For immediate release **Herzogenaurach, May 8, 2007**

First Quarter 2007 Results:

Group sales grow 9% on a currency-neutral basis
First positive currency-neutral Reebok backlogs since consolidation within the Group (+3%)
adidas currency-neutral backlogs increase 7% with growth in all regions

- **Group gross margin increases 1.8 percentage points to 46.8%**
- **Net income attributable to shareholders declines 11% in line with expectations**
- **2007 outlook reconfirmed, net income growth expected to approach 15%**

First quarter adidas Group currency-neutral sales grow 9%

During the first quarter of 2007, Group sales increased 9% on a currency-neutral basis, mainly driven by sales growth in the adidas segment and the inclusion of an additional month in the Reebok segment versus the prior year. Currency-neutral sales grew in all regions except North America, where the development was stable. In euro terms, revenues grew 3% to € 2.538 billion from € 2.459 billion in 2006. On a like-for-like basis, including Reebok's revenues for the full three-month periods and excluding the effect from the disposal of the Greg Norman Collection (GNC) wholesale business, sales increased 4% in currency-neutral terms.

"Our Group has gotten off to a strong start in 2007," commented adidas AG Chairman and CEO Herbert Hainer. "The Reebok integration is beginning to pay off as we realize the first revenue and cost synergies. adidas and TaylorMade-adidas Golf impressed with strong product launches."

adidas and Reebok segments drive first quarter top-line growth

The adidas segment set the pace for the Group's organic sales growth in the first quarter of 2007. Currency-neutral **adidas** revenues increased 7% during the first three months. In the **Reebok** segment, currency-neutral sales increased 22% as in the first quarter of 2007 three months of Reebok's revenues are consolidated versus only February and March in the prior year. On a like-for-like basis, comparing the full three-month periods and excluding the transfer of the NBA and Liverpool licensed businesses to brand adidas, currency-neutral Reebok sales declined by 5%. At **TaylorMade-adidas Golf**, currency-neutral revenues decreased 4%. On a like-for-like basis, excluding prior year GNC sales, however, sales increased 5%. Currency translation effects negatively impacted sales at all brands in euro terms. **adidas** sales in euro terms increased 2% to € 1.819 billion in the first quarter of 2007 from € 1.776 billion in 2006. Sales at **Reebok** increased 15% to reach € 524 million versus € 454 million in the prior year. **TaylorMade-adidas Golf** sales in euro terms declined 10% to € 180 million in 2007 from € 201 million in 2006.

	2007	**2006**	**Change y-o-y in euro terms**	**Change y-o-y currency-neutral**
	€ in millions	€ in millions	in %	in %
adidas	**1,819**	1,776	2	7
Reebok[1]	**524**	454	15	22
TaylorMade-adidas Golf[2]	**180**	201	(10)	(4)
HQ/Consolidation	**17**	28	(41)	(37)
Total	**2,538**	**2,459**	**3**	**9**

Q1 net sales growth by segment

[1] Reebok first quarter 2006 results only included two months of the three-month period.
[2] Including Greg Norman apparel business from February 1, 2006 to November 30, 2006.

Sales increase strongly in nearly all regions

adidas Group sales grew strongly in all regions except North America where sales were stable. This growth was driven by strong operational developments at brand adidas as well as the consolidation of three months of Reebok's revenues in the first quarter of 2007 versus only February and March in the prior year. First quarter adidas Group sales in **Europe** grew 10% on a currency-neutral basis. In **North America**, Group sales were stable on a currency-neutral basis. Sales for the adidas Group in **Asia** and **Latin America** increased 13% and 36% respectively on a currency-neutral basis in the first quarter of 2007. Currency translation effects negatively impacted reported sales in all regions. Sales in **Europe** increased 8% in euro terms to € 1.149 billion in 2007 from € 1.067 billion in 2006. Sales in **North America** decreased 8% to € 698 million in 2007 from € 759 million in the prior year. In euro terms, revenues in **Asia** grew 6% to € 501 million in 2007 from € 474 million in 2006. Sales in **Latin America** grew 25% to € 157 million in 2007 from € 126 million in the prior year.

