The accrual for warranties includes warranty claims and expected returned merchandise. Calculation is based on the historical value of sales generated over the past six months. It is expected that most of these expenses will fall due within the first six months of the next financial year.

The accrual for structural adjustments that was set up in previous years primarily includes future expense surpluses from existing contracts associated with the measures taken for brand positioning; it also includes obligations associated with structural adjustments aimed at the further development of a virtual organization structure. The existing residual amount will probably fall due within two years after the balance sheet date.

Purchase risks primarily relate to the moulds necessary for shoe manufacture; the item also includes anticipated losses from purchase transactions. The major amount of this accrual will probably fall due in the financial year after the balance sheet date.

Other accruals largely consist of anticipated losses, accruals for litigation risks and other risks. It is expected that the amount will be used within the next two years, depending on individual proceedings.

16. long-term interest-bearing borrowings

The item includes the convertible bond issued to management, bearing an annual interest rate of 5% (cf. Paragraph 18 of these notes). The total amount of T-€ 1,143 includes an equity component of T-€ 108 (previous year: T-€ 175). There were no long-term bank liabilities as of December 31, 2001.

17. Minority interests

The compensating item for minority interests concerns the joint venture participations in PUMA Chile S.A, and Real de Tenis, Mexico. A stake of 49% is held in the minority interests in each case.

18. Shareholders' equity

The movements of equity capital are disclosed as an independent component of the annual financial statements.

PUMA AG's subscribed capital was converted to Euros on the occasion of the Shareholders' Meeting on May 10, 2001, and rounded to € 2,56 per share. At the balance sheet date, PUMA AG's subscribed capital amounted to T-€ 39,497; it is divided into 15,428,500 ordinary shares. From the 1999/2009 convertible bond issued to management, 38,500 units were converted into shares in the financial year. Consequently, the number of bearer shares outstanding on the balance sheet date increased from 15,390,000 to 15,428,500. Since these shares did not exist throughout the financial year, the average number of shares in circulation for 2001 is 15,392,268. The price for one PUMA share on the balance sheet date was quoted on the XETRA at € 34.05.

Monarchy Enterprises Holdings B.V., Rotterdam/Holland, including its subsidiaries, is the sole major shareholder. In a letter dated January 15, 2002, Monarchy Enterprises Holdings B.V. stated that, at the end of the year, the shares held by it had increased slightly from 34.56% to 35.35% of shares issued. The shares are allocated to the respective subsidiaries as follows:

Lace Holding B.V., Rotterdam B.V., Rotterdam/Holland	9,57%
Rotnas Holding B.V., Rotterdam/Holland	6,96%
Reniew Holding B.V., Rotterdam/Holland	9,12%
Desiver Holding B.V., Rotterdam/Holland	9,60%
Monarchy Enterprises Holdings B.V. - Group:	35,25%

The remaining shares are publicly held. The Company is not aware of any other shareholder holding 5% or more of the subscribed capital.

The capital reserve includes the premium from the PUMA AG capital increase carried out in 1996. The addition in 2001 relates to the premium of the converted shares.

The amount of T-€ 55 from revenue reserves was used for rounding the conversion of subscribed capital to Euro currency.

In accordance with IAS 39, offsetting within equity capital with neutral effects on profits occurred in 1999 for the first time. The item is disclosed in the Statement of Equity Changes; it includes, in addition to the change in market value arising from derivative financial instruments, currency changes from primary hedging transactions in as much as these relate to future transactions. The item, to the amount of T-€ 6,074 (T-€ 2,074), has already been reduced by deferred taxes of T-€ 4,049 (T-€ 1,383).

Conditional capital for the issuing of convertible bonds to management

A decision was made at the Shareholders' Meeting on April 24, 1997 (conditional capital from 1997), on a conditional capital of T-€ 768, divided into 300,000 shares. Each € 2.56 convertible bond entitles to one PUMA AG share; the statutory subscription right is excluded. The program was issued in two installments, 220,000 shares in 1997 and 63,500 shares in 1998. The subscription rights can only be executed if an exercise hurdle of 20%, calculated on the basis of the higher price upon issuance or the average price for the last ten trading days was achieved or exceeded before the respective resolution was made.

In addition, the Shareholders' Meeting decided on May 5, 1999 (conditional capital from 1999) on a conditional capital of T-€ 768, divided into 300,000 shares. Each € 2,56 convertible bond entitles to an exchange for one PUMA AG share; the statutory subscription right is excluded. In 1999, convertible bonds to the nominal amount of T-€ 754 or 295,000 shares were issued from the program. The subscription rights can only be executed if an exercise hurdle of 20%, calculated on the basis of the higher price upon issuance or the average price for the last ten trading days was achieved before the respective resolution was made. After expiry of the two-year blocking period, 38,500 shares were converted in December 2001. Convertible bonds not yet converted by the balance sheet date were held exclusively by members of the Board of Management and the Company's management. The total amount of convertible bonds in circulation amounts to T-€ 1,143 or 447,000 shares (previous year: T-€ 1,890 or 739,000 shares).

