

For immediate release

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Nine Months 2009 Results:

Significant improvement in financial position in the first nine months of 2009

- **Currency-neutral inventories down 8% versus the prior year**
- **Net borrowings reduced by 12% versus the prior year**
- **Currency-neutral Group sales decline 7% in Q3 and first nine months**
- **Full year diluted EPS to reach level of € 1.15 to € 1.30**

Third quarter adidas Group currency-neutral sales decrease 7%

During the third quarter of 2009, Group sales declined 7% on a currency-neutral basis. Revenues for the **adidas** segment decreased 6% on a currency-neutral basis. Growth in the Sport Style division could not offset declines in major sports categories in the Sport Performance division. Currency-neutral revenues in the **Reebok** segment decreased 12% versus the prior year, as a result of declines in all divisions. Third quarter revenues for the **TaylorMade-adidas Golf** segment decreased 12% on a currency-neutral basis. This was mainly due to the challenging macroeconomic environment and the non-recurrence of sales related to several new product launches in the prior year period. Currency movements positively impacted Group sales in euro terms. Group revenues decreased 6% in euro terms to € 2.888 billion in the third quarter of 2009 from € 3.083 billion in 2008.

Third quarter diluted EPS € 1.03

The Group's gross margin decreased 3.7 percentage points to 45.3% (2008: 49.0%) in the third quarter as a result of higher clearance sales, higher input costs and currency devaluation effects, in particular related to the Russian rouble. Group gross profit decreased 14% to € 1.307 billion (2008: € 1.511 billion). As a result of the lower gross margin as well as higher other operating expenses as a percentage of sales, the Group's operating margin decreased 3.7 percentage points to 11.6% in the third quarter of 2009 versus 15.3% in the prior year. Operating profit decreased 29% to € 336 million versus € 473 million in 2008. In the third quarter of 2009, the Group's net income attributable to shareholders decreased 30% to € 213 million (2008: € 302 million) mainly due to the Group's lower operating profit. Diluted earnings per share for the third quarter declined 29% to € 1.03.

"This year, our industry and our Group have faced unprecedented challenges. However, we have tackled the challenges head-on," commented Herbert Hainer, adidas Group CEO. "We have successfully adapted to our difficult surroundings. And our drive for operational excellence has meant we have strongly improved our financial position generating almost € 740 million in net cash from operations over the last six months."

adidas Group currency-neutral sales decline 7% in first nine months

In the first nine months of 2009, Group revenues decreased 7% on a currency-neutral basis, as a result of lower sales in all business segments. The **adidas** segment decreased 7%, the **Reebok** segment 9% and the **TaylorMade-adidas Golf** segment 5%. Currency translation effects positively impacted sales in euro terms. Group revenues in euro terms declined 4% to € 7.923 billion in the first nine months of 2009 from € 8.225 billion in 2008.

	Nine Months 2009	Nine Months 2008	Change y-o-y in euro terms	Change y-o-y currency- neutral
	€ in millions	€ in millions	in %	in %
adidas	5,779	6,004	(4)	(7)
Reebok	1,497	1,587	(6)	(9)
TaylorMade-adidas Golf	633	614	3	(5)
HQ/Consolidation	13	20	(32)	(36)
Total	7,923	8,225	(4)	(7)

Nine months net sales growth by segment

Currency-neutral sales decrease in nearly all regions

Currency-neutral adidas Group sales declined in all regions except Latin America in the first nine months of 2009. Group sales in **Europe** decreased 8% on a currency-neutral basis, due to declines in most major markets impacted by the non-recurrence of strong prior year sales related to the UEFA EURO 2008™. In **North America**, Group sales decreased 11% on a currency-neutral basis due to declines in both the USA and Canada. Sales for the adidas Group in **Asia** decreased 9% on a currency-neutral basis, mainly as a result of declines in Japan and China. In **Latin America**, sales grew 19% on a currency-neutral basis, with double-digit increases in most of the region's major markets, supported by the new Reebok companies in Brazil/Paraguay and Argentina.

In euro terms, sales in **Europe** decreased 9% to € 3.442 billion in the first nine months of 2009 from € 3.776 billion in 2008. Sales in **North America** declined 3% to € 1.822 billion from € 1.871 billion in 2008. Revenues in **Asia** grew 1% to € 1.894 billion in the first nine months of 2009 from € 1.875 billion in 2008. Sales in **Latin America** grew 10% to € 713 million from € 647 million in the prior year.

