

For immediate release

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**First Quarter 2008 Results:**

**Net income attributable to shareholders grows 32%**  
**Group sales increase 10% on a currency-neutral basis**  
**Currency-neutral adidas backlogs increase 13%**

- **adidas and TaylorMade-adidas Golf currency-neutral sales increase at double-digit rates**
- **Group gross margin increases 2.3 percentage points to new record level of 49.1%**
- **Currency-neutral Reebok backlogs decline 13%**
- **2008 outlook reconfirmed**

**First Quarter adidas Group currency-neutral sales grow 10%**

During the first quarter of 2008, Group sales increased 10% on a currency-neutral basis, driven by double-digit sales growth in the adidas and TaylorMade-adidas Golf segments. Revenues in the Reebok segment, however, declined. Currency movements negatively impacted Group sales in euro terms. Group revenues grew 3% in euro terms to € 2.621 billion in the first quarter of 2008 from € 2.538 billion in 2007.

“We are off to a fast start to 2008,” commented adidas AG CEO and Chairman Herbert Hainer. “adidas and TaylorMade-adidas Golf were our growth engines. At Reebok, we are progressing on plan to reposition the brand. As a Group, we are stronger than ever before. Most importantly, Group profitability has improved substantially.”

**Double-digit sales growth at adidas and TaylorMade-adidas Golf in Q1**

The adidas and TaylorMade-adidas Golf segments set the pace for the Group's sales growth in the first quarter of 2008. Currency-neutral **adidas** segment revenues increased 14% during the first three months, driven by strong performance product sales in nearly all major categories. Currency-neutral sales in the **Reebok** segment declined 6% in the first quarter of 2008, mainly as a result of Reebok's repositioning efforts in the USA and the UK. At **TaylorMade-adidas Golf**, currency-neutral revenues increased 17%, due to the strong product offering in all major categories, helped by several new product launches. Currency translation effects negatively impacted sales in all segments in euro terms. **adidas** sales in euro terms increased 8% to € 1.968 billion in the first quarter of 2008 from € 1.819 billion in 2007. Sales at **Reebok** decreased 13% to reach € 454 million versus € 524 million in the prior year. **TaylorMade-adidas Golf** sales in euro terms increased 6% to € 191 million in 2008 from € 180 million in 2007.

	First Quarter 2008	First Quarter 2007	Change y-o-y in euro terms	Change y-o-y currency- neutral
	€ in millions	€ in millions	in %	in %
adidas	<b>1,968</b>	1,819	8	14
Reebok	<b>454</b>	524	(13)	(6)
TaylorMade-adidas Golf	<b>191</b>	180	6	17
HQ/Consolidation	<b>8</b>	17	(51)	(45)
<b>Total</b>	<b>2,621</b>	<b>2,538</b>	<b>3</b>	<b>10</b>

Q1 net sales growth by segment

### Currency-neutral sales grow at a double-digit rate in all regions except North America

adidas Group sales grew at double-digit rates in all regions except North America where revenues declined. First quarter adidas Group sales in **Europe** grew 12% on a currency-neutral basis as a result of strong increases in the region's emerging markets. In **North America**, Group revenues declined by 7% on a currency-neutral basis due to lower adidas and Reebok sales in the USA and Canada. Sales for the adidas Group in **Asia** increased 25% on a currency-neutral basis in the first quarter of 2008, driven by particularly strong growth in China and Korea. In **Latin America**, currency-neutral sales grew 18% in the first quarter, with increases coming from all of the region's major markets. Currency translation effects negatively impacted sales in euro terms in all regions. Sales in **Europe** increased 9% in euro terms to € 1.249 billion in 2008 from € 1.149 billion in 2007. Revenues in **North America** decreased 17% to € 578 million in 2008 from € 698 million in the prior year. In euro terms, revenues in **Asia** grew 18% to € 594 million in 2008 from € 501 million in 2007. Sales in **Latin America** grew 13% to € 177 million in 2008 from € 157 million in the prior year.

	First Quarter 2008	First Quarter 2007	Change y-o-y in euro terms	Change y-o-y currency- neutral
	€ in millions	€ in millions	in %	in %
Europe	<b>1,249</b>	1,149	9	12
North America	<b>578</b>	698	(17)	(7)
Asia	<b>594</b>	501	18	25
Latin America	<b>177</b>	157	13	18
<b>Total</b> <sup>1</sup>	<b>2,621</b>	<b>2,538</b>	<b>3</b>	<b>10</b>

Q1 net sales growth by region

<sup>1</sup> Including HQ/Consolidation.