	2007	2006[1]	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Europe	**1,149**	1,067	8	10
North America	**698**	759	(8)	0
Asia	**501**	474	6	13
Latin America	**157**	126	25	36
Total[2]	**2,538**	**2,459**	**3**	**9**

Q1 net sales growth by region

[1] Including Reebok business segment from February 1, 2006 onwards. Including Greg Norman apparel business from February 1, 2006 to November 30, 2006.
[2] Including HQ/Consolidation.

Group gross margin increases by 1.8 percentage points

The gross margin of the adidas Group increased by 1.8 percentage points to 46.8% in the first quarter of 2007 (2006: 45.0%), driven by improvements in all segments. This mainly reflects the non-recurrence of negative impacts from purchase price allocation in the Reebok segment in an amount of € 22 million, positive impacts from increased own-retail activities at brand adidas as well as the first cost synergies in the sourcing of both adidas and Reebok products. This more than offset negative gross margin impacts at Reebok due to the inclusion of an additional month of Reebok results in the first quarter of 2007, as January is traditionally characterized by higher than average clearance activities. An increased gross margin at TaylorMade-adidas Golf also contributed to the Group gross margin increase. As a result of the Group's strong underlying top-line growth and gross margin improvement, gross profit for the adidas Group rose strongly by 7% in the first quarter of 2007 to reach € 1.188 billion versus € 1.107 billion in the prior year.

Operating profit declines 8%

The operating margin of the adidas Group declined 1.1 percentage points to 9.0% in the first quarter of 2007 (2006: 10.1%) largely due to the inclusion of an additional month of Reebok results, as January is traditionally characterized by higher than average operating expenses as a percentage of sales, as well as timing effects in the marketing working budget. The operating expense increase more than compensated gross profit improvements. As a result, operating profit for the adidas Group declined 8% in the first quarter of 2007 to reach € 229 million versus € 248 million in 2006.

Income before taxes decreases by 13%

Income before taxes for the adidas Group declined 13% to € 191 million in the first quarter of 2007 from € 220 million in 2006. The decline in the Group operating profit as well as increased net financial expenses contributed to this development. Net financial expenses increased 36% to € 38 million from € 28 million in the prior year as a result of lower financial income in 2007 compared to the first quarter of the prior year.

Net income attributable to shareholders down 11% in line with expectations
The Group's net income attributable to shareholders declined 11% to € 128 million in the first quarter of 2007 from € 144 million in 2006 as a result of a decline of the Group's operating profit, increased net financial expenses as well as a slightly higher tax rate, which increased 0.5 percentage points to 32.4% in the first quarter of 2007 from 31.8% in the prior year. The Group's minority interests, however, declined by 78% to € 1 million in the first quarter of 2007 from € 6 million in the prior year due to the take-over of the adidas joint venture partner in Korea, effective September 1, 2006.

Basic and diluted earnings per share decline 11%
In line with the decrease of the Group's net income attributable to shareholders, basic earnings per share declined 11% to € 0.63 in the first quarter of 2007 versus € 0.71 in 2006. Diluted earnings per share in the first quarter of 2007 also declined 11% to € 0.60 from € 0.67 in the prior year. The dilutive effect mainly results from approximately sixteen million additional potential shares that could be created in relation to the outstanding convertible bond, for which conversion criteria were met for the first time at the end of the fourth quarter of 2004.

Working capital progress continues
Group inventories decreased 3% to € 1.536 billion at the end of the first quarter of 2007 versus € 1.586 billion in 2006. On a currency-neutral basis, inventories increased 3% which is below sales growth expectations for the adidas Group. Group receivables decreased 6% (–1% currency-neutral) to € 1.777 billion at the end of the first quarter of 2007 versus € 1.898 billion in the prior year, clearly below sales growth in the quarter.

Net borrowings reduced by € 432 million
Net borrowings at March 31, 2007 were € 2.519 billion, down 15% or € 432 million versus € 2.952 billion in the prior year. Strong bottom-line profitability and continued tight working capital management were the drivers of this reduction.

adidas backlogs grow 7% on a currency-neutral basis
Backlogs for the adidas brand at the end of March 2007 increased 7% versus the prior year on a currency-neutral basis. This represents a significant sequential improvement of 6 percentage points versus the prior quarter, driven by notable increases in Europe and North America. The increase acknowledges the strong product pipeline for the second half of the year. In euro terms, adidas backlogs grew 2%. Footwear backlogs increased 5% in

currency-neutral terms (stable in euros). Mixed development in North America was more than offset by growth in Asia and in Europe's emerging markets. Apparel backlogs grew 12% on a currency-neutral basis (+7% in euros), driven by a solid increase in Europe and double-digit growth in both North America and Asia.

