**For immediate release** **Herzogenaurach, August 5, 2008**

**First Half Year 2008 Results:**

**Currency-neutral Group sales grow 12% in the first half year**
**First half year earnings per share increase 25%**

- **Currency-neutral Group sales grow 14% in the second quarter**
- **Q2 earnings per share grow 15%**
- **Full year gross and operating margin guidance increased**

**Second quarter adidas Group currency-neutral sales grow 14%**
During the second quarter of 2008, Group revenues grew 14% on a currency-neutral basis. All brand segments contributed to this development with currency-neutral sales increasing 19% at adidas, 2% at Reebok and 6% at TaylorMade-adidas Golf. Currency movements negatively impacted Group sales in euro terms. Group revenues grew 5% in euro terms to € 2.521 billion in the second quarter of 2008 from € 2.400 billion in 2007.

**Second quarter EPS increases 15%**
The Group's gross margin increased 2.7 percentage points to a new record level of 50.1% (2007: 47.4%) in the second quarter as a result of an improving regional and product mix, further own-retail expansion and favorable currency movements. Group gross profit increased 11% to € 1.263 billion (2007: € 1.138 billion). As a result of the strong gross margin increase in all brand segments and operating profit growth in the HQ/Consolidation segment, the Group's operating margin increased 0.4 percentage points to 8.2% in the second quarter of 2008 versus 7.8% in the prior year. These effects more than offset higher operating expenses as a percentage of sales primarily as a result of the phasing of this year's marketing expenses in the adidas segment. Operating profit grew 10% to € 208 million versus € 188 million in 2007. In the second quarter of 2008, the Group's net income attributable to shareholders increased 12% to € 116 million (2007: € 104 million) due to the higher operating profit as well as a lower tax rate. As a result of the lower weighted average number of shares due to the share buyback program, earnings per share increased at an even stronger rate. Basic EPS for the second quarter grew 15% to € 0.59.

**adidas Group currency-neutral sales grow 12% in the first half of 2008**
During the first six months of 2008, Group revenues increased 12% on a currency-neutral basis, driven by double-digit sales growth in the **adidas** and **TaylorMade-adidas Golf** segments. The **adidas** segment grew 16%, the **Reebok** segment decreased 2% and **TaylorMade-adidas Golf** segment sales increased 11%. Currency movements negatively impacted Group sales in euro terms. Group revenues grew 4% in euro terms to € 5.142 billion in the first half of 2008 from € 4.938 billion in 2007.

"We are proud to report a strong set of financial results for the first half of 2008. Our performance is nothing short of exceptional, particularly in light of the tougher macroeconomic environment," commented adidas CEO and Chairman Herbert Hainer. "adidas and TaylorMade-adidas Golf continue to show strong momentum and we have laid the foundation at Reebok for continued improvement in the second half of the year."

| | 1st Half Year 2008 | 1st Half Year 2007 | Change y-o-y in euro terms | Change y-o-y currency-neutral |
|---|---|---|---|---|
| | **€ in millions** | € in millions | in % | in % |
| adidas | **3,787** | 3,454 | 10 | 16 |
| Reebok | **923** | 1,038 | (11) | (2) |
| TaylorMade-adidas Golf | **417** | 419 | (0) | 11 |
| HQ/Consolidation | **16** | 28 | (44) | (38) |
| **Total** | **5,142** | **4,938** | **4** | **12** |

*First half year net sales growth by segment*

**Strong sales increase in nearly all regions**
adidas Group sales grew at double-digit rates in all regions except North America where revenues declined. First half Group sales in **Europe** grew 16% on a currency-neutral basis as a result of strong increases in nearly all countries. In **North America**, Group revenues declined by 8% on a currency-neutral basis due to lower adidas and Reebok sales in the USA. Sales for the Group in **Asia** increased 25% on a currency-neutral basis in the first half of 2008, driven by particularly strong growth in China. In **Latin America**, currency-neutral sales grew 29% in the first half of the year, with double-digit increases coming from all of the region's major markets. The development was supported by the first-time consolidation of Reebok's joint ventures in the region. Currency translation effects negatively impacted sales in euro terms in all regions. Sales in **Europe** increased 11% in euro terms to € 2.352 billion in 2008 from € 2.116 billion in 2007. Revenues in **North America** decreased 19% to € 1.160 billion in 2008 from € 1.429 billion in the prior year. In euro terms, revenues in **Asia** grew 17% to € 1.214 billion in 2008 from € 1.036 billion in 2007. Sales in **Latin America** grew 23% to € 381 million in 2008 from € 310 million in the prior year.