	Nine Months 2009	Nine Months 2008	Change y-o-y in euro terms	Change y-o-y currency- neutral
	€ in millions	€ in millions	in %	in %
Europe	3,442	3,776	(9)	(8)
North America	1,822	1,871	(3)	(11)
Asia	1,894	1,875	1	(9)
Latin America	713	647	10	19
Total¹	7,923	8,225	(4)	(7)

Nine months net sales growth by region

¹ Including HQ/Consolidation.

Gross margin negatively impacted by higher clearance sales

The gross margin of the adidas Group decreased 4.3 percentage points to 45.1% in the first nine months of 2009 (2008: 49.4%). This development was mainly due to higher clearance sales, higher input costs and currency devaluation effects, in particular related to the Russian rouble. As a result, gross profit for the adidas Group declined 12% in the first nine months of 2009 to € 3.576 billion versus € 4.062 billion in the prior year.

Operating margin declines 5.8 percentage points

The operating margin of the adidas Group decreased 5.8 percentage points to 5.9% in the first nine months of 2009 (2008: 11.7%). The decline was due to the decrease in Group gross margin as well as higher other operating expenses as a percentage of sales. Other operating expenses as a percentage of sales increased 1.8 percentage points to 41.0% in the first nine months of 2009 from 39.1% in 2008, mainly as a result of higher expenses to support the Group's development in emerging markets. As a result, Group operating profit decreased 52% to € 465 million versus € 963 million in 2008.

Financial income down 37%

Financial income decreased 37% to € 15 million in the first nine months of 2009 from € 23 million in the prior year, mainly due to changes in the fair value of financial instruments.

Financial expenses increase 1%

Financial expenses increased 1% to € 137 million in the first nine months of 2009 (2008: € 136 million). Negative exchange rate variances were partly offset by a decline in interest expenses.

Income before taxes decreases 60%

Income before taxes (IBT) as a percentage of sales decreased 6.0 percentage points to 4.3% in the first nine months of 2009 from 10.3% in 2008. This was mainly a result of the Group's operating margin decrease. IBT for the adidas Group declined 60% to € 343 million from € 850 million in 2008.

Net income attributable to shareholders declines 62%

The Group's net income attributable to shareholders decreased 62% to € 226 million in the first nine months of 2009 from € 588 million in 2008. The Group's lower operating profit was the primary reason for this development. The Group's tax rate increased 3.7 percentage points to 34.2% in the first nine months of 2009 (2008: 30.5%), mainly due to a less favourable regional earnings mix.

Basic and diluted earnings per share decrease 61% and 59% respectively

Basic earnings per share decreased 61% to € 1.17 in the first nine months of 2009 versus € 2.96 in 2008. The weighted average number of shares used in the calculation of basic earnings per share decreased to 193,515,512 in the first nine months of 2009 (2008 average: 198,868,061) due to the share buyback programme from January to October 2008. Diluted earnings per share in the first nine months of 2009 decreased 59% to € 1.13 from € 2.78 in the prior year. The weighted average number of shares used in the calculation of diluted earnings per share was 209,247,568 (2008 average: 214,671,394). The dilutive effect largely results from approximately sixteen million additional potential shares that could be created in relation to the Group's convertible bond.

Currency-neutral Group inventories down 8%

Group inventories decreased 9% to € 1.652 billion at the end of September 2009 versus € 1.812 billion in 2008. On a currency-neutral basis, inventories were down 8%. This development was mainly due to reduced production volumes as well as clearance of excess inventories at all brands, partly offset by higher inventories in Latin America.

Currency-neutral accounts receivable decrease 7%

At the end of September 2009, Group receivables decreased 9% to € 1.866 billion (2008: € 2.055 billion). On a currency-neutral basis, receivables were down 7%. This decrease reflects the decline in sales as well as strict discipline in the Group's trade terms management despite the difficult economic situation in most markets.

Net borrowings reduced by € 299 million

Net borrowings at September 30, 2009 amounted to € 2.294 billion, which represents a decrease of € 299 million, or 12%, versus € 2.593 billion at the end of September 2008. Lower working capital requirements were the main reason for the net debt decline. This positive effect more than offset cash

outflows in an amount of € 32 million in relation to the meanwhile completed share buyback programme as well as negative currency translation effects in an amount of € 5 million. Consequently, the Group's financial leverage decreased to 70.2% at the end of September 2009 versus 78.5% in the prior year.

adidas Group sales to decrease in 2009

adidas Group sales are expected to decline at a low- to mid-single-digit rate on a currency-neutral basis in 2009. Sales development will be negatively impacted by weaker consumer demand due to low levels of consumer confidence and rising unemployment in many major markets. The Group projects a low- to mid-single-digit sales decline on a currency-neutral basis for the **adidas** brand in 2009. **Reebok** segment sales are also expected to decline at a low- to mid-single-digit rate compared to the prior year on a currency-neutral basis in 2009. Currency-neutral sales at **TaylorMade-adidas Golf** are now projected to decline at a low- to mid-single-digit rate, despite the consolidation of Ashworth for the full twelve-month period.