	Footwear		Apparel		Total[1]	
	in €	**currency-neutral**	**in €**	**currency-neutral**	**in €**	**currency-neutral**
Europe	0	2	6	7	2	4
North America	(14)	(6)	2	12	(7)	2
Asia	14	22	10	18	10	18
Total	**(0)**	**5**	**7**	**12**	**2**	**7**

Year-over-year development adidas order backlogs by product category and region as at March 31, 2007

[1] Includes hardware backlogs.

Reebok backlog development positive for first time since consolidation within the Group

Backlogs for the Reebok brand at the end of the first quarter increased 3% versus the prior year on a currency-neutral basis, showing the first positive quarter-end development since the consolidation of the business within the adidas Group. In euro terms, this equates to a decline of 3%. Footwear backlogs declined 9% in currency-neutral terms (–14% in euros), mainly due to decreases in North America and Europe. Apparel backlogs grew by 16% on a currency-neutral basis (+9% in euros), driven by strong growth in North America and Asia.

	Footwear		Apparel		Total[1]	
	in €	**currency-neutral**	**in €**	**currency-neutral**	**in €**	**currency-neutral**
Europe	(7)	(6)	2	3	(1)	0
North America	(21)	(13)	7	18	(8)	1
Total	**(14)**	**(9)**	**9**	**16**	**(3)**	**3**

Year-over-year development Reebok order backlogs by product category and region as at March 31, 2007

[1] Includes hardware backlogs.

2007 outlook reconfirmed

Based on the solid performance in the first quarter, Group revenues for the full year are projected to grow at mid-single-digit rates in 2007. Growth in the remaining quarters will be weighted towards the second half as the positive effects of the 2006 FIFA World Cup™ will not be repeated in the second quarter of 2007. Sales at brand adidas are expected to increase at a mid-single-digit rate on a currency-neutral basis in 2007. Revenues at Reebok are forecasted to improve at low-single digit rates compared to the prior year. Currency-neutral TaylorMade-adidas Golf sales will grow at mid-single-digit rates on a like-for-like basis. The Group gross margin is expected to be in the range of between 45 and 47%, driven by underlying improvements in all three brand segments and the non-recurrence of a € 76 million non-cash accounting charge related to purchase price allocation, which negatively impacted the Reebok gross margin in 2006. The Group's operating margin is forecasted to be around 9%, which will be modestly higher than in 2006. Gross margin improvements at all brands will drive this development, largely offset by higher operating expenses at Reebok, TaylorMade-adidas Golf and within HQ/Consolidation. Net income attributable to shareholders for the adidas Group is expected to grow at a double-digit rate, approaching 15%.

Herbert Hainer stated: "The positive Reebok backlog development is encouraging as we begin to make progress on the revitalization of the brand. We still have a way to go, and will maintain discipline and focus to ensure we bring about sustainable and long-term profitable growth at Reebok. For the Group, we are on track and ready to drive strong top-and bottom-line growth in 2007 despite the lack of major sport events."

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

adidas Group
Consolidated Income Statement (IFRS)

€ in millions	1st Quarter 2007	1st Quarter 2006	Change
Net sales	2,538	2,459	*3.2 %*
Cost of sales	1,350	1,352	*(0.1) %*
Gross profit	**1,188**	**1,107**	*7.3 %*
(% of net sales)	46.8%	45.0%	*1.8 PP*
Royalty and commission income	23	15	*49.3 %*
Other operating income and expenses	982	874	*12.3 %*
(% of net sales)	38.7%	35.6%	*3.1 PP*
Operating profit	**229**	**248**	*(7.6) %*
(% of net sales)	9.0%	10.1%	*(1.1) PP*
Financial income	7	21	*(66.8) %*
Financial expenses	45	49	*(9.0) %*
Income before taxes	**191**	**220**	*(13.1) %*
(% of net sales)	7.5%	9.0%	*(1.4) PP*
Income taxes	62	70	*(11.6) %*
(% of income before taxes)	32.4%	31.8%	*0.5 PP*
Net income	**129**	**150**	*(13.8) %*
(% of net sales)	5.1%	6.1%	*(1.0) PP*
Net income attributable to shareholders	**128**	**144**	*(10.9) %*
(% of net sales)	5.0%	5.8%	*(0.8) PP*
Net income attributable to minority interests	**1**	**6**	*(78.5) %*
Basic earnings per share (in €)[1)]	**0.63**	**0.71**	*(11.0) %*
Diluted earnings per share (in €)[1)]	**0.60**	**0.67**	*(10.7) %*