The structure and terms are described in the following table:

Conditional Capital installment	from 1999 1999/2009		from 1997 1998/2008		from 1997 1997/2007	
	Nominal value T-€	Unit	Nominal value T-€	Unit	Nominal value T-€	Unit
Convertible bonds						
issued	754	295,000	163	63,500	653	220,000
of which						
in circulation on Jan. 1	705	276,000	157	61,500	461	180,500
withdrawn in 2001	-74	-29,000	-2	-1,000	-6	-2,500
converted in 2001	-98	-38,500	-	-	-	-
in circulation on Dec. 31	533	208,500	155	60,500	455	178,000
Authorization up to		May 4, 2004		April 24, 2002		April 24, 002
Conversion price		€ 16,64		€ 28,43		€ 32,88
issue date		Dec. 9, 1999		Oct. 1, 1998		Oct. 1, 1997
Blocking period		2 Years		2 Years		2 Years
Conversion period		Dec. 10, 2001 - Dec. 3, 2009		Oct. 2, 2000 - Sept. 24, 2008		Oct. 4, 1999 - Sept. 24, 2007
Term		10 Years		10 Years		10 Years
Interest rate p.a.		5%		5%		5%

The previous year's convertible bonds from 1996 lapsed in August 2001. Since the conversion price of € 32.93 had not been reached at that date, conversion was not possible. The program, including the pertaining conditional capital, has become invalid.

Conditional capital to service share options to management

On May 10, 2001, the Shareholders' Meeting decided on a further conditional capital of T-€ 3,917, divided into 1,530,000 shares. The purpose of the conditional capital increase was to service option rights that could be issued to the Board and to the Company's management. The option rights may be issued with a term of 5 years and in annual installments for a period of not more than 5 years. The first installment was issued in 2001 and consisted of a total of 444,714 shares, whereby one option entitled the purchase of one PUMA AG share.

The execution price for the purchase of a share is the mean value of the XETRA closing price on 5 trading days before issuance of the option rights or, if this value is higher, the closing price on the date of issuance of the respective installment, in addition to a 15% performance target in each case.
The terms of the options issued are shown in the table below:

Conditional capital Installment	from 2001 2001/2006	
	Nominal value T-€	Unit
Nominal amount	3,917	1,530,000
Option issued		
of which in circulation Jan. 1	-	-
issued in 2001	1,138	444,714
withdrawn in 2001	-1	-500
in circulation on Dec. 31, 2001	1,137	444,214
Conversion price		€ 24,61
Issue date		Aug. 29, 2001
Blocking period		2 Years
Conversion period		Aug. 30, 2003 - Aug. 28, 2006
Term		5 Years

19. Personnel expenses

Personnel expenses are made up as follows:

	2001 T-€	2000 T-€
Wages and salaries	65,660	51,877
Social security contributions	8,885	7,873
Expenses for pension schemes and other personnel expenses	6,558	4,662
Total	**81,103**	**64,412**

The annual average number of staff was as follows:

	2001	2000
Marketing	83	65
Distribution	634	485
Product management/development	175	172
Sourcing/logistics/production	508	513
Central units	317	289
Total	**1,717**	**1,524**

20. Selling, administration and general expenses

In addition to personnel expenses, advertising and selling costs, legal and consulting costs, rental / leasing expenses, travel costs, telephone and postage as well as other general expenses were major items. The amount of T-€ 13,544 (previous year: T-€ 11,173), is attributable to rental / leasing expenses.

In addition to income typical of the business, other operating income includes releases of accruals, exchange gains, value adjustments no longer needed, and payments received for receivables written down. Most of the income is directly associated with selling, administration and general expenses.

Broken down according to functional areas, marketing and retail expense totaled T-€ 86,933, or 14.5% of sales revenues (previous year: T-€ 67,016 or 14.5%). In addition to cost of materials, this item also includes other types of costs (e.g. personnel costs).

In 2001, total costs incurred in the product development and design segments totaled T-€ 19,878, or 3.3% of sales revenues (previous year: T-€ 18,178, or 3.9%).

21. One-off expenses / income

One-off expenses or income did not occur in the 2001 financial year.

22. Financial result

The financial result consists of the following:

	2001 T-€	2000 T-€
Other interest and similar income	1,949	2,190
Interest and similar expenses	3,562	3,789
Financial result	**-1,613**	**-1,599**

23. Taxes on income

	2001 T-€	2000 T-€
Current taxes on income		
Germany	3,963	2,951
Other countries	3,638	1,405
	7,601	**4,356**
Deferred taxes	**9,680**	**3,609**
	17,281	**7,965**

Current taxes on income in Germany relate to trade tax and withholding tax on income from PUMA AG royalties.

The corporation tax losses carried forward amount to approximately € 45 million (previous year: € 83 million). Of the total amount, approximately € 24 million (previous year: € 46 million), were recognized for capitalization of deferred taxes as the only means to provide for sufficient certainty of realization.

