

### The new adidas Group segmental reporting structure at a glance

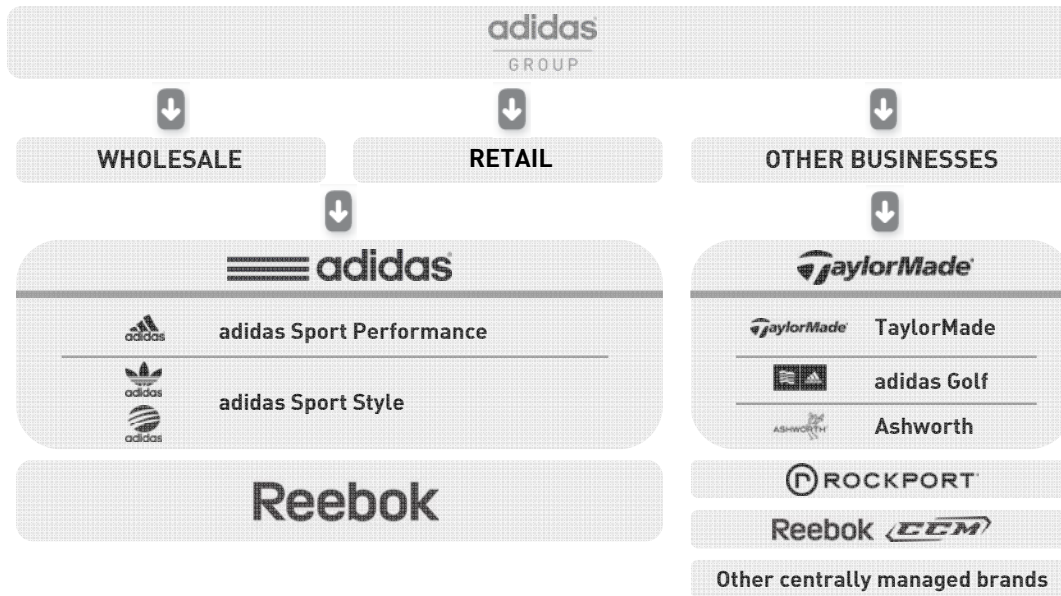
In the fourth quarter of 2009, the Group's organisational structure was changed to increase responsiveness to consumer needs and to support sustainable long-term growth. As a consequence of the subsequent changes in internal reporting and in accordance with the new IFRS 8, the adidas Group has divided its operating activities into six segments: Wholesale, Retail, TaylorMade-adidas Golf, Rockport, Reebok-CCM Hockey and Other centrally managed brands. The results of the adidas and Reebok brands are now combined under Wholesale and Retail. For clarity of presentation, the financial results of TaylorMade-adidas Golf, Rockport and Reebok-CCM Hockey (the latter two were formerly part of the Reebok segment) as well as Other centrally managed brands (mainly Y-3; formerly part of the adidas segment) are aggregated under Other Businesses.

Following the elimination of regional headquarters, the Group distinguishes seventeen markets which are aggregated into six geographies:

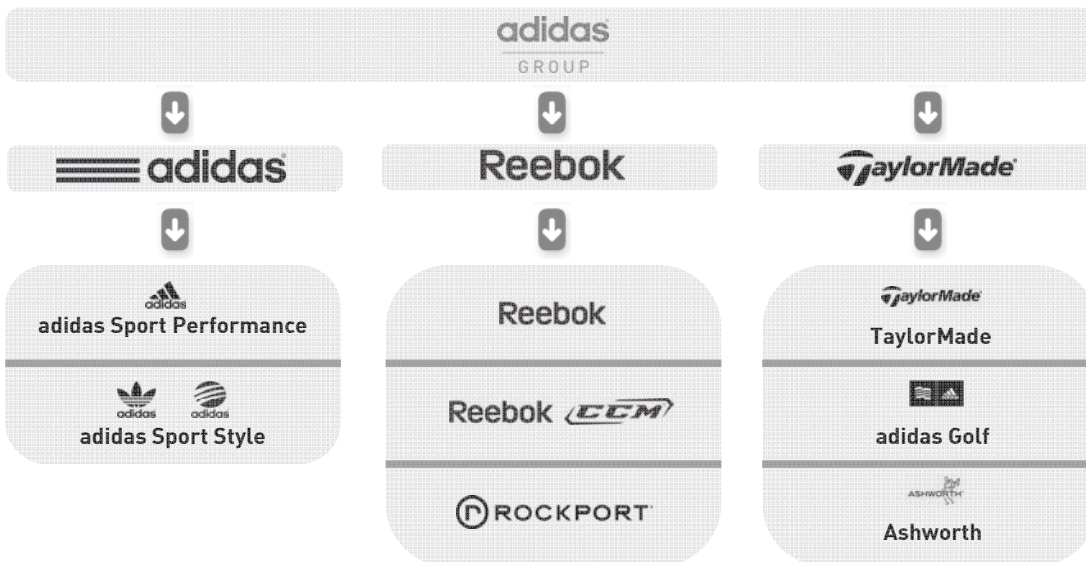
- **Western Europe:** Germany, Austria, Switzerland, Spain, Portugal, France, Poland, Czech Republic, Slovakia, Hungary, Italy, Sweden, Norway, Denmark, Finland, UK, Ireland, Netherlands, Belgium, Greece
- **European Emerging Markets:** Armenia, Belarus, Kazakhstan, Russia, Ukraine, Turkey, Romania, Bulgaria, Israel, UAE, Saudi Arabia, South Africa, Egypt, Tunisia
- **North America:** USA, Canada
- **Greater China:** China, Hong Kong, Taiwan
- **Other Asian Markets:** India, Japan, Singapore, Malaysia, Philippines, Thailand, Indonesia, Vietnam, South Korea, Australia, New Zealand
- **Latin America:** Argentina, Chile, Peru, Brazil, Columbia, Venezuela, Mexico

In line with the change in the Group's segmental reporting structure we now also allocate certain cost items in a different way. Within operating expenses, the Group now differentiates between Sales Working Budget and Marketing Working Budget. Sales working budget expenditures relate to advertising and promotion initiatives at the point of sale as well as store fittings and furniture. As sales working budget expenses are channel specific, they are allocated to the Group's operating segments. Marketing working budget consists of items such as expenses for promotion partnerships, advertising and public relations to support brand strength. As marketing working budget expenses are not distribution channel specific, they are not allocated to the segments.

**New segmental reporting structure**



**Old segmental reporting structure**



Quarterly performance by segment 2009 compared to 2008<sup>1)</sup>:

Wholesale Segment € in millions	Q1				Q2				Q3				Q4				Full year			
	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.
Net sales	1,876	1,968	(5%)	(8%)	1,608	1,755	(8%)	(13%)	2,040	2,241	(9%)	(9%)	1,650	1,794	(8%)	(4%)	7,174	7,758	(8%)	(9%)
adidas Sport Performance	1,257	1,349	(7%)	(11%)	1,063	1,223	(13%)	(18%)	1,324	1,456	(9%)	(10%)	1,062	1,157	(8%)	(5%)	4,706	5,184	(9%)	(11%)
adidas Sport Style	331	297	12%	12%	270	235	15%	12%	357	339	5%	6%	267	280	(5%)	(3%)	1,225	1,151	6%	7%
Reebok	307	317	(3%)	(8%)	265	292	(9%)	(12%)	372	440	(16%)	(16%)	320	361	(11%)	(5%)	1,265	1,410	(10%)	(10%)
Gross profit	798	885	(10%)		637	761	(16%)		859	1,015	(15%)		686	726	(6%)		2,981	3,387	(12%)	
Gross margin	42.6%	45.0%	(2.4pp)		39.6%	43.4%	(3.8pp)		42.1%	45.3%	(3.2pp)		41.6%	40.5%	1.1pp		41.6%	43.7%	(2.1pp)	
adidas gross margin	45.6%	47.5%	(1.9pp)		42.4%	45.4%	(3.0pp)		44.6%	47.4%	(2.7pp)		44.6%	43.3%	1.3pp		44.4%	46.0%	(1.6pp)	
Reebok gross margin	27.0%	32.0%	(5.0pp)		25.4%	33.0%	(7.6pp)		30.9%	36.7%	(5.8pp)		29.2%	29.3%	(0.1pp)		28.4%	33.0%	(4.6pp)	
Segmental operating profit	615	722	(15%)		492	590	(17%)		704	822	(14%)		535	558	(4%)		2,346	2,692	(13%)	
Segmental operating margin	32.8%	36.7%	(3.9pp)		30.6%	33.6%	(3.0pp)		34.5%	36.7%	(2.2pp)		32.4%	31.1%	1.3pp		32.7%	34.7%	(2.0pp)	