adidas Group earnings per share to decrease in 2009

In 2009, the adidas Group gross margin is forecasted to decline to a level between 45.0% and 45.5%. Higher sourcing costs due to increased raw material and labour costs, in particular in the first half of the year, as well as currency devaluation effects, primarily from the depreciation of the Russian rouble, will contribute to this development. A promotional environment in mature markets is expected to also have a negative impact on gross margin development in 2009. The Group's other operating expenses as a percentage of sales are expected to increase in 2009. Higher expenses for controlled space initiatives in the adidas and Reebok segments as well as costs related to reorganisation activities will drive this development, partially compensated by positive effects from efficiency improvements throughout the organisation. As a result of the expected Group gross margin decline and the projected increase in other operating expenses as a percentage of sales, the operating margin for the adidas Group is expected to decline to a level around 5.0%. Net income attributable to shareholders and earnings per share are projected to decline in 2009. Due to a more moderate increase of input costs and positive impetus ahead of the 2010 FIFA World Cup™, Group profitability will be significantly better in the second half compared to the first half of the year. Full year diluted earnings per share are expected to reach a level between € 1.15 and € 1.30.

Working capital management to improve balance sheet

Tight working capital management and disciplined investment activities are expected to help optimise the Group's free cash flow in 2009. Group inventories are expected to be significantly below the prior year level at the end of 2009 as a result of the clearance of excess inventories and a significant reduction of sourcing volumes in the second half of 2009. Excess cash will

largely be used to reduce net borrowings, which are forecasted to be below the prior year level.

Herbert Hainer stated: "Consumer and retailer sentiment still hovers between fear and optimism. However, we are well prepared to face any challenges thrown our way and I am cautiously optimistic. With a firm grip on inventories, a better financial position and a leaner organisation, we turn into the 2010 event year with innovative products, exciting concepts and clear focus on the tasks at hand."

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Please visit our corporate website: www.adidas-Group.com

adidas Group
Consolidated Income Statement (IFRS)

€ in millions	3rd Quarter 2009	3rd Quarter 2008	Change
Net sales	2,888	3,083	(6.3) %
Cost of sales	1,581	1,572	0.6 %
Gross profit	1,307	1,511	(13.5) %
<i>(% of net sales)</i>	45.3%	49.0%	(3.7) pp
Royalty and commission income	19	23	(19.4) %
Other operating income	24	15	55.1 %
Other operating expenses	1,014	1,076	(5.8) %
<i>(% of net sales)</i>	35.1%	34.9%	0.2 pp
Operating profit	336	473	(29.0) %
<i>(% of net sales)</i>	11.6%	15.3%	(3.7) pp
Financial income	9	7	32.3 %
Financial expenses	39	49	(19.5) %
Income before taxes	306	431	(29.1) %
<i>(% of net sales)</i>	10.6%	14.0%	(3.4) pp
Income taxes	93	128	(27.4) %
<i>(% of income before taxes)</i>	30.3%	29.6%	0.7 pp
Net income	213	303	(29.8) %
<i>(% of net sales)</i>	7.4%	9.8%	(2.5) pp
Net income attributable to shareholders	213	302	(29.7) %
<i>(% of net sales)</i>	7.4%	9.8%	(2.5) pp
Net income attributable to minority interests	0	1	(39.9) %
Basic earnings per share (in €)	1.10	1.54	(28.9) %
Diluted earnings per share (in €)	1.03	1.44	(28.5) %

Net Sales

€ in millions	3rd Quarter 2009	3rd Quarter 2008	Change	Change (currency neutral)
adidas	2,111	2,218	(4.8) %	(5.6) %
Reebok	591	665	(11.1) %	(11.9) %
TaylorMade-adidas Golf	184	197	(6.2) %	(12.1) %
Europe	1,299	1,423	(8.7) %	(7.4) %
North America	649	711	(8.8) %	(13.4) %
Asia	649	661	(1.7) %	(8.0) %
Latin America	270	266	1.5 %	11.3 %

Rounding differences may arise in percentages and totals.

adidas Group
Consolidated Income Statement (IFRS)