Transition from income before taxes to income taxes disclosed:

	2001 T-€	2000 T-€
Income before taxes	**57,433**	**25,537**
Theoretical tax expense		
Tax rate applying to the AG = 36.85% (previous year: 41.5%)	21,164	10,598
Differences from tax rates in other countries	-6,363	-2,031
Other tax effects:		
Intra-group write-offs to the lower going concern value	336	-6,329
Goodwill amortization	221	477
Effects of tax rate changes on deferred taxes		
in Germany	- - -	3,680
Other non-deductible expenses and income		
as well as consolidation and other effects	1,923	1,570
Actual tax expense	**17,281**	**7,965**
Actual tax rate	30.1%	31.2%

24. Earnings per share

Earnings per share are determined in accordance with IAS 33 through dividing group earnings by the average number of shares outstanding. A dilution of this indicator may result from so-called potential shares (convertible bonds and share options). The existing convertible bonds and the share option program correspond with one another and each share is subject to the same earnings per share. At the balance sheet date, a total of 15,428,500 shares were outstanding. The average number of shares outstanding is 15,392,268. Earnings per share amount to € 2.58, compared to € 1.14 in the previous year.

In order to facilitate assessing the earnings position, earnings per share are also adjusted for goodwill amortization.

		2001	**2000**
Consolidated earnings, net	T-€	39,702	17,572
Shares outstanding as at the balance sheet date	in Units	15,428,500	15,390,000
Average number of shares in circulation	in Units	15,392,268	15,390,000
Earnings per share	€	2.58	1.14
Earnings per share before one-off expenses / income	€	- - -	0.95
Earnings per share adjusted for goodwill amortization	€	2.62	1.22

25. Derivative financial instruments

The Company buys most of its products from suppliers in Asia who invoice in US dollars (USD). Sales are largely invoiced in other currencies; in addition, the Company earns royalty income mainly in Japanese Yen (JPY) and USD. The resulting assets and liabilities are subject to exchange rate fluctuations from the date of their origin up to realization.

Derivative and primary hedging instruments are used to minimize the currency risk. Derivative transactions are concluded if hedging requirements result after netting existing foreign currency receivables and liabilities. At the balance sheet date there were almost exclusively forward exchange contracts concluded with renowned international banks; the credit risk is therefore considered very low or unlikely. The contracts are exclusively used to hedge contracts concluded or where conclusion is expected. On December 31, 2001, there were forward exchange contracts primarily for the purchase of USD and € and the sale of JPY and USD. In general, the term to maturity of currency derivatives is within a period of one year, with the exception of hedging instruments for the JPY.

The following derivative financial instruments existed at the balance sheet date:

	Nominal amount 2001 T-€	Nominal amount 2000 T-€	**Market value 2001 T-€**	Market value 2000 T-€
forward exchange transactions total	**204,001**	**137,719**	**+5,635**	**-939**

The nominal amount is in accordance with the amounts of the respective forward exchange transactions agreed between the parties. The market value is the amount to which the respective financial instrument would be traded on the market between interested parties at the balance sheet date. The market value was reported under other financial assets or other liabilities pursuant to ISAS 39, and offset against equity capital with neutral effects on profits in as much as the hedging transaction related to future transactions.

26. Segment reporting

Firstly, sales and gross profit are shown according to the geographical region where sales are realized (according to customers' head office); in a second presentation, sales are allocated to the region where the head office of the respective group company is located. Inter-company sales are eliminated under Central units / Consolidation. The allocation of the remaining segment information is also based on the respective group company's head office. The sum totals equal the amounts on the income statement or on the balance sheet, respectively.

The operating result for the respective region was adjusted for intra-group settlements such as license and commission payments. The worldwide royalty income, largely realized by PUMA AG, as well as the cost of international product development are included under Central Units / Consolidation. Regional allocation with respect to the sales business would not be reasonable.

Gross assets include segment assets used to generate the operating result of the respective segment. Non-operating assets including deferred tax accruals and group assets that cannot be allocated are disclosed in the column: Central Units / Consolidation.

Liabilities include the respective outside capital from the viewpoint of the companies allocated. Intra-group assets and liabilities are eliminated in the Central Unit Consolidation column.

Investments and depreciation include additions to and depreciation of property, plant and equipment and of intangible assets for the current financial year.

