

An aerial photograph of a lush green soccer field, showing the texture of the grass and the overall shape of the pitch. The field is centered in the frame, with the text overlaid on it.

**Dresdner Kleinwort
German Investment Seminar**

**Robin J. Stalker, CFO
January 9, 2007, New York**

Strong Year-To-Date Group Performance

- Outstanding performance of adidas crowned by strong World Cup showing
- Reebok integration on track to realize synergies in 2007
- TaylorMade-adidas Golf continues to grow in a challenging industry



9 Month 2006 Performance At A Glance

- Currency-neutral sales up 52% (16% Group ex Reebok)
- Double-digit currency-neutral sales growth in all regions
- Net income grows 22%
- 95% financial leverage already better than 100% year-end target



Three Unique Core 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

Reebok Brings Significant Potential

- Geographies and categories
- Consumers and demographics
- Licenses, teams and events
- Distribution opportunities
- Operating efficiencies



Synergies As Focal Point Within The Group

**Maximize annual
revenue
synergies of
€500 million**

Branded apparel

Licensed product

Regional initiatives

Distributor buyouts

Maximize annual cost synergies of €175 million

Phasing of Synergies Leads to Full Impact in 2009

€ in millions	2006	2007	2008	2009
Revenue Synergy *	-	100	250	500
* One-time expenses to average € 15 - 25 million per year				
Cost Synergy	35	87.5	175	175
One-time cost	35	70	70	-
Net effect	-	17.5	105	175

However Challenges Still Exist

- Year-to-date currency-neutral sales down 9%
- Q3 currency-neutral sales down 4%
- Reebok Q3 backlogs decline 14%
- Challenges continue in US and UK
- Double-digit growth in Asia
- On track to deliver in line with full year guidance

Reebok

Emphasis On Turning Around The Reebok Brand

- Cleaning up inventories
- Cancellations significantly reduced
- At-once business grows strongly
- Diversifying distribution
- Broadening lifestyle offering
- Performance categories gaining momentum