| | 1st Half Year 2008 | 1st Half Year 2007 | Change y-o-y in euro terms | Change y-o-y currency-neutral |
|---|---|---|---|---|
| | **€ in millions** | € in millions | in % | in % |
| Europe | **2,352** | 2,116 | 11 | 16 |
| North America | **1,160** | 1,429 | (19) | (8) |
| Asia | **1,214** | 1,036 | 17 | 25 |
| Latin America | **381** | 310 | 23 | 29 |
| **Total[1]** | **5,142** | 4,938 | **4** | **12** |

*First half year net sales growth by region*

[1] Including HQ/Consolidation.

**Record group gross margin**

The gross margin of the adidas Group increased by 2.5 percentage points to 49.6% of sales in the first half of 2008 (2007: 47.1%), driven by improvements in all brand segments. This highest-ever first half year rate was related to an improving regional and product mix, increased own-retail activities as well as favorable currency movements. Cost synergies resulting from the Reebok integration into the adidas Group also continued to have a positive impact. Input price increases had only a modest negative impact on the cost of sales development in the first half of 2008. As a result of the Group's strong top-line growth and gross margin improvement, gross profit for the adidas Group rose 10% in the first half of 2008 to reach € 2.552 billion versus € 2.326 billion in the prior year.

**Operating margin increases by 1.1 percentage points**

The Group's operating margin increased 1.1 percentage points to 9.5% in the first half of 2008 (2007: 8.5%). This is the highest first half operating margin since the acquisition of Reebok. Operating expenses as a percentage of sales increased by 1.3 percentage points to 40.9% in the first half of 2008 from 39.6% in 2007. This development was primarily driven by higher marketing expenses as a percentage of sales in the adidas segment in connection with this year's major sporting events. Increased expenses to support growth in emerging markets such as Russia in both the adidas and Reebok segments also impacted this development. Operating profit for the adidas Group increased 17% in the first half of 2008 to reach € 490 million versus € 417 million in 2007.

**Net financial expenses decrease 3%**
Net financial expenses decreased 3% to € 71 million in the first half of 2008 from € 73 million in the prior year as a result of lower average borrowings in 2008 compared to the first half of the prior year.

**Income before taxes increases by 22%**
As a result of the Group's operating margin increase as well as lower net financial expenses, income before taxes (IBT) as a percentage of sales increased by 1.2 percentage points to 8.1% in 2008 from 7.0% in 2007. Income before taxes for the adidas Group grew 22% to € 419 million in the first half of 2008 from € 344 million in 2007.

**Net income attributable to shareholders up 23%**
The Group's net income attributable to shareholders increased 23% to € 286 million in the first half of 2008 from € 232 million in 2007. The Group's tax rate decreased by 0.5 percentage points to 31.5% in the first half of 2008 (2007: 32.0%) and thus also contributed to this development. The Group's minority interests declined by 16% to € 1 million in the first half of 2008 from € 2 million during the same period in the prior year.

**Earnings per share increase 25%**
Basic earnings per share increased 25% to € 1.42 in the first half of 2008 versus € 1.14 in the prior year. The weighted average number of shares used in the calculation of basic earnings per share was 200,415,758 (2007 average: 203,565,047). Diluted earnings per share in 2008 increased 24% to € 1.35 from € 1.09 in the prior year. The weighted average number of shares used in the calculation of diluted earnings per share was 216,211,434 (2007 average: 219,446,886).

**3.3 million shares repurchased in the second 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 second quarter, adidas AG purchased over 3.3 million shares at an average price of € 41.99. The buyback volume amounted to € 139 million in the second quarter. Over the entire buyback period, since January 30 to date, adidas AG bought back almost 7.7 million shares at an average price of € 41.35. The total buyback volume amounted to € 318 million.

**Working capital development supports further growth**
Group inventories grew 5% to € 1.806 billion at the end of the first half of 2008 versus € 1.716 billion in 2007. On a currency-neutral basis, this represents an increase of 16%. This development is due to business expansion in emerging markets and inventories related to the newly established Reebok joint ventures in Latin America. Group receivables decreased 3% to € 1.641 billion

at the end of the first half of 2008 versus € 1.689 billion in the prior year. On a currency-neutral basis, receivables increased 5%, which is well below net sales growth for the second quarter. This reflects ongoing strict discipline in the Group's trade terms management and concerted collection efforts in all segments.