Retail Segment € in millions	Q1				Q2				Q3				Q4				Full year			
	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.
Net sales	400	360	11%	4%	486	423	15%	7%	524	491	7%	4%	497	464	7%	14%	1,906	1,738	10%	7%
adidas Sport Performance	239	220	9%	1%	294	264	11%	3%	314	298	5%	2%	295	280	5%	12%	1,142	1,062	7%	5%
adidas Sport Style	90	74	22%	17%	106	82	30%	23%	113	97	16%	14%	110	93	18%	25%	420	346	21%	20%
Reebok	66	58	15%	7%	85	73	15%	6%	97	92	5%	1%	91	84	9%	17%	339	307	10%	7%
Gross profit	218	212	3%		295	266	11%		302	305	(1%)		302	285	6%		1,116	1,069	4%	
Gross margin	54.5%	58.9%	(4.3pp)		39.6%	63.0%	(2.2pp)		57.6%	62.2%	(4.6pp)		60.7%	61.5%	(0.8pp)		58.6%	61.5%	(2.9pp)	
adidas gross margin	57.3%	61.0%	(3.7pp)		62.8%	65.0%	(2.2pp)		60.5%	64.3%	(3.7pp)		62.2%	63.5%	(1.4pp)		60.9%	63.6%	(2.7pp)	
Reebok gross margin	40.7%	47.7%	(6.9pp)		51.0%	53.2%	(2.2pp)		44.6%	53.3%	(8.6pp)		54.3%	52.3%	2.1pp		48.1%	51.9%	(3.8pp)	
Segmental operating profit	17	58	(71%)		84	85	(1%)		101	111	(10%)		66	72	(9%)		267	326	(18%)	
Segmental operating margin	4.2%	16.0%	(11.8pp)		17.3%	20.2%	(2.9pp)		19.2%	22.6%	(3.4pp)		13.3%	15.6%	(2.3pp)		14.0%	18.8%	(4.8pp)	

Other Businesses € in millions	Q1				Q2				Q3				Q4				Full year			
	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.
Net sales	294	285	3%	(3%)	359	336	7%	(1%)	322	347	(7%)	(11%)	308	318	(3%)	2%	1,283	1,285	(0%)	(4%)
TaylorMade-adidas Golf	194	191	2%	(6%)	255	226	13%	3%	184	197	(6%)	(12%)	198	198	(0%)	6%	831	812	2%	(2%)
Rockport	60	57	5%	(2%)	55	56	(2%)	(11%)	63	68	(7%)	(10%)	53	62	(14%)	(7%)	232	243	(5%)	(8%)
Reebok-CCM Hockey	24	22	11%	11%	44	49	(9%)	(10%)	59	64	(8%)	(8%)	50	53	(7%)	(5%)	177	188	(6%)	(5%)
Other centrally managed brands	15	15	4%	4%	6	5	7%	5%	15	18	(14%)	(14%)	7	4	63%	64%	43	42	3%	3%
Gross profit	116	130	(11%)		138	143	(3%)		123	147	(17%)		129	123	5%		506	543	(7%)	
Gross margin	39.4%	45.7%	(6.3pp)		38.4%	42.6%	(4.2pp)		38.1%	42.4%	(4.3pp)		41.9%	38.5%	3.4pp		39.4%	42.2%	(2.8pp)	
Segmental operating profit	43	82	(47%)		85	90	(6%)		76	97	(22%)		78	68	14%		281	337	(17%)	
Segmental operating margin	14.6%	28.7%	(14.1pp)		23.5%	26.7%	(3.2pp)		23.6%	28.1%	(4.5pp)		25.2%	21.4%	3.8pp		21.9%	26.2%	(4.3pp)	

