Deutsche Bank GACC Presentation
Frankfurt
May 19/20, 2011

FIT FOR THE FUTURE
Agenda

• Q1 2011 Highlights

• Outlook and summary

• Appendix: 2015 Aspirations
adidas Group Has Fastest Q1 In History

- Record sales of €3.3 billion
- Gross margin virtually unchanged
- Net income and EPS increase 25%
Group Sales Growth Accelerates To 18%\(^1\)

- +26% North America\(^1\)
- +14% Western European Markets\(^1\)
- +26% European Emerging Markets\(^1\)
- +36% Greater China\(^1\)
- +15% Latin America\(^1\)
- +7% Other Asian Markets\(^1\)

\(^1\) Sales development on a currency-neutral basis
Wholesale Revenues Driven By Improvements In All Regions

<table>
<thead>
<tr>
<th>Wholesale</th>
<th>Q1 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (€ in millions)</td>
<td>2,320</td>
<td>18%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>43.1%</td>
<td>0.0pp</td>
</tr>
<tr>
<td>Segmental operating margin</td>
<td>34.6%</td>
<td>+1.5pp</td>
</tr>
</tbody>
</table>

1) Currency-neutral
## Retail Comparable Store Sales Increase 17%

<table>
<thead>
<tr>
<th></th>
<th>Q1 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales (€ in millions)</strong></td>
<td>577</td>
<td>22%(^1)</td>
</tr>
<tr>
<td>adidas comp store sales</td>
<td></td>
<td>17%(^1)</td>
</tr>
<tr>
<td>Reebok comp store sales</td>
<td></td>
<td>15%(^1)</td>
</tr>
<tr>
<td>Total comp store sales</td>
<td></td>
<td>17%(^1)</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>61.2%</td>
<td>+3.0pp</td>
</tr>
<tr>
<td><strong>Segmental operating margin</strong></td>
<td>15.4%</td>
<td>4.2pp</td>
</tr>
</tbody>
</table>

\(^1\) Currency-neutral
Other Businesses Grow 14%

<table>
<thead>
<tr>
<th>Other Businesses</th>
<th>Q1 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (€ in millions)</td>
<td>376</td>
<td>14%¹</td>
</tr>
<tr>
<td>Gross margin</td>
<td>45.6%</td>
<td>+0.6pp</td>
</tr>
<tr>
<td>Segmental operating margin</td>
<td>28.1%</td>
<td>(0.9pp)</td>
</tr>
</tbody>
</table>

¹ Currency-neutral
Strong adidas And Reebok Brand Momentum

<table>
<thead>
<tr>
<th></th>
<th>Q1 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>adidas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales (€ in millions)</td>
<td>2,439</td>
<td>18%(^{1)})</td>
</tr>
<tr>
<td>Gross margin</td>
<td>47.8%</td>
<td>0.1pp</td>
</tr>
<tr>
<td><strong>Reebok</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales (€ in millions)</td>
<td>477</td>
<td>24%(^{1)})</td>
</tr>
<tr>
<td>Gross margin</td>
<td>37.2%</td>
<td>0.9pp</td>
</tr>
</tbody>
</table>

\(^{1)}\) Currency-neutral
adidas Sales Increase 18% Currency-Neutral

adidas Sport Performance
Up 15%

adidas Sport Style
Up 27%
Innovation Drives Growth In Running

- adiZero F50 Runner and ClimaCool Ride drive category sales up over 30%
Basketball Momentum Set To Continue

- Q1 sales increase 14% c.n.
- adiZero CrazyLight, the lightest ever basketball shoe, to hit retail in June 2011
adidas Outdoor Sales Advance 25%
adidas To Introduce Interactive Football Boot
adidas Launches “all adidas” Campaign

- Largest ever global brand campaign
- “all adidas” launched in March 2011
- Fusion of sport, music and fashion
- Celebration of every aspect of the adidas brand
- Commercial success story already
Reebok Delivers Strong Sales And Margin Improvements

- **Sales increase of 24% currency-neutral**
- **Reebok gross margin up 0.9pp to 37.2%**
- **More than 20% growth in most regions**
ZigTech Continues To Go From Strength To Strength
Reebok Third Product Pillar RealFlex Starts Strongly

- 76 independent “sensors” help promote natural movement
- Support of natural movement and flexibility
- Very encouraging initial sell-through from retail
TMaG Grows 20% Currency-Neutral In Q1

- White R11 driver well received by tour players and consumers
- Martin Kaymer crowned world no. 1 golfer for first time
Group Gross Margin Virtually Unchanged

- **Higher input costs**
- **Currency/Hedging**

+ **Higher Retail sales at higher margins**
+ **Less clearance sales**
+ **Overproportionate growth in emerging markets**

Q1 Group gross profit up 22% to €1.587 billion

1) Total Group includes HQ/Consolidation
### Group Operating Margin Increases On A Comparable Basis