**Record Group gross margin**

The gross margin of the adidas Group increased by 2.3 percentage points to a new record level of 49.1% of sales in the first quarter of 2008 (2007: 46.8%), driven by improvements in all brand segments. This is related to an improving product and regional mix, increased own-retail activities as well as favorable currency movements. Cost synergies resulting from the Reebok integration into the adidas Group continued to have a positive impact. As a result of the Group's strong underlying top-line growth and gross margin improvement, gross profit for the adidas Group rose 8% in the first quarter of 2008 to reach € 1.288 billion versus € 1.188 billion in the prior year.

**Operating margin increases by 1.7 percentage points**

The Group's operating margin increased 1.7 percentage points to 10.8% in the first quarter of 2008 (2007: 9.0%). A strong gross margin increase was partly offset by modestly higher operating expenses. Operating expenses as a percentage of sales increased 0.5 percentage points to 39.2% of sales (2007: 38.7%). This development was a result of higher operating overhead costs in the adidas and Reebok segments mainly due to increased infrastructure expenses in emerging markets. Operating profit for the adidas Group increased 23% in the first quarter of 2008 to reach € 282 million versus € 229 million in 2007.

**Income before taxes increases by 31%**

As a result of the Group's operating margin increase as well as lower net financial expenses, income before taxes as a percentage of sales increased by 2.0 percentage points to 9.6% in 2008 from 7.5% in 2007. Income before taxes for the adidas Group increased 31% to € 250 million in the first quarter of 2008 from € 191 million in 2007.

**Net income attributable to shareholders up 32%**

The Group's net income attributable to shareholders increased 32% to € 169 million in the first quarter of 2008 from € 128 million in 2007. This development is a result of the Group's strong operating margin improvement and lower net financial expenses. In addition, the Group's tax rate, which decreased by 0.4 percentage points to 32.0% in the first quarter of 2008 from 32.4% in the prior year, contributed to this development. The Group's minority interests declined by 23% to € 1 million in the first quarter of 2008 from € 1 million during the same period in the prior year.

**Basic and diluted earnings per share increase 33 and 32%**

Basic earnings per share increased 33% to € 0.84 in the first quarter of 2008 versus € 0.63 in the prior year. Diluted earnings per share in 2008 grew 32% to € 0.79 from € 0.60 in the prior year.

**Over 3.2 million shares repurchased in the first quarter**

On January 29, 2008, adidas AG announced the launch of a share buyback program to repurchase up to 5% of the company's stock capital until November 2008. During the first quarter, the Group purchased over 3.2 million shares at an average price of € 42.03. The buyback volume amounted to € 134.8 million in the first quarter. Over the entire buyback period, since January 30 to date, adidas AG bought back 5.5 million shares at an average price of € 41.73. The total buyback volume amounted to € 229.9 million.

**Group inventories grow in line with business expectations**

Group inventories increased 3% to € 1.578 billion at the end of the first quarter of 2008 versus € 1.536 billion in 2007. On a currency-neutral basis, this represents an increase of 13%. This increase is in line with the Group's business expectations. It mainly reflects business expansion in emerging markets as well as preparation for deliveries of UEFA EURO 2008™ related products in the second quarter. Group receivables decreased 7% to € 1.645 billion at the end of the first quarter of 2008 versus € 1.777 billion in the prior year. On a currency-neutral basis, receivables were stable.

**Net borrowings reduced by € 446 million**

Net borrowings at March 31, 2008 were € 2.073 billion, down 18% or € 446 million versus € 2.519 billion in the prior year. Strong bottom-line profitability and continued tight working capital management more than offset the financing of the adidas AG share buyback program. Currency effects also positively impacted this development.

**adidas backlogs grow strongly**

Backlogs for the adidas brand at the end of the first quarter of 2008 increased 13% versus the prior year on a currency-neutral basis. This improvement was supported by adidas' strength in all major categories. In euro terms, adidas backlogs grew 5%. Footwear backlogs increased 14% in currency-neutral terms (+6% in euros). Double-digit growth in both Asia and Europe more than offset a decline in North America. Apparel backlogs grew 13% on a currency-neutral basis (+5% in euros), driven by strong double-digit increases in Asia and Europe. Hardware backlogs grew largely due to increases in the football category.