Net Sales

€ in millions	1st Quarter 2007	1st Quarter 2006	Change
adidas	1,819	1,776	*2.4 %*
Reebok[2)]	524	454	*15.3 %*
TaylorMade-adidas Golf[3)]	180	201	*(10.5) %*
Europe	1,149	1,067	*7.7 %*
North America	698	759	*(8.0) %*
Asia	501	474	*5.7 %*
Latin America	157	126	*24.7 %*

Rounding differences may arise in percentages and totals.

[1)] Figures adjusted for 1:4 share split conducted on June 6, 2006.

[2)] Reebok first quarter 2006 results only included two months of the three-month period.

[3)] Including Greg Norman apparel business from February 1, 2006 to November 30, 2006.

adidas Group
Consolidated Balance Sheet (IFRS)

€ in millions	Mar. 31 2007	Mar. 31 2006	Change	Dec. 31 2006
Cash and cash equivalents	257	268	(4.1)%	311
Short-term financial assets	23	20	12.7%	36
Accounts receivable	1,777	1,898	(6.4)%	1,415
Inventories	1,536	1,586	(3.2)%	1,607
Income tax receivables	71	43	66.8%	84
Other current assets	468	548	(14.5)%	413
Assets classified as held for sale	59	-	-	59
Total current assets	**4,191**	**4,363**	**(4.0%)**	**3,925**
Property, plant and equipment, net	672	676	(0.5)%	689
Goodwill, net	1,507	1,570	(4.0)%	1,516
Trademarks, net	1,438	1,577	(8.9)%	1,454
Other intangible assets, net	214	274	(21.7)%	223
Long-term financial assets	108	120	(10.0)%	106
Deferred tax assets	356	526	(32.3)%	332
Other non-current assets	141	169	(16.5)%	134
Total non-current assets	**4,436**	**4,912**	**(9.7%)**	**4,454**
Total assets	**8,627**	**9,275**	**(7.0%)**	**8,379**
Accounts payable	636	765	(16.9)%	752
Income taxes	300	362	(17.0)%	283
Accrued liabilities and provisions	915	897	2.0%	921
Other current liabilities	256	248	3.2%	232
Liabilities classified as held for sale	5	-	-	4
Total current liabilities	**2,112**	**2,272**	**(7.1%)**	**2,192**
Long-term borrowings	2,799	3,240	(13.6)%	2,578
Pensions and similar obligations	138	150	(7.7)%	134
Deferred tax liabilities	521	701	(25.7)%	522
Non-current accrued liabilities and provisions	71	68	4.3%	74
Other non-current liabilities	46	28	62.6%	43
Total non-current liabilities	**3,575**	**4,187**	**(14.6%)**	**3,351**
Share capital	204	130	56.5%	204
Reserves	403	645	(37.4)%	425
Retained earnings	2,324	1,999	16.3%	2,199
Shareholders' equity	2,931	2,774	5.7%	2,828
Minority interests	9	42	(78.6)%	8
Total equity	**2,940**	**2,816**	**4.4%**	**2,836**
Total liabilities and equity	**8,627**	**9,275**	**(7.0%)**	**8,379**
Additional balance sheet information				
Operating working capital	2,677	2,719	*(1.6)%*	2,270
Working capital	2,078	2,090	*(0.6)%*	1,733
Net total borrowings	2,519	2,952	*(14.6)%*	2,231
Financial leverage	86.0%	106.4%	*(20.5) PP*	*78.9%*

Rounding differences may arise in percentages and totals.