**Net borrowings reduced by € 134 million**
Net borrowings at June 30, 2008 were € 2.260 billion, down 6% or € 134 million versus € 2.395 billion in the prior year. Strong bottom-line profitability and currency effects positively impacted this development and more than offset cash outflows related to the share buyback program.

**adidas backlogs grow 8% on a currency-neutral basis**
Backlogs for the adidas brand at the end of the second quarter of 2008 increased 8% versus the prior year on a currency-neutral basis. This improvement was supported by adidas' strength in most major categories. In euro terms, adidas backlogs grew 1%. Footwear backlogs grew 9% in currency-neutral terms (+2% in euros) with increases in all regions. Apparel backlogs grew 9% on a currency-neutral basis (+2% in euros), driven by strong double-digit increases in Asia and high-single-digit growth in Europe. Hardware backlogs decreased due to the non-recurrence of prior year orders related to the UEFA EURO 2008™.

| | **Footwear** | | **Apparel** | | **Total[1]** | |
|---|---|---|---|---|---|---|
| | **in €** | **currency-neutral** | **in €** | **currency-neutral** | **in €** | **currency-neutral** |
| **Europe** | 1 | 5 | 2 | 7 | 0 | 4 |
| **North America** | (9) | 6 | (23) | (10) | (14) | 0 |
| **Asia** | 14 | 21 | 17 | 25 | 13 | 21 |
| **Total** | **2** | **9** | **2** | **9** | **1** | **8** |

*Year-over-year development of adidas order backlogs by product category and region as at June 30, 2008 (in %)*

[1] Includes hardware backlogs.

**Reebok backlogs decline**
Currency-neutral Reebok backlogs at the end of the second quarter of 2008 decreased 13% versus the prior year on a currency-neutral basis. In euro terms, this represents a decline of 21%. Footwear backlogs decreased 13% in currency-neutral terms (-21% in euros). Apparel backlogs declined by 20% on a currency-neutral basis (-28% in euros). Both of these developments reflect the short-term impact of strategic initiatives to revitalize the Reebok brand in the USA, the UK and Japan. Hardware backlogs were up at a double-digit rate due to increases in the hockey category. Due to the exclusion of the own-retail business and the high share of at-once business in Reebok's sales mix, order

backlogs in this segment are not indicative of the expected 2008 sales development.

| | Footwear | | Apparel | | Total[1] | |
|---|---|---|---|---|---|---|
| | in € | currency-neutral | in € | currency-neutral | in € | currency-neutral |
| **Europe** | (13) | (9) | (27) | (22) | (15) | (10) |
| **North America** | (39) | (29) | (32) | (21) | (32) | (21) |
| **Asia** | 2 | 8 | (1) | 3 | 1 | 6 |
| **Total** | **(21)** | **(13)** | **(28)** | **(20)** | **(21)** | **(13)** |

*Year-over-year development of Reebok order backlogs by product category and region as at June 30, 2008 (in %)*

[1] Includes hardware backlogs.

**Gross and operating margin full year guidance increased**
adidas Group sales in 2008 are expected to grow at a high-single-digit rate on a currency-neutral basis. Currency-neutral sales for brand adidas in 2008 are now forecasted to increase at a low-double-digit rate (previously: high-single-digit rate). Sales guidance for the Reebok and TaylorMade-adidas Golf segments remains unchanged. Currency-neutral Reebok segment sales are projected to grow at a mid- to high-single-digit rate in 2008. At TaylorMade-adidas Golf, full year currency-neutral sales are forecasted to increase at a mid-single-digit rate.  As a result of the Group's strong gross margin improvement during the first half of the year, the full year gross margin is now expected to exceed 48.0% (previously: 47.5 to 48.0%), driven by improvements in all three brand segments. The operating margin is now also projected to be higher than originally forecasted. Group operating margin is expected to approach 10.0% in 2008 (previously: 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. This will represent the eighth consecutive year of double-digit net income growth for the Group.

Herbert Hainer stated: "Our performance in the first half of the year puts us firmly on track to achieve all of our financial targets for 2008. We even expect to exceed some of our original goals and at the upcoming Olympic Games we are ready to showcase the power of our brands to audiences around the world."