Reebok Initiatives In Full Swing

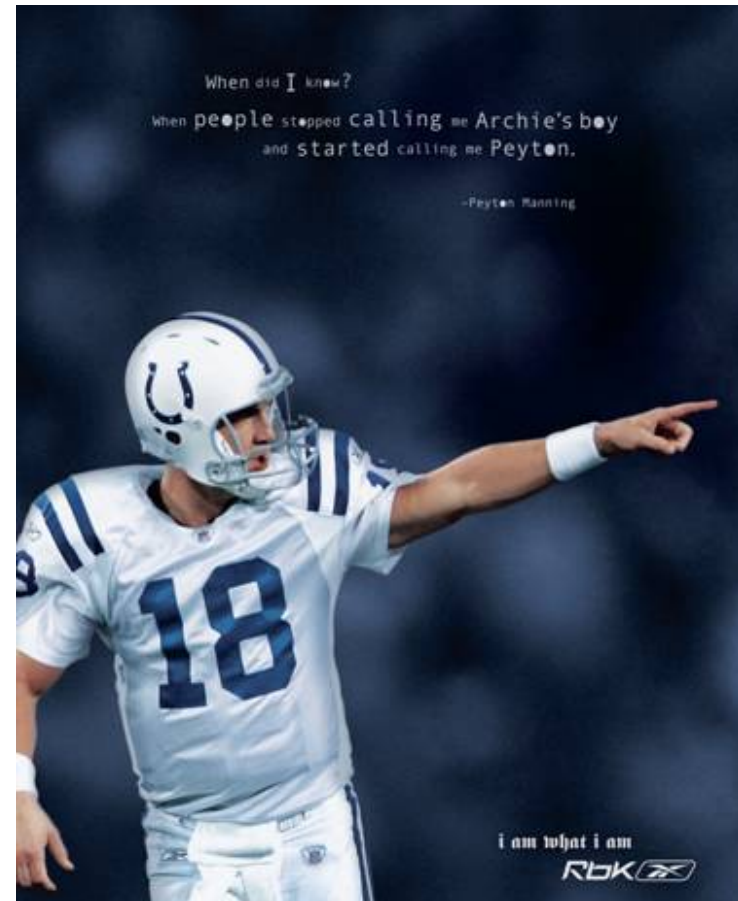
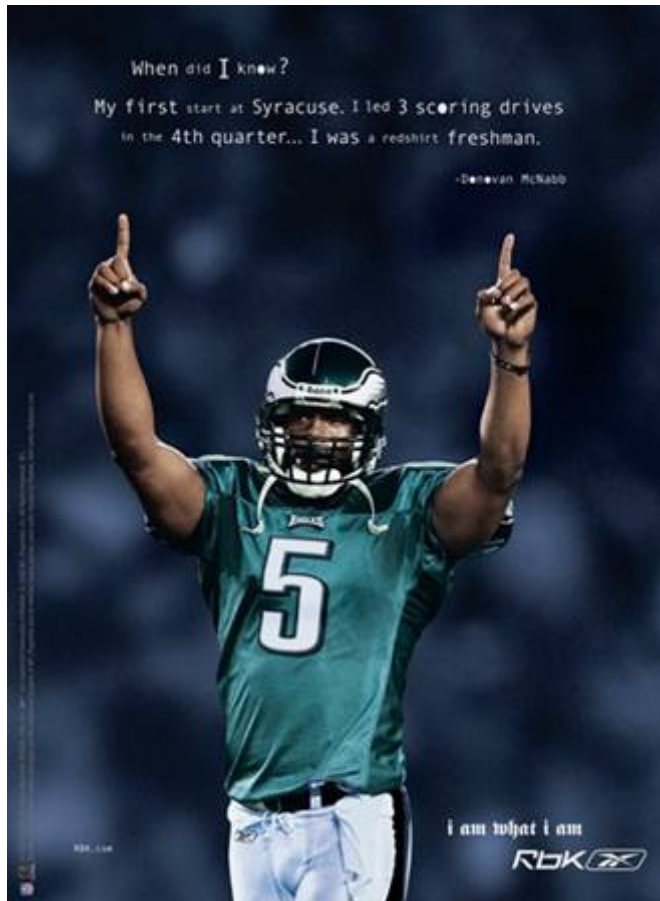
- Strengthening Global Marketing function
- “Passion Starts Here” employee program
- Performance focus sharpened



adidas

GROUP

Focus On Performance With “When Did I Know” Campaign



adidas

GROUP

Focus On Performance With Strong NHL Positioning



adidas

GROUP

Focus On Performance With Addition Of Football Superstar Andriy Shevchenko



EXPLOIT
your
OPPONENT'S
WEAKNESS.
boxing
TAUGHT me
that.

MORE RBK.com 



Outstanding adidas Financial Performance

- Year-to-date currency-neutral sales up 15% (+15% in euros)
- Double-digit growth in all divisions and regions
- Q3 currency-neutral sales up 15% (+12% in euros)
- adidas Q3 backlogs grow 3%



Continued Momentum In adidas Football

IMPURE GAME

THE PITCH IS MY STAGE

Vs

TWO TEAMS. TWO ATTITUDES. CHOOSE YOUR SIDE.