€ in millions	Nine Months 2009	Nine Months 2008	Change
Net sales	7,923	8,225	(3.7) %
Cost of sales	4,347	4,163	4.4 %
Gross profit	3,576	4,062	(12.0) %
<i>(% of net sales)</i>	45.1%	49.4%	(4.3) pp
Royalty and commission income	63	64	(2.4) %
Other operating income	72	54	32.7 %
Other operating expenses	3,246	3,217	0.9 %
<i>(% of net sales)</i>	41.0%	39.1%	1.8 pp
Operating profit	465	963	(51.7) %
<i>(% of net sales)</i>	5.9%	11.7%	(5.8) pp
Financial income	15	23	(37.3) %
Financial expenses	137	136	0.9 %
Income before taxes	343	850	(59.7) %
<i>(% of net sales)</i>	4.3%	10.3%	(6.0) pp
Income taxes	118	260	(54.9) %
<i>(% of income before taxes)</i>	34.2%	30.5%	3.7 pp
Net income	225	590	(61.8) %
<i>(% of net sales)</i>	2.8%	7.2%	(4.3) pp
Net income attributable to shareholders	226	588	(61.6) %
<i>(% of net sales)</i>	2.9%	7.1%	(4.3) pp
Net income attributable to minority interests	(1)	2	(117.7) %
Basic earnings per share (in €)	1.17	2.96	(60.5) %
Diluted earnings per share (in €)	1.13	2.78	(59.4) %

Net Sales

€ in millions	Nine Months 2009	Nine Months 2008	Change	Change (currency neutral)
adidas	5,779	6,004	(3.8) %	(6.8) %
Reebok	1,497	1,587	(5.7) %	(6.7) %
TaylorMade-adidas Golf	633	614	3.2 %	(4.5) %
Europe	3,442	3,776	(8.8) %	(7.9) %
North America	1,822	1,871	(2.6) %	(11.2) %
Asia	1,894	1,875	1.0 %	(8.9) %
Latin America	713	647	10.2 %	18.8 %

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**adidas Group
Consolidated Balance Sheet (IFRS)**

€ in millions	Sep. 30 2009	Sep. 30 2008	Change	Dec. 31 2008
Cash and cash equivalents	326	257	26.8%	244
Short-term financial assets	63	56	12.1%	141
Accounts receivable	1,866	2,055	(9.2)%	1,624
Other current financial assets	136	147	(8.0)%	287
Inventories	1,652	1,812	(8.8)%	1,995
Income tax receivables	86	48	79.8%	110
Other current assets	456	579	(21.2)%	502
Assets classified as held for sale	18	57	(68.1)%	31
Total current assets	4,603	5,011	(8.1)%	4,934
Property, plant and equipment	837	802	4.4%	886
Goodwill	1,465	1,462	0.2%	1,499
Trademarks	1,320	1,306	1.1%	1,390
Other intangible assets	178	228	(21.9)%	204
Long-term financial assets	92	99	(7.3)%	96
Other non-current financial assets	47	73	(36.2)%	60
Deferred tax assets	438	378	16.0%	344
Other non-current assets	125	97	29.0%	120
Total non-current assets	4,502	4,445	1.3%	4,599
Total assets	9,105	9,456	(3.7)%	9,533
Short-term borrowings	598	394	51.6%	797
Accounts payable	892	775	15.1%	1,218
Other current financial liabilities	149	54	174.8%	79
Income taxes	271	341	(20.4)%	321
Provisions	335	349	(4.3)%	324
Accrued liabilities	612	733	(16.5)%	684
Other current liabilities	217	257	(15.7)%	216
Liabilities classified as held for sale	0	3	(100.0)%	6
Total current liabilities	3,074	2,906	5.8%	3,645
Long-term borrowings	2,086	2,512	(17.0)%	1,776
Other non-current financial liabilities	34	23	44.2%	23
Pensions and similar obligations	136	134	1.2%	132
Deferred tax liabilities	423	463	(8.6)%	463
Non-current provisions	26	31	(14.8)%	28
Non-current accrued liabilities	21	40	(46.9)%	37
Other non-current liabilities	32	28	20.2%	29
Total non-current liabilities	2,758	3,231	(14.6)%	2,488
Share capital	194	195	(0.6)%	194
Reserves	(257)	(36)	-	(10)
Retained earnings	3,331	3,147	5.9%	3,202
Shareholders' equity	3,268	3,306	(1.1)%	3,386
Minority interests	5	13	(63.9)%	14
Total equity	3,273	3,319	(1.4)%	3,400
Total liabilities and equity	9,105	9,456	(3.7)%	9,533
Additional balance sheet information				
Operating working capital	2,625	3,092	(15.1)%	2,401
Working capital	1,530	2,105	(27.3)%	1,289
Net total borrowings	2,294	2,593	(11.5)%	2,189
Financial leverage	70.2%	78.5%	(8.3) pp	64.6%

Rounding differences may arise in percentages and totals.

From 2009, other (non-)current financial assets/liabilities are shown separately from other (non-)current assets/liabilities.