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

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

| € in millions | 2nd quarter 2008 | 2nd quarter 2007 | Change |
|---|---|---|---|
| | | | |
| Net sales | 2,521 | 2,400 | *5.0 %* |
| Cost of sales | 1,258 | 1,262 | *(0.3) %* |
| **Gross profit** | **1,263** | **1,138** | *11.0 %* |
| *(% of net sales)* | 50.1% | 47.4% | *2.7 PP* |
| Royalty and commission income | 20 | 22 | *(8.1) %* |
| Other operating income and expenses | 1,075 | 972 | *10.7 %* |
| *(% of net sales)* | 42.7% | 40.5% | *2.2 PP* |
| **Operating profit** | **208** | **188** | *10.3 %* |
| *(% of net sales)* | 8.2% | 7.8% | *0.4 PP* |
| Financial income | 10 | 10 | *0.2 %* |
| Financial expenses | 49 | 45 | *7.7 %* |
| **Income before taxes** | **169** | **153** | *10.4 %* |
| *(% of net sales)* | 6.7% | 6.4% | *0.3 PP* |
| Income taxes | 52 | 49 | *7.4 %* |
| *(% of income before taxes)* | 30.8% | 31.6% | *(0.8) PP* |
| **Net income** | **117** | **104** | *11.7 %* |
| *(% of net sales)* | 4.6% | 4.4% | *0.3 PP* |
| **Net income attributable to shareholders** | **116** | **104** | *11.7 %* |
| *(% of net sales)* | 4.6% | 4.3% | *0.3 PP* |
| **Net income attributable to minority interests** | **1** | **0** | *12.3 %* |
| | | | |
| **Basic earnings per share (in €)** | **0.59** | **0.51** | *14.7 %* |
| **Diluted earnings per share (in €)** | **0.56** | **0.49** | *14.2 %* |

### Net Sales

| € in millions | 2nd quarter 2008 | 2nd quarter 2007 | Change |
|---|---|---|---|
| adidas | 1,818 | 1,635 | *11.2 %* |
| Reebok | 469 | 514 | *(8.8) %* |
| TaylorMade-adidas Golf | 226 | 239 | *(5.4) %* |
| | | | |
| Europe | 1,103 | 967 | *14.1 %* |
| North America | 581 | 730 | *(20.4) %* |
| Asia | 620 | 535 | *16.0 %* |
| Latin America | 204 | 152 | *33.8 %* |

Rounding differences may arise in percentages and totals.

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

| € in millions | 1st Half Year 2008 | 1st Half Year 2007 | Change |
|---|---|---|---|
| | | | |
| Net sales | 5,142 | 4,938 | *4.1 %* |
| Cost of sales | 2,590 | 2,612 | *(0.8) %* |
| **Gross profit** | **2,552** | **2,326** | *9.7 %* |
| *(% of net sales)* | 49.6% | 47.1% | *2.5 PP* |
| Royalty and commission income | 41 | 45 | *(7.4) %* |
| Other operating income and expenses | 2,103 | 1,954 | *7.7 %* |
| *(% of net sales)* | 40.9% | 39.6% | *1.3 PP* |
| **Operating profit** | **490** | **417** | *17.4 %* |
| *(% of net sales)* | 9.5% | 8.5% | *1.1 PP* |
| Financial income | 16 | 17 | *(3.6) %* |
| Financial expenses | 87 | 90 | *(3.4) %* |
| **Income before taxes** | **419** | **344** | *21.8 %* |
| *(% of net sales)* | 8.1% | 7.0% | *1.2 PP* |
| Income taxes | 132 | 110 | *19.8 %* |
| *(% of income before taxes)* | 31.5% | 32.0% | *(0.5) PP* |
| **Net income** | **287** | **234** | *22.7 %* |
| *(% of net sales)* | 5.6% | 4.7% | *0.8 PP* |
| **Net income attributable to shareholders** | **286** | **232** | *23.0 %* |
| *(% of net sales)* | 5.6% | 4.7% | *0.9 PP* |
| **Net income attributable to minority interests** | **1** | **2** | *(16.0) %* |
| | | | |
| **Basic earnings per share (in €)** | **1.42** | **1.14** | *24.9 %* |
| **Diluted earnings per share (in €)** | **1.35** | **1.09** | *24.3 %* |