<table>
<thead>
<tr>
<th>Category</th>
<th>2021 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalty and commission income</td>
<td>€ 18 million</td>
</tr>
<tr>
<td>Other operating income</td>
<td>€ 17 million</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>€ 1.309 billion</td>
</tr>
<tr>
<td>Other operating expenses as a percentage of sales</td>
<td>40.0%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 313 million</td>
</tr>
<tr>
<td>Operating margin</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

- **Royalty and commission income**: Decreased by 16% to €18 million compared to Q1 2011.
- **Other operating income**: Decreased by 63% to €17 million compared to Q1 2011.
- **Other operating expenses**: Increased by 18% to €1.309 billion compared to Q1 2011.
- **Other operating expenses as a percentage of sales**: Increased by 1.5 percentage points to 40.0% compared to Q1 2011.
- **Operating profit**: Increased by 21% to €313 million compared to Q1 2011.
- **Operating margin**: Decreased by 0.1 percentage points to 9.6% compared to Q1 2011.
Diluted EPS Increase 25%

<table>
<thead>
<tr>
<th></th>
<th>Q1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial income</td>
<td>(61%) €5 million</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>14% €33 million</td>
</tr>
<tr>
<td>Income tax rate</td>
<td>(4.0pp) 26.5%</td>
</tr>
<tr>
<td>Net income attributable to shareholders</td>
<td>25% €209 million</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>25% €1.00</td>
</tr>
</tbody>
</table>
Operating Working Capital As A Percentage Of Sales Continues to Improve

- Inventories increase 23% on a currency-neutral basis
  - Mirrors growth expectations for next quarters
- Receivables up 10% on a currency-neutral basis
  - Increase below Group’s sales growth in Q1
- Payables increase 17% on a currency-neutral basis

Operating working capital as a percentage of sales declines 2.4pp to 20.5% versus Q1 2010
Net Debt Declines Considerably

- Net borrowings decrease 33% versus prior year to €914 million
- Ratio of net borrowings/EBITDA decreases to 0.8 from 1.4 in 2010
- Equity ratio increases 0.6 percentage points to 45.2%
Agenda

- Q1 2011 Highlights
- Outlook and summary
- Appendix: 2015 Aspirations
2011 Revenue Guidance Increased

<table>
<thead>
<tr>
<th>Sales Type</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group sales (currency-neutral)</td>
<td>high-single-digit increase</td>
</tr>
<tr>
<td>Wholesale sales (currency-neutral)</td>
<td>mid- to high-single-digit increase</td>
</tr>
<tr>
<td>Retail sales (currency-neutral)</td>
<td>low-double-digit increase</td>
</tr>
<tr>
<td>Other Businesses sales (currency-neutral)</td>
<td>mid-single-digit increase</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Metric</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin</td>
<td>47.5% to 48.0%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>7.5% to 8.0%</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>€ 2.98 to € 3.12</td>
</tr>
</tbody>
</table>
Impact Of Japan On Group Performance

• adidas Group market leader in Japan

• Japan represents a high-single-digit percentage of Group sales and is highly profitable

• Scenarios imply sales decline of 15% to 25% in Japan from April to December

• Strength in other markets to compensate for shortfalls
Strong Start To Route 2015

- Group sales to increase at a high-single-digit rate
- Position in key growth markets continues to improve
- Despite negative headwinds profitability targets all confirmed
- 2011 a fitting start to our Route 2015 journey
Agenda

• Q1 2011 Highlights
• Outlook and summary

• Appendix: 2015 Aspirations
Global Brands Game Changing Growth Projects

REEBOK FITNESS EMPIRE

NEO FAST FASHION

ADIDAS RUNNING

BASKETBALL

CUSTOMIZATION

INTERACTIVITY
Brand Architecture – Portfolio Strategy

- **8%**
  - Pure Performer
  - Competitive Sports

- **14%**
  - Athletic Style
  - Active Sports

- **22%**
  - Athletic Classic
  - Casual Sports

- **14%**
  - Brand Driven
  - Sport Inspired

- **26%**
  - Sport Inspired
  - Sports Fashion

- **10%**
  - Style Adopter
  - Style Setter
Brand Architecture – Business Reality

- **8%** Pure Performer
- **14%** Athletic Style
- **22%** Athletic Classic
- **14%** Brand Driven
- **26%** Sport Inspired
- **10%** Style Adopter
- **6%** Style Setter

- **12%** Competitive Sports
- **78%** Active Sports
- **10%** Casual Sports
- **10%** Sports Fashion

Reebok
Brand Differentiation

adidas
THE PERFORMANCE BRAND & MULTI SPORTS SPECIALIST
“FIT FOR PERFORMANCE”

Reebok
THE FITNESS & TRAINING BRAND
“FIT FOR LIFE”

FITNESS AND TRAINING
adidas Sport Performance – Making The Athlete Better

- COOLER
- STRONGER
- FASTER
- NATURAL
- SMARTER
adidas Sport Style – Multi-Label Strategy