adidas.com/football IMPOSSIBLE IS NOTHING

adidas



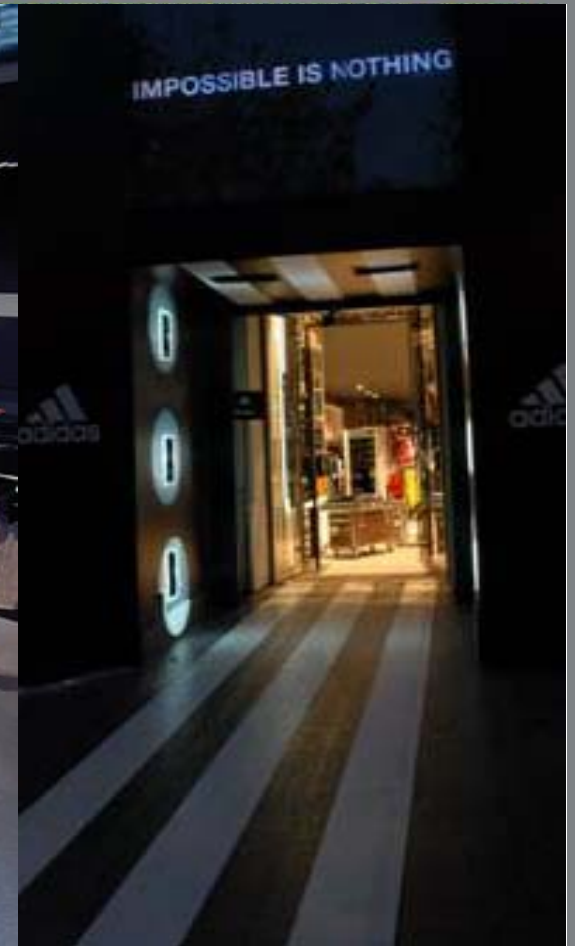
The Third Way_MAR13_100806_01ackLogo

Strategic Partnerships Focus



PORSCHE DESIGN

Largest Sport Performance Store Opens In Paris



JJB Shop-In-Shop Initiative Kicked Off



TaylorMade-adidas Golf Growth Continues

- Year-to-date currency-neutral sales grow 23%
- Currency-neutral sales up 15% in the third quarter
- Positive Greg Norman Collection impact
- ispo vision award recognizes brand's industry leadership in performance golf apparel