	Footwear		Apparel		Total <sup>2</sup>	
	in €	currency-neutral	in €	currency-neutral	in €	currency-neutral
<b>Europe</b>	15	19	6	10	10	14
<b>North America</b>	(19)	(5)	(16)	(2)	(16)	(2)
<b>Asia</b>	11	18	15	22	11	19
<b>Total</b>	<b>6</b>	<b>14</b>	<b>5</b>	<b>13</b>	<b>5</b>	<b>13</b>

*Year-over-year development of adidas order backlogs by product category and region as at March 31, 2008*

<sup>2</sup> Includes hardware backlogs.

### Reebok backlogs decline

Currency-neutral Reebok backlogs at the end of the first quarter of 2008 decreased 13% versus the prior year on a currency-neutral basis. In euro terms, this represents a decline of 22%. Footwear backlogs decreased 22% in currency-neutral terms (-29% in euros). This is largely the result of the strategic initiatives to revitalize the Reebok brand in the USA, the UK and Japan. Apparel backlogs declined by 12% on a currency-neutral basis (-22% in euros) as a result of the increasing utilization of private label products by key retail partners in the USA and the UK. Hardware backlogs are up at a double-digit rate due to increases in the hockey category. Backlogs at Reebok, however, are expected to improve over the course of the year due to an improved product mix and the launch of the "Your Move" brand campaign.

	Footwear		Apparel		Total <sup>1</sup>	
	in €	currency-neutral	in €	currency-neutral	in €	currency-neutral
<b>Europe</b>	(13)	(8)	(19)	(13)	(13)	(8)
<b>North America</b>	(49)	(40)	(27)	(15)	(33)	(22)
<b>Asia</b>	(12)	(6)	(0)	6	(2)	4
<b>Total</b>	<b>(29)</b>	<b>(22)</b>	<b>(22)</b>	<b>(12)</b>	<b>(22)</b>	<b>(13)</b>

*Year-over-year development of Reebok order backlogs by product category and region as at March 31, 2008*

<sup>1</sup> Includes hardware backlogs.

### 2008 outlook reconfirmed

In 2008, adidas Group sales are expected to increase at a high-single-digit rate on a currency-neutral basis, driven by growth at all brands. The adidas segment is projected to achieve high-single-digit currency-neutral sales growth in 2008. Revenues in the Reebok segment are expected to grow at a mid- to high-single-digit rate on a currency-neutral basis. The target was raised in March versus initial guidance due to the announced joint venture of Reebok and Vulcabras S.A. in Brazil and Paraguay. Since April 1, 2008, the joint venture distributes Reebok footwear, apparel and accessories in these countries. Currency-neutral TaylorMade-adidas Golf sales are forecasted to grow at a mid-single-digit rate. The adidas Group gross margin is expected to increase modestly to a range of 47.5 to 48.0%, driven by improvements in all

three brand segments. The operating margin for the adidas Group is projected to increase to at least 9.5%. Full year net income attributable to shareholders is projected to grow by at least 15% in 2008 versus the 2007 level of € 551 million.

Herbert Hainer stated: "In 2008, we will reach new heights on both the top and bottom line. A summer of excitement is ahead of us. Our brands will be front and center at the two major sporting events, the UEFA EURO 2008™ and the Olympic Games. Despite a challenging market environment, we are optimistic we will achieve all our targets."

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Please visit our corporate website: [www.adidas-Group.com](http://www.adidas-Group.com)