Total Group sales by region € in millions	Q1				Q2				Q3				Q4				Full year			
	2009	2008	Change	Change c.n.	2009	2008	Change	Change c.n.	2009	2008	Change	Change c.n.	2009	2008	Change	Change c.n.	2009	2008	Change	Change c.n.
Western Europe	899	980	(8%)	(5%)	719	846	(15%)	(12%)	1,008	1,079	(7%)	(4%)	636	623	2%	3%	3,262	3,527	(8%)	(5%)
European Emerging Markets	293	284	3%	(4%)	256	262	(2%)	(11%)	311	362	(14%)	(16%)	263	271	(3%)	8%	1,122	1,179	(5%)	(7%)
North America	532	578	(8%)	(18%)	636	582	9%	(3%)	649	711	(9%)	(13%)	543	649	(16%)	(7%)	2,360	2,520	(6%)	(10%)
Greater China	247	231	7%	(11%)	234	267	(12%)	(25%)	261	263	0%	(5%)	224	316	(29%)	(22%)	967	1,077	(10%)	(16%)
Other Asian Markets	381	362	5%	(2%)	383	353	8%	(3%)	388	398	(3%)	(10%)	495	472	5%	2%	1,647	1,585	4%	(3%)
Latin America	218	177	23%	31%	226	204	11%	18%	270	266	1%	11%	293	247	19%	20%	1,006	893	13%	19%
HQ/Consolidation	8	8	-	-	3	7	-	-	2	3	-	-	3	(2)	-	-	16	16	-	-
<b>Total sales</b>	<b>2,577</b>	<b>2,621</b>	<b>(2%)</b>	<b>(6%)</b>	<b>2,457</b>	<b>2,521</b>	<b>(3%)</b>	<b>(8%)</b>	<b>2,888</b>	<b>3,083</b>	<b>(6%)</b>	<b>(7%)</b>	<b>2,458</b>	<b>2,574</b>	<b>(5%)</b>	<b>0%</b>	<b>10,381</b>	<b>10,799</b>	<b>(4%)</b>	<b>(6%)</b>

Total adidas brand € in millions	Q1				Q2				Q3				Q4				Full year			
	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.
Net sales	1,917	1,968	(3%)	(6%)	1,750	1,818	(4%)	(9%)	2,111	2,218	(5%)	(6%)	1,742	1,817	(4%)	(0%)	7,520	7,821	(4%)	(5%)
Gross profit	901	964	(7%)		812	879	(8%)		995	1,104	(10%)		830	855	(3%)		3,538	3,802	(9%)	
Gross margin	47.0%	49.0%	(2.0pp)		46.4%	48.3%	(1.9pp)		47.1%	49.8%	(2.7pp)		47.6%	47.0%	0.6pp		47.1%	48.6%	(1.5pp)	

Total Reebok brand € in millions	Q1				Q2				Q3				Q4				Full year			
	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.	2009	2008	Change	Change sales c.n.
Net sales	374	375	0%	(5%)	350	365	(4%)	(8%)	468	532	(12%)	(13%)	412	445	(8%)	(1%)	1,603	1,717	(7%)	(7%)
Gross profit	103	134	(23%)		110	155	(29%)		157	186	(16%)		141	149	(6%)		511	624	(18%)	
Gross margin	27.6%	35.6%	(8.1pp)		31.3%	42.5%	(11.2pp)		33.6%	35.0%	(1.4pp)		34.2%	33.5%	0.7pp		31.8%	36.4%	(4.5pp)	

1) Rounding differences may arise in totals

## Calculation of Group Operating Profit under new reporting structure

	Wholesale	Retail	Other Businesses	Segmental total
Net sales	7,174	1,906	1,283	10,363
Gross profit	2,981	1,116	506	4,603
Segmental operating expenses	(635)	(849)	(225)	(1,709)
Segmental operating profit	2,346	267	281	2,894

Segmental operating profit for reportable segments	2,894
Segmental operating profit for HQ/Consolidation	41
Marketing Working Budget	(1,028)
Other operating expenses	(1,485)
Royalty income	86
Operating profit	508