Primary segment data

Regions	Sales (total)		Internal sales		External sales with third parties		Gross profit		Sales by head office location	
	by head office location of customers									
	2001 T-€	2000 T-€	**2001 T-€**	2000 T-€	**2001 T-€**	2000 T-€	**2001 T-€**	2000 T-€	**2001 T-€**	2000 T-€
Western Europe	**390,070**	278,558	**-16,047**	-11,131	**374,023**	267,427	**164,317**	113,566	**416,533**	301,233
Eastern Europe	**37,253**	29,304	**-11,506**	-7,897	**25,747**	21,407	**8,597**	4,154	**17,022**	11,846
Asia/Pacific Rim	**46,234**	46,277	**-982**	-1,600	**45,252**	44,677	**15,824**	17,957	**54,279**	53,812
America	**144,358**	121,195	**-2,178**	-2,207	**142,180**	118,988	**59,214**	38,138	**140,010**	118,381
Africa/Middle East	**10,920**	9,938	**-47**	0	**10,873**	9,938	**2,659**	2,605	**991**	0
Central units/consolidation									**-30,760**	-22,835
	628,835	485,272	**-30,760**	-22,835	**598,075**	462,437	**250,611**	176,420	**598,075**	462,437

Regions	Profit from operations		Gross assets (balance sheet total)		Liabilities		Investments		Depreciation	
	by head office location of group companies									
	2001 T-€	2000 T-€	**2001 T-€**	2000 T-€	**2001 T-€**	2000 T-€	**2001 T-€**	2000 T-€	**2001 T-€**	2000 T-€
Western Europe	**53,612**	15,086	**301,371**	212,746	**213,019**	160,698	**13,668**	4,437	**4,871**	4,243
Eastern Europe	**-943**	-301	**12,588**	7,718	**10,890**	7,939	**870**	512	**271**	118
Asia/Pacific Rim	**3,153**	3,822	**24,636**	25,384	**20,459**	20,600	**1,446**	1,355	**817**	821
America	**11,156**	3,732	**64,308**	59,883	**62,763**	62,942	**9,930**	3,128	**2,042**	1,579
Africa/Middle East	**-358**	191	**1,513**	0	**1,533**	0	**95**	0	**8**	0
Central units/consolidation	**-7,574**	4,606	**-9,033**	5,758	**-90,803**	-71,954	**0**	0	**344**	7
	59,046	27,136	**395,383**	311,489	**217,861**	180,225	**26,009**	9,432	**8,353**	6,768

Breakdown of revenue and gross margins by product category.

	Sales (total)		Internal sales		External sales with third parties		Gross profit in %	
	2001 T-€	2000 T-€	**2001 T-€**	2000 T-€	**2001 T-€**	2000 T-€	**2001 T-€**	2000 T-€
Footwear	**400,368**	282,863	**-16,308**	-11,958	**384,060**	270,905	**42.2%**	38.9%
Apparel	**182,337**	173,444	**-12,839**	-9,900	**169,498**	163,544	**41.2%**	36.7%
Accessories	**46,130**	28,965	**-1,613**	-977	**44,517**	27,988	**41.7%**	39.5%
	628,835	485,272	**-30,760**	-22,835	**598,075**	462,437	**41.9%**	38.2%

27. Notes to the cash flow statement

The cash flow statement has been prepared in accordance with IAS 7 (revised), using the indirect method, and broken down by cash flows from operating, investing and financing activities. The cash flow is derived from results before taxes on income and adjusted for non-cash income and expense items.

In the 2001 financial year, cash flow increased from T-€ 33,902 to T-€ 69,677. Cash from operating activities including the change in short-term balance sheet items amounts to T-€ 43,742 (previous year:
T-€ 16,268). Cash flows attributable to investing and financing activities were reclassified accordingly.

Cash used for investing activities totaled T-€ 40,771 (previous year: T-€ 7,133), and largely relates to the acquisition of participations and fixed asset investments. In addition, this item includes payments received from the disposal of fixed assets and interest received. Cash used for investing activities could be fully financed from the cash received from operating activities.

Taking cash used for financing activities: T-€ 10,955 (previous year: T-€ 2,117), and currency-related changes in cash and cash equivalents into account, the decrease in cash and cash equivalents amounts to T-€ 7,554 (previous year: increase of T-€ 7,369). Cash and cash equivalents available on December 31, 2001 amounted to T-€ 35,308 (previous year: T-€ 42,862), and include cash, sight deposits and fixed term deposits (terms up to six months); there are no restraints on disposal.

28. Contingencies

	2001 T-€	**2000 T-€**
Liabilities on bills discounted	85	108
Guarantees and warranties	2,490	2,188

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29. Other financial obligations

The Company's other financial commitments relate to license, promotion and advertising contracts. In addition, the Company leases and rents offices, warehouses, facilities and a car park. The residual term of the lease contract for the logistics center in Germany (operative leasing) is 9 years, the terms of all other rental and lease contracts are between 1 and 5 years.

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

	Dec. 31. 2001 T-€	Dec. 31. 2000 T-€
From license, promotion and advertising contracts:		
2002 (2001)	15,347	10,134
2003 - 2006 (2002 – 2005)	28,604	14,620
From rental and lease contracts:		
2002 (2001)	14,441	9,946
2003 - 2006 (2002 – 2005)	43,463	27,807
ab 2007 (ab 2006)	32,038	7,360

The increase in rental and leasing commitments largely results from long-term rental contracts for PUMA's retail shops within the scope of its "Concept Stores".