**adidas Group**  
**Consolidated Income Statement (IFRS)**

€ in millions	First Quarter 2008	First Quarter 2007	Change
Net sales	2,621	2,538	3.3 %
Cost of sales	1,333	1,350	(1.3) %
<b>Gross profit</b>	<b>1,288</b>	<b>1,188</b>	8.4 %
<i>(% of net sales)</i>	49.1%	46.8%	2.3 PP
Royalty and commission income	21	23	(6.7) %
Other operating income and expenses	1,028	982	4.6 %
<i>(% of net sales)</i>	39.2%	38.7%	0.5 PP
<b>Operating profit</b>	<b>282</b>	<b>229</b>	23.2 %
<i>(% of net sales)</i>	10.8%	9.0%	1.7 PP
Financial income	6	7	(16.4) %
Financial expenses	38	45	(15.8) %
<b>Income before taxes</b>	<b>250</b>	<b>191</b>	30.8 %
<i>(% of net sales)</i>	9.6%	7.5%	2.0 PP
Income taxes	80	62	29.4 %
<i>(% of income before taxes)</i>	32.0%	32.4%	(0.4) PP
<b>Net income</b>	<b>170</b>	<b>129</b>	31.5 %
<i>(% of net sales)</i>	6.5%	5.1%	1.4 PP
<b>Net income attributable to shareholders</b>	<b>169</b>	<b>128</b>	32.1 %
<i>(% of net sales)</i>	6.5%	5.0%	1.4 PP
<b>Net income attributable to minority interests</b>	<b>1</b>	<b>1</b>	(23.4) %
<b>Basic earnings per share (in €)</b>	<b>0.84</b>	<b>0.63</b>	32.8 %
<b>Diluted earnings per share (in €)</b>	<b>0.79</b>	<b>0.60</b>	32.2 %

**Net Sales**

€ in millions	First Quarter 2008	First Quarter 2007	Change
adidas	1,968	1,819	8.2 %
Reebok	454	524	(13.4) %
TaylorMade-adidas Golf	191	180	6.4 %
Europe	1,249	1,149	8.7 %
North America	578	698	(17.2) %
Asia	594	501	18.4 %
Latin America	177	157	12.6 %

Rounding differences may arise in percentages and totals.

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

€ in millions	Mar. 31 2008	Mar. 31 2007	Change	Dec. 31 2007
Cash and cash equivalents	288	257	12.0%	295
Short-term financial assets	80	23	249.0%	86
Accounts receivable	1,645	1,777	(7.4%)	1,459
Inventories	1,578	1,536	2.8%	1,629
Income tax receivables	75	71	5.8%	60
Other current assets	580	468	23.9%	529
Assets classified as held for sale	71	59	20.4%	80
<b>Total current assets</b>	<b>4,317</b>	<b>4,191</b>	<b>3.0%</b>	<b>4,138</b>
Property, plant and equipment	673	672	0.1%	702
Goodwill	1,391	1,507	(7.7%)	1,436
Trademarks	1,201	1,438	(16.4%)	1,291
Other intangible assets	184	214	(14.2%)	194
Long-term financial assets	104	108	(3.7%)	103
Deferred tax assets	369	356	3.7%	315
Other non-current assets	167	141	17.8%	147
<b>Total non-current assets</b>	<b>4,089</b>	<b>4,436</b>	<b>(7.8%)</b>	<b>4,188</b>
<b>Total assets</b>	<b>8,406</b>	<b>8,627</b>	<b>(2.6%)</b>	<b>8,325</b>
Accounts payable	656	636	3.3%	849
Income taxes	335	300	11.4%	285
Accrued liabilities and provisions	1,048	915	14.4%	1,025
Other current liabilities	385	256	50.3%	266
Liabilities classified as held for sale	3	5	(29.2%)	4
<b>Total current liabilities</b>	<b>2,427</b>	<b>2,112</b>	<b>14.9%</b>	<b>2,429</b>
Long-term borrowings	2,441	2,799	(12.8%)	2,146
Pensions and similar obligations	126	138	(8.6%)	124
Deferred tax liabilities	426	521	(18.4%)	450
Non-current accrued liabilities and provisions	52	71	(26.6%)	73
Other non-current liabilities	79	46	76.1%	69
<b>Total non-current liabilities</b>	<b>3,124</b>	<b>3,575</b>	<b>(12.6%)</b>	<b>2,862</b>
Share capital	200	204	(1.5%)	204
Reserves	(185)	403	(145.9%)	161
Retained earnings	2,828	2,324	21.7%	2,658
Shareholders' equity	2,843	2,931	(3.0%)	3,023
Minority interests	12	9	32.9%	11
<b>Total equity</b>	<b>2,855</b>	<b>2,940</b>	<b>(2.9%)</b>	<b>3,034</b>
<b>Total liabilities and equity</b>	<b>8,406</b>	<b>8,627</b>	<b>(2.6%)</b>	<b>8,325</b>
<b>Additional balance sheet information</b>				
Operating working capital	2,567	2,677	(4.1%)	2,239
Working capital	1,890	2,078	(9.0%)	1,708
Net total borrowings	2,073	2,519	(17.7%)	1,766
Financial leverage	72.9%	86.0%	(13.0PP)	58.4%

Rounding differences may arise in percentages and totals.