2006 Full Year Targets Confirmed

adidas Group 2006	<u>Target</u>
Net sales	ca. € 10 billion
Gross margin	44 - 46%
Operating margin	ca. 9%
Net income attributable to shareholders	€ 480 - € 490 million

Looking Out Into 2007

- Continued positive development at adidas and TaylorMade-adidas Golf
- Investing €50 million into Reebok's growth initiatives
 - Brand building
 - Product development
 - Emerging markets



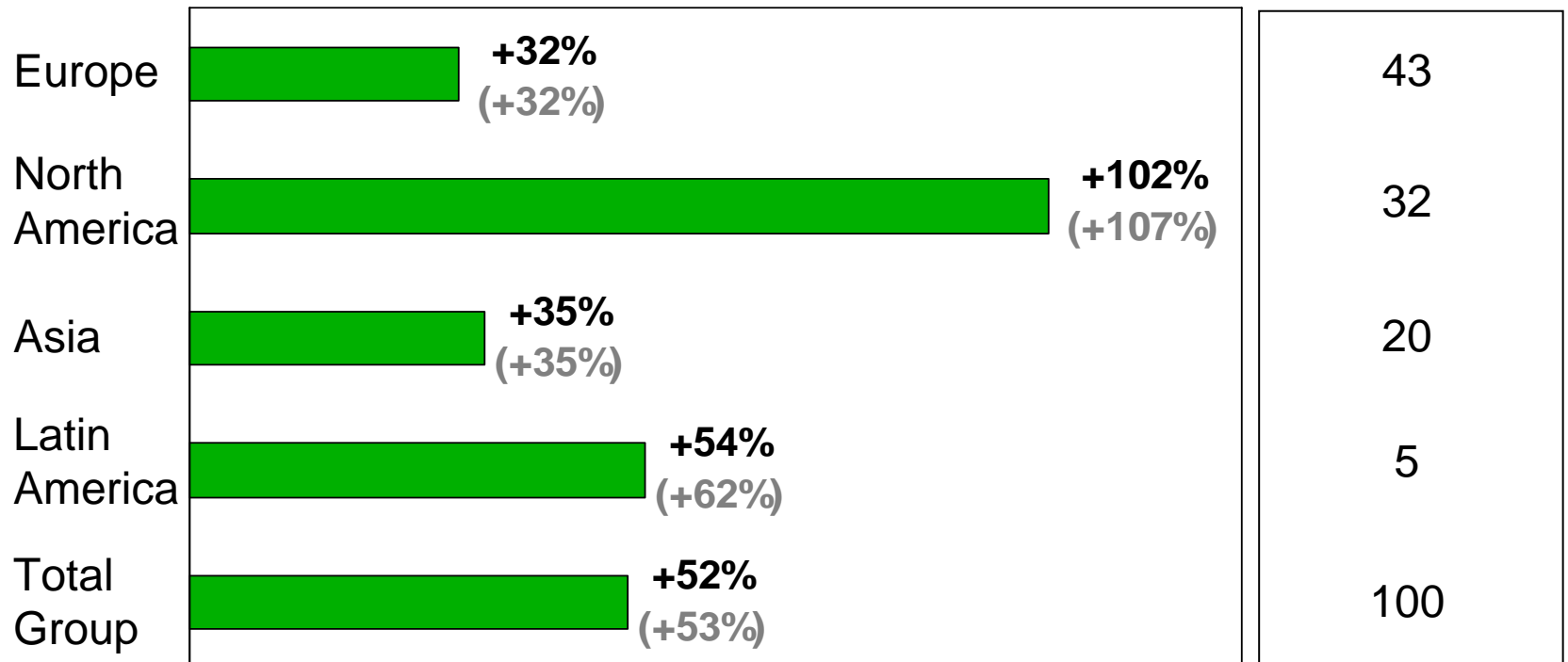
**adidas Group net income growth
to approach 15% in 2007**

