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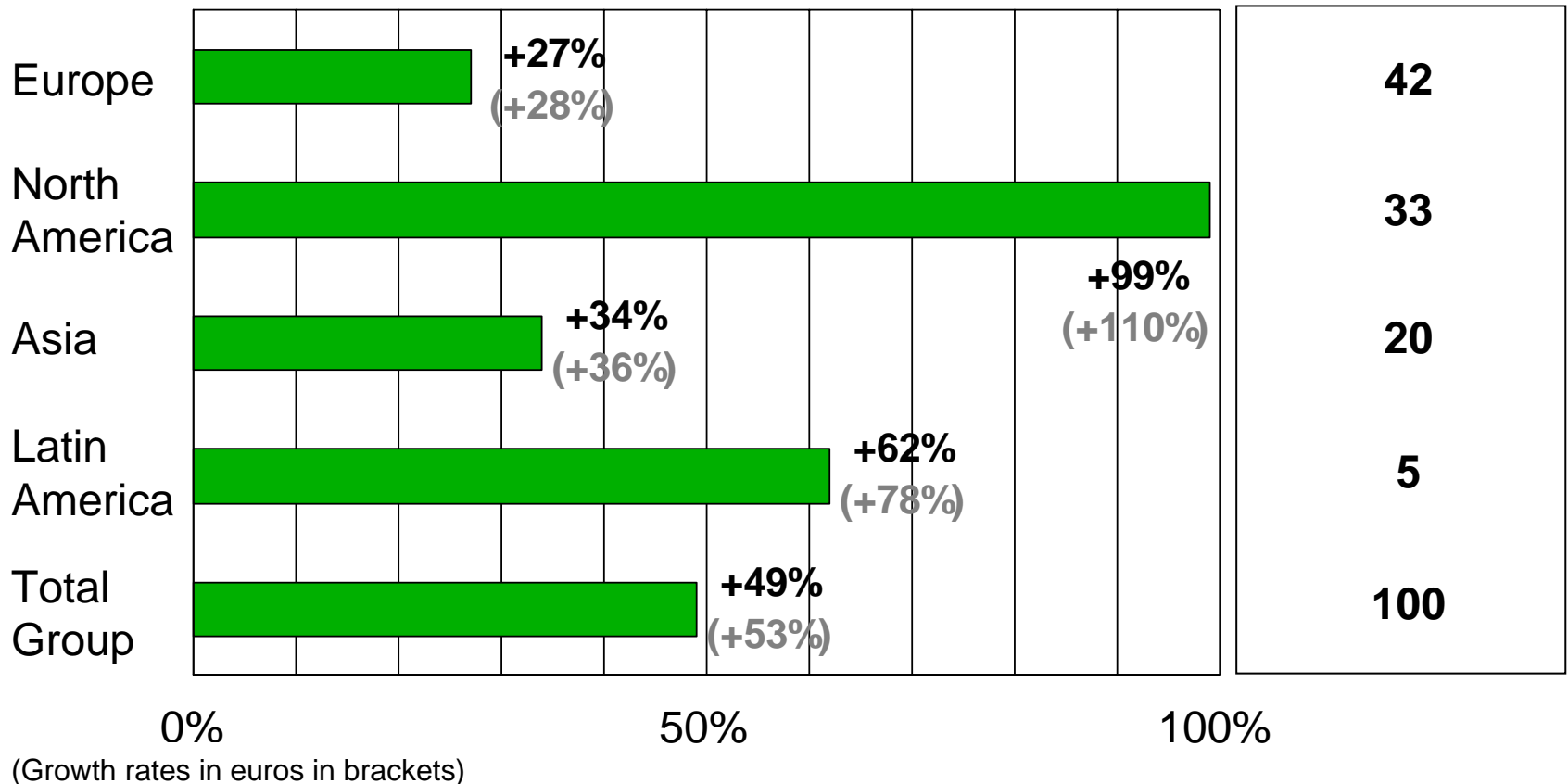
Strong First Half 2006 Operational Performance

- 2006 FIFA World Cup™ strengthens adidas position as the world's leading football brand
- Strong financial results at adidas and TaylorMade-adidas Golf
- Important steps taken in Reebok integration



Regional Sales Growth of Combined Group

Currency-neutral adidas Group YTD Net Sales Growth in % of total Group sales



Numerous Factors Impact First Half Gross Margin

adidas Group gross margin 44.8%

 **adidas**

46.5% (+0.9pp)

- Product mix
- Own retail
- Clearance sales at better margins

Reebok

33.6%





- US exposure
- PPA impact
- Markdown/
product mix

 **TaylorMade**

44.1% (-2.5pp)

