Deutsche Bank
Global Emerging Markets Conference
New York, September 2008

UNITED BY SPORT

SPORT KNOWS NO BOUNDARIES. SPORT IS PASSION. ALL OVER THE WORLD. EVERY ATHLETE LIVES IT. AND WE DO, TOO. EVERY SECOND.
Agenda

• Group Positioning

• Focus On Emerging Markets

• Distribution Excellence

• Financial Highlights

• Outlook

• Appendix
The adidas Group’s Mission Statement

We strive to be the global leader in the sporting goods industry with sports brands built on a passion for sports and a sporting lifestyle
Strength And Flexibility Through Brand Segmentation
Global Apparel Leader
Defining The World’s Favorite Sports
Most Number One Sport Categories

- Tennis
- Bobsledding
- Cross-country skiing
- Fencing
- Figure skating
- Golf
- Rugby
Industry Leader In Innovation And Design
Best In Class Marketing Execution

Adidas Marketing Campaigns:
- "Break Stereotypes - Your Move" by Reebok
- "Do You Have The Courage To Break Tradition?"
- "2008" Basketball Campaign
Exclusive Partnerships With The Most Important Leagues, Associations And Clubs
Agenda

• Group Positioning

• Focus On Emerging Markets

• Distribution Excellence

• Financial Highlights

• Outlook

• Appendix
Strong Position In Fast Growing Markets

- >25% of Group Sales in Emerging Markets
- Doubled sales in North America since 2005
- No. 1 in Asia
- No. 1 in Europe
- No. 1 in Latin America by 2010
Asia already represents 2/3 of the world’s population

Asia Becoming The Most Important Consumer Market

Share of Global Population 2008

Total population (in millions)

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2008</th>
<th>2018</th>
<th>2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,932</td>
<td>3,223</td>
<td>3,462</td>
<td>3,592</td>
</tr>
<tr>
<td>China</td>
<td>1,272</td>
<td>1,319</td>
<td>1,331</td>
<td>1,296</td>
</tr>
<tr>
<td>India</td>
<td>996</td>
<td>1,171</td>
<td>1,345</td>
<td>1,477</td>
</tr>
<tr>
<td>SEA</td>
<td>439</td>
<td>501</td>
<td>555</td>
<td>596</td>
</tr>
<tr>
<td>Japan</td>
<td>127</td>
<td>128</td>
<td>124</td>
<td>116</td>
</tr>
<tr>
<td>Korea</td>
<td>47</td>
<td>48</td>
<td>48</td>
<td>46</td>
</tr>
<tr>
<td>Pacific</td>
<td>23</td>
<td>26</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Taiwan</td>
<td>22</td>
<td>23</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Global Demographics Ltd.
China As Critical Growth Driver For The adidas Group

- China sales increase more than 60% in the first half year 2008
- Performance at premium positioning
- adidas brand takes market leadership in China
- 5,900 stores for adidas Group in China by the end of 2008
- No.2 market globally and No. 1 profit contributor
India’s Potential Becoming More Apparent

- Strong No.1 position for Reebok
- Youngest population in Asia
- Strong GDP growth (2nd only to China)
- Organized retail in urban India growing at a rate of approx. 35%
- 1,100 stores for the adidas Group in India by the end of 2008
Russia To Become Largest European Market By 2010

- Clear #1 with more than twice the size of nearest competitor
- Integrated Group platform
- Growth driven by own retail - over 500 stores by the end of 2008
- Largest contributor to sales and profitability in Europe by 2010
Market Leadership in Latin America Within Reach

- Eight consecutive years of double-digit growth
- Fastest growing region
- Focus on four key markets
- Newly established Reebok joint ventures in Brazil and Argentina
- World Cup 2014 in Brazil
Agenda

• Group Positioning

• Focus On Emerging Markets

• Distribution Excellence

• Financial Highlights

• Outlook

• Appendix
Distribution Excellence Wins The Consumer

- Strengthen key account management
- Product segmentation to match customer strengths and priorities
- Increasing impact with the consumer at point of sale
- Creating innovative shopping experiences
Controlled Space To Comprise At Least 30% Of Group Sales By 2010
Largest adidas Store Opened In Sanlitun Village Shopping Centre Beijing
Agenda

• Group Positioning
• Focus On Emerging Markets
• Distribution Excellence
• Financial Highlights
• Outlook
• Appendix
Second Quarter Results Reflect Broad-Based Strength

- **Net Sales**
  - Up 14% currency-neutral

- **Gross Margin**
  - Reaches all-time record of 50.1%

- **Operating Margin**
  - Up 0.4pp to 8.2%

- **Net Income attributable to shareholders**
  - Increases 12% to € 116 million
adidas Brand Grows Strongly In The Second Quarter

- Q2 currency-neutral sales grow 19%
- Broad-based strength across all major categories
- Full year sales to grow at low-double-digit rates
adidas Clear Winner of the UEFA EURO 2008™
## adidas Backlogs Increase 8%

<table>
<thead>
<tr>
<th>Product</th>
<th>Europe</th>
<th>North America</th>
<th>Asia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FW</td>
<td>5</td>
<td>6</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>APP</td>
<td>7</td>
<td>(10)</td>
<td>25</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>0</td>
<td>21</td>
<td>8</td>
</tr>
</tbody>
</table>

Currency-neutral development of adidas order backlogs by product category and region at June 30, 2008 (in %)

- Highest footwear backlogs in North America in eleven quarters
- European backlogs reflect post-event period
- Increased momentum in Asian backlogs
Reebok Sales Grow 2% In Second Quarter

- Currency-neutral sales increase 2%
- First-time consolidation of joint ventures supports sales growth
- Double-digit sales increases in many European markets
Reebok Partnership With Avon Walks Highlights Importance Of Women’s Category

- Held in more than 40 countries worldwide
- High media awareness
- Strong sell-throughs of pink ribbon line of footwear and apparel
Formula One Star Lewis Hamilton’s Partnership Strengthens Focus On Training
## Reebok Backlogs Not Indicative Of Future Sales

North American and Asian backlogs continue at levels similar to prior quarter.