12 - 19 YEARS
FOR THE
STYLE-ADOPTING
HIGH SCHOOL
KID

16 - 24 YEARS
FROM THE
TRENDSETTER
TO THE
MAINSTREAM
KID

24 - 36 YEARS
FOR THE
STYLIST
ON-THE-GO
INDIVIDUAL

24 - 36 YEARS
FOR THE
OUTWARDLY
CONFIDENT,
FORWARD-
THINKING
INDIVIDUAL

35+ YEARS
FOR THE
SOPHISTICATED,
ACTIVE MAN
adidas Originals – Iconic And Authentic Street Style

CLEAR CONSUMER FOCUS

16 - 24 YEARS
FROM THE TRENDSETTER TO THE MAINSTREAM KID

CONNECTING YOUTH CULTURE

SPORT
FASHION
ART
MUSIC
# NEO Label Attributes And USP

**THE FRESHEST CASUAL SPORTSWEAR LABEL FOR TODAY’S YOUNG CONSUMER**

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New</strong></td>
<td>NEO provides constant newness – always visible in collection and stores</td>
</tr>
<tr>
<td><strong>Active</strong></td>
<td>Attracting a consumer who is fully engaged in life, be it through social networking, family, friends, outdoor, sports ...</td>
</tr>
<tr>
<td><strong>Accessible</strong></td>
<td>Easy to find, to understand and to relate to: accessible design, price/value, offer for everyday occasions</td>
</tr>
<tr>
<td><strong>Authentic</strong></td>
<td>True to the consumer – expressing their personality in an honest and real way, reflecting their lifestyle and values</td>
</tr>
</tbody>
</table>
NEO Targets A Global Consumer With A Homogenous Fashion Style

| Age          | Core target consumer: 12 to 19 years  
|             | Appeal to broader group: 12 to 35 years |
| Gender      | Intended long-term split  
|             | – Girls: 65%  
|             | – Guys: 35%  
|             | Initial split: 50:50 |
| Price       | Consumer willing to pay a premium of ~10% above average market price for adidas brand (roughly at Zara level) |
| Fashionability | Fashion-interested consumer who looks for trendy and seasonal fashion, but also buys basics |
Reebok – Brand Positioning

Reebok

**WOMEN**
- TRAINING
- RUNNING
- WALKING

**MEN**
- TRAINING
- RUNNING
- SPORTS

**CLASSICS**

**FUN + FITNESS**

**OWN**
**REVIVE**
**CHALLENGE**
Three Elements Of Total Fitness

Strength

Conditioning

Flexibility
Key Concepts Fitness/Training

Reetone  Reezig  Reeflex
Reebok Classics Strategy

- Fit for the Street - thru lens of music/dance
- Building holistic product offering
- Marketing communications
- Introduce over time an American Sportswear line
Global Brands Growth

2010

€ 6.5 billion

2015

€ 8.5 billion

€ 2.1 billion

€ 3.7 billion

€ 1.9 billion

€ 3.0 billion
Global Sales Strategic Priorities

• Achieve controlled space of >45%

• Integrated distribution Roadmap

• Three “Attack” markets to generate 50% of sales growth
Focus On The High School Consumer

- 16.3m high school kids
- $16.1bn spending
- 20% industry spend
- 80% higher spending than college kids
- Influencers and purchasers of sport and fashion
Generation US Focus Sports

7 Million High School Athletes

Basketball
Football
Soccer
Baseball
Running
Training

7 Million High School Athletes

Basketball
Football
Soccer
Baseball
Running
Training
Chinese Consumer Becoming More Sophisticated
Category Attack In Higher Tier Cities

WOMEN’S TRAINING
BECOME A BRAND OF CHOICE FOR WOMEN

MEN’S TRAINING
GAIN LEADERSHIP BY 2012

RUNNING
GAIN LEADERSHIP BY 2015

FOOTBALL
GAIN LEADERSHIP BY 2015

BASKETBALL
CHALLENGE LEADERSHIP BY 2015

HARDWARE
EMBRACE UNEXPLOITED OPPORTUNITIES

mi adidas
BUILD NEW SOURCE OF GROWTH

BEYOND
Time To Unleash Originals
Increasing Store Footprint To Capture Growth

• City-by-city footprint plan to match local retail environment
• Segmentation to match purchase patterns of high vs. low spenders
• Accessible pricing options to complement range
• POS increase of 2,500 by 2015
Russia Driven By adidas and Reebok Own Retail

- 700 stores in 2010
- >80% of sales through own retail in 2010
- Dec 2010 comparable store sales +27%
- Fully integrated joint operating model
Increase Store Base in Russia

- Stand-alone stores
- Multi-brand factory outlets
- In existing and new malls

Over 1,000 stores in 2015
adidas Group Market Share To Increase By 2015

Total market share to be around 70%
QUESTIONS & ANSWERS
## Upcoming Financial Reporting Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug 4, 2011</td>
<td>First Half 2011 Results</td>
</tr>
<tr>
<td>Nov 3, 2011</td>
<td>Nine Months 2011 Results</td>
</tr>
</tbody>
</table>