- Metalwood promotion impact
- Greg Norman

Positive Operating Expense Development

Opex as % of sales	YTD 2006		
	35.1%	↑	+0.9pp
	33.4%	-	-
	34.7%	↓	(1.2pp)
	37.0%	↓	(1.0pp)

Operating profit +18% to €420 million
Operating margin 8.6%

Strong IBT and Earnings Performance

- Net financial expenses increase to €72 million
- Income before taxes grows 4% to €348 million
- Group tax rate decreases to 32.9%

**Net income attributable to shareholders
reaches €226 million**

**Basic earnings per share from continuing and
discontinued operations increase 19% to €1.11**

Three Unique Performance-Oriented Brands



- Passion for sport and teamwork
- Enabling athletes to reach their highest performance levels



- Celebrating Individuality
- Redefining performance and lifestyle



- Defining golf excellence
- Best golf products for best players

Technology and innovation

Cutting-edge design

Customized products and distribution

Outstanding adidas Financial Performance

- Q2 currency-neutral sales up 18% (17% in euros)
- Double-digit growth in all divisions and in all regions
- Football sales grow nearly 50%
- Own-retail sales increase 39%,
on track to surpass € 1 billion in 2006



World Cup Sales Exceed All Expectations

- Football category generates sales of more than € 1.2 billion in 2006
- On track to exceed all sales targets:
 - 15 million +Teamgeist™ balls
 - 3 million team jerseys
 - 1 million +Predator® boots
- Most recognized brand of the World Cup



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Ground-breaking Brand Communication Initiatives



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Football Partnership Portfolio Further Strengthened



UK: Europe's Toughest Market

- The UK is the toughest sporting goods market in Europe
- New go-to-market strategy:
 - Creation of a new “Concept” range available to retailers who meet trade policy requirements
 - Segmentation supports long-term health of our brands
 - Positive initial responses from many retailers
 - Beneficial medium- and long-term effect on sales and market expected

Exciting New Running Initiatives

PORSCHE DESIGN



adidas Backlog Strength Continues

	Change	Currency-neutral change
Footwear	0%	+3%
Apparel	+10%	+13%
Total	+6%	+9%

- Asia delivers highest growth rates
- NBA and Liverpool transfer support apparel growth

Reebok Strengthens Partnership Portfolio



Reebok First Half Performance in Line with Expectations

- No surprises in Reebok's performance
- Revenues decrease -12% on a currency-neutral basis
- Sequential improvement in sales and backlogs



Strong Pipeline of Reebok Integration Initiatives

Annual revenue synergies: €500 million	Branded apparel
	Licensed product
	Regional initiatives
	Distributor buyouts
Annual cost synergies: €175 million	Sourcing
	Marketing & Sales
	Distribution & Warehousing
	Administration & IT

Numerous Initiatives at Reebok

- Distributor buy-outs announced
- Cost savings in sourcing confirmed
- Back-office functions combined
- Go-to-market strategy redesigned
- Co-locations underway



Numerous Initiatives at Reebok (cont.)

- Media buying activities combined
- New COO for North America named, responsible for all three brands
- New head for branded apparel activities named
- NBA business transferred to adidas



Reebok Backlogs Better Than in the First Quarter

	Change	Currency-neutral change
Footwear	-15%	-12%
Apparel	-19%	-16%
Total	-16%	-13%

- Sequential currency-neutral improvement versus Q1
- First positive backlogs in Asia

TaylorMade-adidas Golf Growth Exceeds Expectations

- Currency-neutral sales up 28%
- Metalwoods promotion initiative to protect market share and maintain premium price points
- Initiative led to market share increases
- Short-term impact on gross margin



Double-digit growth now expected in 2006

Full Year Targets Reconfirmed

adidas Group 2006	<u>Target</u>
Sales growth	double-digit
Gross margin	44 - 46%
Operating margin	ca. 9%
Net income growth	double-digit

Medium-term Guidance

	<u>Target</u>
Annual sales growth	High-single-digit
Gross margin	46 - 48%
Operating margin	ca. 11%
Annual growth of net income	Double-digit for the next 3 years, at least 20% in 2007

Setting an Even Stronger Pace

- Strong first half
- Ambitious targets
- Exciting operational initiatives



adidas Group Well on Track to Reach 2006 Targets



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QUESTIONS & ANSWERS



Appendix

adidas Backlogs by Product Category and Region

- Development of adidas order backlogs (in %)

	Europe	North America	Asia	Total
Footwear	(3)	(3)	11	0
Apparel	5	8	20	10
Total	2	3	18	6

- Currency-neutral development of adidas order backlogs (in %)

	Europe	North America	Asia	Total
Footwear	(1)	1	17	3
Apparel	7	13	26	13
Total	3	7	24	9