30. Transactions with related parties

With effect from July 1, 2001, PUMA acquired the Swedish Tretorn Group from the former major shareholder. Proventus AB, Sweden. Mikael Kamras, President and Chief Executive Officer of Proventus AB, is a member of the PUMA Supervisory Board. Prior to the purchase decision, a due diligence review was carried out. The purchase price of € 23 million corresponds with the fair market value. Mr. Kamras abstained from voting when the decision on the purchase was made by the Supervisory Board. For more details see Paragraph 2 of these notes.

Purchase of the Tretorn Group entails a financial liability to Proventus AB that falls due at the end of September 2002. The liability is interest-free. See Paragraph 12 of these notes.

31. Supervisory Board and Board of Management Disclosures

	2001 T-€	2000 T-€
Remuneration of Supervisory Board	102	102
Remuneration of the Board of Management	4.871	2.087
Pension commitments to former board members	2.336	2.353

Remuneration of the Board of Management includes, in addition to current remuneration, compensation with respect to private pension plans and bonus payments for 2000 and 2001. No other pension commitments concerning active board members exist. Furthermore, the current remuneration includes bonus payments for 2000 and 2001.

Pension commitments to former board members are carried at the stated amount as a liability within pension accruals.

As of the balance sheet date, the Board of Management holds non-transferable subscription rights for 250,000 shares within the scope of convertible bonds issued by PUMA AG. In addition, subscription rights for 133,414 PUMA AG shares were issued to the Board in connection with the share option program that was introduced in 2001 for the first time. For further details, see Paragraph 18 of these notes.

32. Management-Incentive-Plan

In 1996, PUMA introduced a Management Incentive Plan for the Board of Management and senior executives of PUMA AG and its subsidiaries.

The issue of convertible bonds and option rights gives participants the opportunity to acquire PUMA shares at a defined amount within a given period of time. These shares are finance on the basis of conditional capital. Please see Paragraph 18 of these Notes.

33. Events after the balance sheet date

The license agreement with the Portuguese licensee expired on December 31, 2001. As from 2002, this market will be serviced by a joint venture in which PUMA shall hold a 51% participation. PUMA Portugal is in the foundation stage and will lead to an expansion of the consolidated group as from 2002.

Five Concept Stores were opened during the past year aimed at the strategic expansion of PUMA's own retail business. For more details, attention is drawn to the Management Report under "Investments". Rental agreements have already been signed for two further stores in Italy and Great Britain; the opening of these stores is scheduled for March/April 2002. Additional stores in the USA and Europe are in planning. In addition, Concept Stores operated by licensees will be opened in Asia, in particular.

34. Approval of the annual financial statements

The annual financial statements were prepared by the Board of Management on February 8, 2002, and submitted to the Supervisory Board for examination. If the Supervisory Board approves the annual financial statements on the occasion of the Supervisory Board meeting on March 12, 2002, the annual financial statements will be adopted unless the Supervisory Board and the Board of Management decide that the annual financial statements be approved by the Shareholders' Meeting. The decisions of the Board of Management and the Supervisory Board shall be included in the report of the Supervisory Board to the Shareholders' Meeting.

Herzogenaurach, February 8, 2002

The Board of Management

Zeitz Gänsler Heyd

Report of the Auditors

We have audited the consolidated financial statements of PUMA Aktiengesellschaft Rudolf Dassler Sport, Herzogenaurach, consisting of the balance sheet, the income statement and the statement of changes in equity and cash flows as well as the notes to the financial statements for the business year from January 1 to December 31, 2001. The preparation and the content of these consolidated financial statements according to the International Accounting Standards of the IASB (IAS) are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion, based on our audit, whether the consolidated financial statements are in accordance with IAS.

We conducted our audit of the consolidated financial statements in accordance with German audit standards as promulgated by the German Institute of Chartered Accountants (IDW) and also in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The evidence supporting the amounts and disclosures in the consolidated financial statements are examined on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and cash flows of the Group for the business year in accordance with IAS.

Our audit, which according to German auditing regulations also extends to the group management report for the business year from January 1 to December 31, 2001 as prepared by the Board of Managing Directors, has not led to any reservations. In our opinion, the group management report provides, on the whole, a suitable understanding of the Group's position and presents suitably the risks of future development. In addition we confirm that the consolidated financial statements and the group management report for the business year from January 1 to December 31, 2001 satisfy the conditions required for the Company's exemption from its duty to prepare consolidated financial statements and the group management report in accordance with German law.

Frankfurt am Main, February 8, 2002

PRICEWATERHOUSECOOPERS
GmbH
Wirtschaftsprüfungsgesellschaft

Neugebauer	Cuntz
German Public Accountant	German Public Accountant

Dear Shareholders,

PUMA has once more succeeded in maintaining its position in an extremely difficult market environment. The past financial year has again proved to be one of excellent business development.