- Declines in UK outweigh increases in other European markets.

### Currency-neutral development of Reebok order backlogs by product category and region at June 30, 2008 (in %)

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>North America</th>
<th>Asia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FW</td>
<td>(9)</td>
<td>(29)</td>
<td>8</td>
<td>(13)</td>
</tr>
<tr>
<td>APP</td>
<td>(22)</td>
<td>(21)</td>
<td>3</td>
<td>(20)</td>
</tr>
<tr>
<td>Total</td>
<td>(10)</td>
<td>(21)</td>
<td>6</td>
<td>(13)</td>
</tr>
</tbody>
</table>
TaylorMade-adidas Golf Grows In All Regions

- Currency-neutral sales grow 6%
- Revenues increasing in all regions
- New innovative products brought to market
- Important market share gains in metalwoods and balls
Net Debt Reduction Continues Despite Buyback

- Net borrowings decrease 6% to € 2.260 billion
- Share buyback program remains a priority
- Financial leverage increases slightly to 82.3%

Underlying development even better excluding share buyback
Operating Working Capital Development Supports Further Growth

• 16% currency-neutral inventory growth reflects emerging market expansion

• Receivables increase below Q2 sales growth rate

• Payables grow 33% on a currency-neutral basis

Average operating working capital as a percentage of sales reduced by 1.4pp to 24.2%
Agenda

- Group Positioning
- Focus On Emerging Markets
- Distribution Excellence
- Financial Highlights

- Outlook

- Appendix
### 2008 Outlook Improves

<table>
<thead>
<tr>
<th>adidas Group Targets 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency-neutral sales growth</td>
</tr>
<tr>
<td>Gross margin</td>
</tr>
<tr>
<td>Operating margin</td>
</tr>
<tr>
<td>Net income growth</td>
</tr>
</tbody>
</table>
Agenda

• Group Positioning
• Focus On Emerging Markets
• Distribution Excellence
• Financial Highlights
• Outlook

• Appendix
Upcoming Financial Reporting Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 6, 2008</td>
<td>Nine Months 2008 Results</td>
</tr>
<tr>
<td>Mar 4, 2009</td>
<td>2008 Full Year Results</td>
</tr>
<tr>
<td>May 5, 2009</td>
<td>First Quarter 2009 Results</td>
</tr>
<tr>
<td>May 7, 2009</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>Aug 5, 2009</td>
<td>First Half 2009 Results</td>
</tr>
<tr>
<td>Nov 4, 2009</td>
<td>Nine Months 2009 Results</td>
</tr>
</tbody>
</table>
adidas Group Revenues Increase 12% In H1 2008

- **adidas**: 16% (Currency-neutral)
- **Reebok**: 11% (Currency-neutral), 12% (In euros)
- **TaylorMade**: 4% (Currency-neutral)

Legend:
- □ In euros
- ■ Currency-neutral
## Operating Margin Improves Strongly

<table>
<thead>
<tr>
<th></th>
<th>Q2 2008</th>
<th>First Half 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross profit</strong></td>
<td>€ 1,263m</td>
<td>€ 2,552m</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>50.1%</td>
<td>49.6%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>€ 208m</td>
<td>€ 490m</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>8.2%</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

- **Gross profit** improved by 11% in Q2 2008 and 10% in the first half of 2008.
- **Gross margin** increased by 2.7 percentage points (pp) in Q2 2008 and 2.5 pp in the first half of 2008.
- **Operating profit** grew by 10% in Q2 2008 and 17% in the first half of 2008.
- **Operating margin** rose by 0.4 pp in Q2 2008 and 1.1 pp in the first half of 2008.
Record First Half Gross Margin

**Positives:**
- Regional and product mix
- Currency benefits
- Own-retail

**Negatives:**
- Input costs

**Group Full Year Gross Margin Guidance To Exceed 48.0%**

1) Includes HQ/Consolidation
## First Half EPS Increases 25%

<table>
<thead>
<tr>
<th></th>
<th>Q2 2008</th>
<th>First Half 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net financial expenses</td>
<td>€ 39m</td>
<td>€ 71m</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>€ 169m</td>
<td>€ 419m</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>30.8%</td>
<td>31.5%</td>
</tr>
<tr>
<td>Net income attrib. to shareholders</td>
<td>€ 116m</td>
<td>€ 286m</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>€ 0.59</td>
<td>€ 1.42</td>
</tr>
</tbody>
</table>

**Q2 2008**:
- Net financial expenses: € 39m (10% increase)
- Income before taxes: € 169m (10% increase)
- Effective tax rate: 30.8% (0.8pp decrease)
- Net income attrib. to shareholders: € 116m (12% increase)
- Basic EPS: € 0.59 (15% increase)

**First Half 2008**:
- Net financial expenses: € 71m (3% decrease)
- Income before taxes: € 419m (22% increase)
- Effective tax rate: 31.5% (0.5pp decrease)
- Net income attrib. to shareholders: € 286m (23% increase)
- Basic EPS: € 1.42 (25% increase)