Reebok Backlogs by Product Category and Region

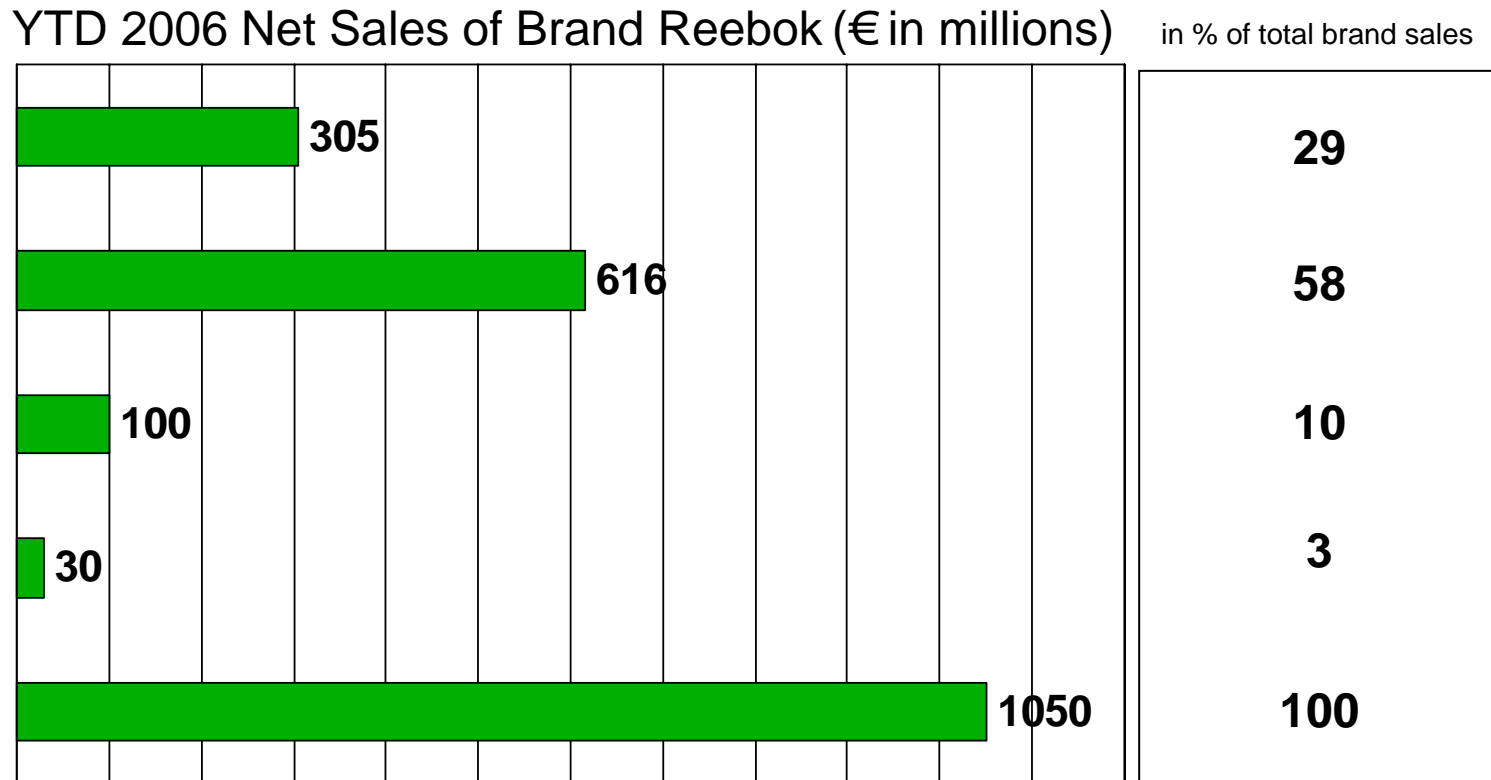
- Development of Reebok order backlogs (in %)

	Europe	North America	Total
Footwear	2	(29)	(15)
Apparel	(33)	(10)	(19)
Total	(14)	(22)	(16)

- Currency-neutral development of Reebok order backlogs (in %)

	Europe	North America	Total
Footwear	4	(26)	(12)
Apparel	(32)	(6)	(16)
Total	(12)	(18)	(13)

Reebok Sales by Region Highlight Growth Opportunity



Phasing of Revenue Synergies on the Fast-Track

€ in millions	2007	2008	2009
Synergy	100	250	500

- Savings equally spread over Asia, North America and Europe
- One-time expenses to average € 15 – 25 million per year

Phasing of Cost Synergies Leads to Full Impact in 2009

€ in millions	2006	2007	2008	2009
Synergy	35	87.5	175	175
One-time cost	35	70	70	-
Net effect	0	17.5	105	175