During 2001, the Supervisory Board assumed the tasks imposed on it by law and the statutes of the Company; the Supervisory Board supported and advised management and monitored its activities. At five general meetings which took place on March 8, May 10, June 20, September 26 and October 29, 2001, and through regular written and oral reporting the Board of Management informed us about the financial situation of the PUMA Group as a whole, and about matters of corporate policy and strategy. Before decisions were made, intensive discussions and detailed consultations were held on all business events requiring approval by the Supervisory Board.

Significant issues discussed at the Supervisory Board meetings and thereafter also in individual and group talks were:

- Audit and Approval of the 2000 Annual Financial Statements
- Regular Business Development during the 2000 Financial Year
- Corporate Planning for the Year 2002
- Acquisition of the Tretorn Group
- Status of Currency Hedging
- Retail Activities and Investments
- Extension of the Administration Building
- Stock Option Plan
- Repurchase of Shares
- Current Issues of Business Policy

A Supervisory Board personnel committee deals with personnel-related matters. Mr. Werner Hofer, Chairman, Mr. David Matalon, Mr. Thore Ohlsson and Ms. Katharina Wojaczek form the personnel committee.

PUMA AG's annual financial statements as prepared by the Board of Management, the consolidated financial statements, the management report and the group management report including the underlying accounting system have been audited and provided with an unqualified audit opinion by the auditors of PricewaterhouseCoopers Wirtschaftsprüfungsgesellschaft GmbH, Frankfurt am Main; the auditors were appointed by the General Meeting on May 10, 2001 and commissioned by the Supervisory Board to audit the annual financial statements and the consolidated financial statements.

In their report, the auditors arrive at the conclusion that PUMA's institutionalized risk management system pursuant to Section 91, (2) Stock Corporation Act, is suitable for the early recognition of any developments that may impair the Company's development and for taking counteraction against same. The Board of Management has informed the Supervisory Board at regular intervals about market and procurement risks, financial risks including currency risks, and also about risks that may arise in the organizational area.

The annual financial statements and the consolidated financial statements, the management report and the group management report, the proposal for appropriation of earnings as well as the auditors' reports were issued to all members of the Supervisory Board before the balance sheet meeting on March 12, 2002. The auditors who certified the audit reports commented on all significant audit issues during the balance sheet meeting. The Supervisory Board approved the result of the audit of the annual financial statements as provided by the auditor.

After examining the annual financial statements, the consolidated financial statements, the management report, the group management report and the proposal for appropriation of earnings, the Supervisory Board did not raise any objections and approved the annual financial statements as at December 31, 2001, which are hereby established. The Supervisory Board agrees with the Board of Management's proposal that the shareholders participate in the earnings of the Company and that the dividend be raised by 200% to € 0.30 per share. A total of € 4.6 million from the balance sheet profit will be used to this end.

The past financial year was extremely successful for PUMA; Both sales and income increased to achieve a record level. With a 168% increase in the value of the share, PUMA leads the performance rating list of all DAX companies. The Supervisory Board wishes to express its gratitude and appreciation to the Board of Management, the management of the group companies, the elected staff representatives and to all employees for this successful performance and the work involved in achieving it.

Herzogenaurach, March 12, 2002
For the Supervisory Board

Werner Hofer
Chairman

BOARD OF MANAGEMENT

Jochen Zeitz
Nuremberg, Germany
- Chairman -
(Marketing, Sales, Finance, Administration, Human Resources)

Member of other Supervisory Boards or similar boards:

- Deutsche Bank AG
- Falke KG
- Harley Davidson Europe

Martin Gänsler
Gersthofen, Germany
- Deputy Chairman -
(Research, Development, Design and Sourcing)

Ulrich Heyd
Nuremberg, Germany
(Legal Affairs and Industrial Property Rights)

Supervisory Board

SUPERVISORY BOARD

Werner Hofer (Chairman)
Hamburg, Germany
Lawyer

Member of other Supervisory Boards or similar boards:

- H & M Hennes & Mauritz AB, Stockholm/Sweden
- Electrolux Deutschland GmbH (Chairman), Siegen/ Germany
- ISPAT Europe Group S.A., Luxenburg/Luxenburg
- AEG Hausgeräte GmbH (Chairman), Nuernberg/ Germany
- ISPAT Germany GmbH, Duisburg/Germany
- ISPAT Hamburger Stahlwerke GmbH, Hamburg/ Germany
- ISPAT Stahlwerk Ruhrort GmbH, Duisburg/Germany

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

Member of other Supervisory Boards or similar boards:

- Boss Media AB, Växjö/Sweden
- Bastec AB (Chairman), Malmö/Sweden
- Elite Hotels AB, Stockholm/Sweden
- Proventus AB, Stockholm/Sweden
- Tretorn AB, Helsingborg/Sweden
- T. Frick AB (Chairman), Vellinge/Sweden
- Trianon AB, Malmö/Sweden

Mikael Kamras
Stockholm, Sweden
President and Manager of Proventus AB, Stockholm/ Sweden

Member of other Supervisory Boards or similar boards:

- SSRS Holding AB (Chairman), Stockholm/Sweden
- Von Roll Holding AG, Zuerich, Switzerland
- Nessuah Zannex Ltd., Tel-Aviv/Israel
- Microdrug AG, Hergiswil/Switzerland

Arnon Milchan
Herzelia, Israel
Producer

Member of other Supervisory Boards or similar boards:

- Monarchy Enterprises Holdings B.V., LLC, Rotterdam/ The Netherlands

David Matalon
Beverly Hills, USA
President and CEO of New Regency Productions, Inc., Los Angeles/U.S.A.