An aerial, top-down view of a vibrant green football pitch. The grass is short and dense, with subtle variations in shade and texture across the field. The word "Appendix" is centered in the lower half of the image in a large, white, sans-serif font.

Appendix

Strong Group Sales Growth In All Regions

Currency-neutral adidas Group YTD Net Sales Growth

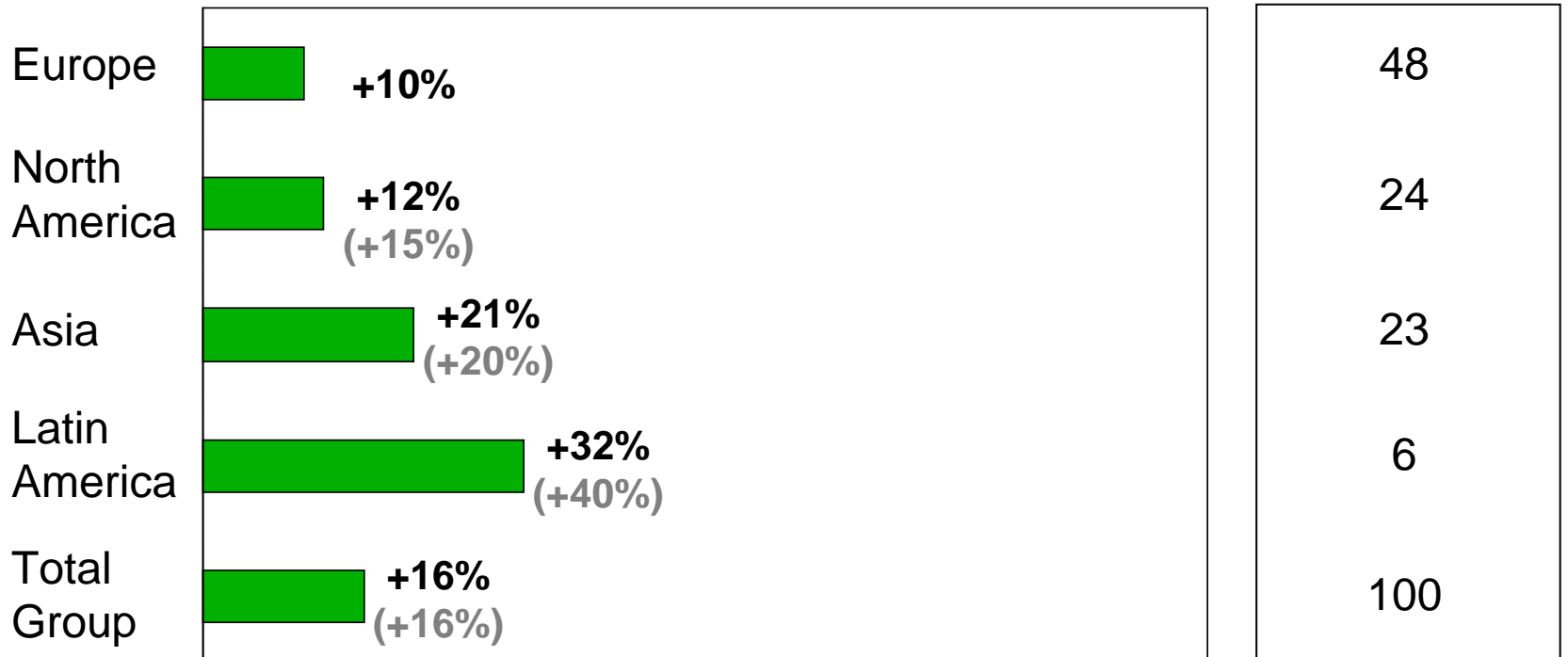


(Growth rates in euros in brackets)

in % of total Group sales

Sales Growth Excluding Reebok

Currency-neutral adidas Group ex. Reebok YTD Net Sales Growth



(Growth rates in euros in brackets)

in % of total Group sales

Numerous Factors Impact Year-To-Date Gross Margin

adidas Group gross margin 44.9%

 **adidas**

46.9% (+1.1pp)

- Own retail
- Product mix improvements especially in North America

Reebok

34.8%





- PPA impact
- US exposure
- Inventory clearance measures
- Tough comps

 **TaylorMade**

44.0% (-1.7pp)

- Golf ball margins
- Metalwood promotion impact
- Greg Norman Collection dilution

Positive Operating Expense Development

Opex as % of sales	YTD 2006		
 adidas	33.1%	↑	+1.2pp
 Reebok	32.0%	-	-
 TaylorMade	34.4%	↓	(1.7pp)
 adidas GROUP	35.1%	↓	(0.9pp)

Operating profit +23% to €829 million
Operating margin 10.6% (-2.6pp)

Strong IBT And Earnings Performance

- Net financial expenses increase to € 121 million
- Income before taxes grows 10% to € 709 million
- Group tax rate decreases to 31.9%
- Net income from continuing operations increases to € 483 million

**Net income attributable to shareholders
reaches €469 million**

**Basic earnings per share from continuing and
discontinued operations increase 10% to €2.31**

Operating Working Capital Remains A Key Priority

Currency-neutral	adidas Group	adidas Group excl. Reebok
Inventories	+48%	+9%
Receivables	+62%	+10%

- ✓ Inventory development shows sequential improvement
- ✓ Receivables growth clearly lower than quarterly sales growth
- ✓ 95% financial leverage already better than 100% year-end target

adidas Backlogs By Product Category And Region

- Development of adidas order backlogs (in %)

	Europe	North America	Asia	Total
Footwear	(7)	(1)	10	(2)
Apparel	(7)	4	14	2
Total	(8)	2	12	0

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

	Europe	North America	Asia	Total
Footwear	(5)	4	16	2
Apparel	(5)	9	20	5
Total	(6)	6	18	3

Reebok Backlogs By Product Category And Region

- Development of Reebok order backlogs (in %)

	Europe	North America	Total
Footwear	3	(30)	(14)
Apparel	(19)	(25)	(21)
Total	(6)	(29)	(16)

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

	Europe	North America	Total
Footwear	4	(27)	(11)
Apparel	(18)	(22)	(19)
Total	(5)	(25)	(14)