### Net Sales

| € in millions | 1st Half Year 2008 | 1st Half Year 2007 | Change |
|---|---|---|---|
| adidas | 3,787 | 3,454 | *9.6 %* |
| Reebok | 923 | 1,038 | *(11.1) %* |
| TaylorMade-adidas Golf | 417 | 419 | *(0.4) %* |
| | | | |
| Europe | 2,352 | 2,116 | *11.2 %* |
| North America | 1,160 | 1,429 | *(18.8) %* |
| Asia | 1,214 | 1,036 | *17.1 %* |
| Latin America | 381 | 310 | *23.0 %* |

Rounding differences may arise in percentages and totals.

adidas GROUP

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

| € in millions | Jun. 30 2008 | Jun. 30 2007 | Change | Dec. 31 2007 |
|---|---|---|---|---|
| Cash and cash equivalents | 298 | 276 | 7.8% | 295 |
| Short-term financial assets | 35 | 36 | (2.9)% | 86 |
| Accounts receivable | 1,641 | 1,689 | (2.8)% | 1,459 |
| Inventories | 1,806 | 1,716 | 5.2% | 1,629 |
| Income tax receivables | 65 | 46 | 40.3% | 60 |
| Other current assets | 637 | 477 | 33.7% | 529 |
| Assets classified as held for sale | 54 | 56 | (3.2)% | 80 |
| **Total current assets** | **4,536** | **4,296** | **5.6%** | **4,138** |
| | | | | |
| Property, plant and equipment | 725 | 694 | 4.5% | 702 |
| Goodwill | 1,393 | 1,499 | (7.1)% | 1,436 |
| Trademarks | 1,205 | 1,421 | (15.2)% | 1,291 |
| Other intangible assets | 170 | 194 | (12.2)% | 194 |
| Long-term financial assets | 103 | 107 | (3.7)% | 103 |
| Deferred tax assets | 377 | 395 | (4.6)% | 315 |
| Other non-current assets | 170 | 155 | 8.9% | 147 |
| **Total non-current assets** | **4,143** | **4,465** | **(7.2%)** | **4,188** |
| | | | | |
| **Total assets** | **8,679** | **8,761** | **(0.9%)** | **8,325** |
| | | | | |
| Accounts payable | 928 | 783 | 18.4% | 849 |
| Income taxes | 319 | 295 | 7.9% | 285 |
| Accrued liabilities and provisions | 1,035 | 982 | 5.4% | 1,025 |
| Other current liabilities | 354 | 256 | 38.8% | 266 |
| Liabilities classified as held for sale | 2 | 2 | 0.6% | 4 |
| **Total current liabilities** | **2,638** | **2,318** | **13.8%** | **2,429** |
| | | | | |
| Long-term borrowings | 2,593 | 2,707 | (4.2)% | 2,146 |
| Pensions and similar obligations | 129 | 137 | (5.3)% | 124 |
| Deferred tax liabilities | 427 | 540 | (21.0)% | 450 |
| Non-current accrued liabilities and provisions | 71 | 59 | 19.0% | 73 |
| Other non-current liabilities | 63 | 43 | 45.6% | 69 |
| **Total non-current liabilities** | **3,283** | **3,486** | **(5.8%)** | **2,862** |
| | | | | |
| Share capital | 197 | 204 | (3.2)% | 204 |
| Reserves | (296) | 405 | (173.3)% | 161 |
| Retained earnings | 2,845 | 2,339 | 21.6% | 2,658 |
| Shareholders' equity | 2,746 | 2,948 | (6.9)% | 3,023 |
| Minority interests | 12 | 9 | 35.2% | 11 |
| | | | | |
| **Total equity** | **2,758** | **2,957** | **(6.7%)** | **3,034** |
| | | | | |
| **Total liabilities and equity** | **8,679** | **8,761** | **(0.9%)** | **8,325** |
| | | | | |
| **Additional balance sheet information** | | | | |
| Operating working capital | 2,519 | 2,622 | *(3.9)%* | 2,239 |
| Working capital | 1,898 | 1,978 | *(4.1)%* | 1,708 |
| Net total borrowings | 2,260 | 2,395 | *(5.6)%* | 1,766 |
| Financial leverage | 82.3% | 81.2% | *1.1 PP* | *58.4%* |

Rounding differences may arise in percentages and totals.