Member of other Supervisory Boards or similar boards:

- Monarchy Enterprises Holdings B.V., LLC, Rotterdam/The Netherlands
- Regency Entertainment USA Corp., Los Angeles/U.S.A.
- Restless Records Corp., Los Angeles/U.S.A.

Peter Chernin
Los Angeles, USA
President and Managing Director of News Corporation Ltd., New York, USA / Sidney, Australia

Member of other Supervisory Boards or similar boards:

- The News Corporation Limited, Sidney, N.S.W./ Australia
- Monarchy Enterprises Holdings B.V., Rotterdam/ The Netherlands
- Fox Entertainment Group, Inc., New York/U.S.A.
- E*Trade Group, Inc., Menlo Park, California/U.S.A.

Inge Baumann (Employees' Representative)
Muenchsteinach, Germany
Worker

Katharina Wojaczek (Employees' Representative)
Aurachtal-Falkendorf, Germany
Works council chairperson

Horst Zyder (Employees' Representative)
Erlangen, Germany
Controller

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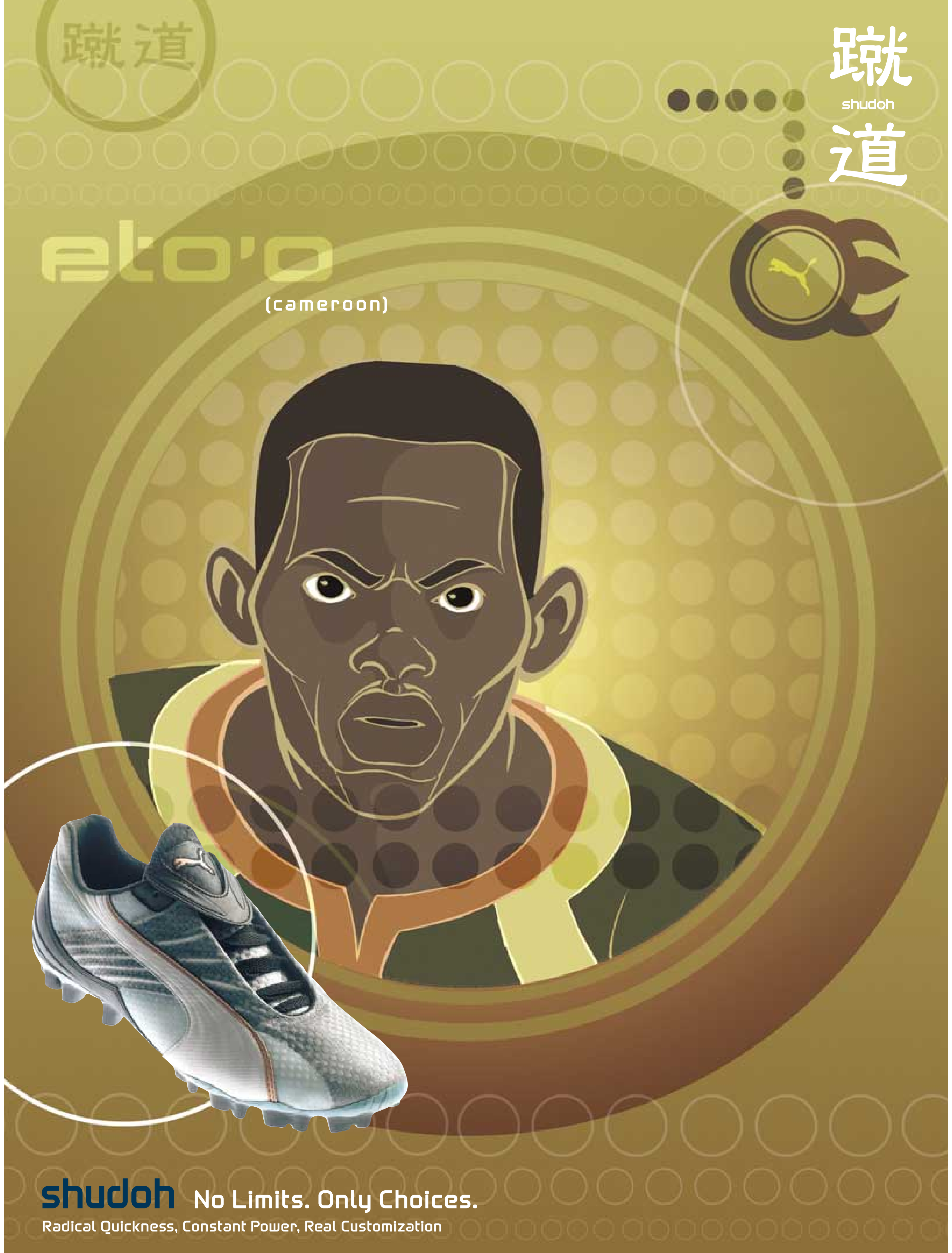

	2001 T-€	2000 T-€	1999 T-€	1998 T-€	1997 T-€	1996 T-€	1995[3] T-€	1994[3] T-€	1993[3] T-€
Brand sales[1]	1,011,709	831,075	714,918	647,435	622,465	594,022	577,172	554,228	541,327
- in %	*21.7%*	*16.2%*	*10.4%*	*4.0%*	*4.8%*	*2.9%*	*4.1%*	*2.4%*	- - -
Consolidated sales	598,075	462,437	372,709	302,512	279,730	250,463	211,454	199,539	209,995
- in %	*29.3%*	*24.1%*	*23.2%*	*8.1%*	*11.7%*	*18.4%*	*6.0%*	*-5.0%*	- - -
- Footwear	384,060	270,905	209,022	202,513	193,784	176,167	154,362	143,469	141,860
- Apparel	169,498	163,544	138,952	85,802	73,078	64,385	50,326	49,885	59,757
- Accessories	44,517	27,988	24,735	14,197	12,868	9,911	6,767	6,186	8,378
Gross profit	250,611	176,420	141,687	108,247	102,318	94,030	79,018	69,496	62,795
- in % of net sales	*41.9%*	*38.2%*	*38.0%*	*35.8%*	*36.6%*	*37.5%*	*37.4%*	*34.8%*	*29.9%*
License and commission income	37,247	28,919	23,932	24,518	25,851	25,497	26,020	27,099	21,448
- in % of net sales	*6.2%*	*6.3%*	*6.4%*	*8.1%*	*9.2%*	*10.2%*	*12.3%*	*13.6%*	*10.2%*
Operating result	59,046	22,826	16,256	4,683	36,321	33,337	30,991	23,147	-26,207
- in % of net sales	*9.9%*	*4.9%*	*4.4%*	*1.5%*	*13.0%*	*13.3%*	*14.7%*	*11.6%*	*-12.5%*
Financial result	-1,613	-1,599	-1,863	-1,259	1,084	-174	-1,167	-2,673	-5,925
- in % of net sales	*-0.3%*	*-0.3%*	*-0.5%*	*-0.4%*	*0.4%*	*-0.1%*	*-0.6%*	*-1.3%*	*-2.8%*
Result before taxes on income[2]	57,433	21,227	14,393	3,424	37,405	33,163	26,535	17,269	-35,358
- in % of net sales	*9.6%*	*4.6%*	*3.9%*	*1.1%*	*13.4%*	*13.2%*	*12.5%*	*8.7%*	*-16.8%*
Consolidated profit	39,702	17,572	9,537	4,047	34,648	42,848	24,637	14,896	-36,886
- in % of net sales	*6.6%*	*3.8%*	*2.6%*	*1.3%*	*12.4%*	*17.1%*	*11.7%*	*7.5%*	*-17.6%*
Earnings per share (in €)	2,58	1,14	0,62	0,26	2,25	1,98	1,76	1,06	-2,63
Balance sheet total	395,383	311,489	266,600	222,910	176,624	147,672	106,484	100,020	121,890
Inventories	144,505	95,002	85,089	63,395	58,427	41,907	36,945	33,257	44,011
Trade receivables	104,557	80,171	69,665	55,452	53,439	38,676	24,543	24,390	43,865
Net working capital	110,342	78,841	76,638	70,556	69,596	21,217	17,761	6,647	34,052
Cash and cash equivalents	35,308	42,862	35,493	35,484	35,420	42,140	21,039	15,899	1,868
Bank loans	43,100	38,058	34,366	27,659	13,379	7,638	17,891	15,085	52,613
Equity capital	176,726	131,264	112,171	97,658	96,651	61,633	-13,631	-38,143	-53,037
Subordinated shareholder loan	- - -	- - -	- - -	- - -	- - -	1,460	44,315	58,246	55,042
Order volume on Dec. 31	360,105	232,084	187,220	133,532	130,764	111,441	90,932	94,365	85,244
Number of staff on Dec. 31	2.012	1.522	1.424	1.145	1.078	807	745	703	714
Number of shares on Dec. 31 (in million)	15.429	15.390	15.390	15.390	15.390	15.390	14.000	14.000	14.000
Price of the PUMA share on Dec. 31	34.05	12.70	17.20	11.25	18.61	26.29	18.41	14.93	7.75

1) including sales of licensees
2) adjusted for extraordinary income/special influences
3) the previous year's figures were adjusted to comply with IAS standards and may differ from previously published figures based on HGB.

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