Baader Investment Conference
Munich, September 27, 2012

Robin J. Stalker
CFO adidas Group
ROUTE 2015 FINANCIAL MILESTONES

€ 17bn Net sales
11% Operating margin
15% Earnings growth
CREATING THE MOST DESIRABLE BRANDS

INNOVATE

AUTHENTICATE

INVEST
OUTSTANDING START TO ROUTE 2015

Net sales
- 2010: €12.0bn
- H1 2012 rolling: €14.3bn (+18%*)

Net earnings
- 2010: €567m
- H1 2012 rolling: €776m (+37%)

*currency-neutral
QUALITY TOP-LINE GROWTH DRIVES MARGIN IMPROVEMENTS DESPITE SEVERE CHALLENGES

-6,0pp  
-5,0pp  
-4,0pp  
-3,0pp  
-2,0pp  
-1,0pp  
0,0pp  
1,0pp  
2,0pp

Q1 2011  Q2 2011  Q3 2011  Q4 2011  Q1 2012  Q2 2012

FOB impact

Group gross margin change

-2,0pp
-1,5pp
-1,0pp
-0,5pp
0,0pp
0,5pp
1,0pp
1,5pp

Q1 2011  Q2 2011  Q3 2011  Q4 2011  Q1 2012  Q2 2012

Opex as % of sales change

Operating margin change
## GLOBAL BRANDS
### REVISED SALES TARGETS

<table>
<thead>
<tr>
<th>Brand</th>
<th>2010</th>
<th>OLD</th>
<th>NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>adidas</td>
<td>€ 6.5 billion</td>
<td>£ 8.5 billion</td>
<td>€ 8.9 billion</td>
</tr>
<tr>
<td>Reebok</td>
<td>€ 2.1 billion</td>
<td>€ 3.7 billion</td>
<td>€ 3.9 billion</td>
</tr>
<tr>
<td>TaylorMade</td>
<td>€ 1.9 billion</td>
<td>€ 3.0 billion</td>
<td>€ 2.0 billion</td>
</tr>
<tr>
<td>ECCO</td>
<td>€ 1.4 billion</td>
<td>€ 1.8 billion</td>
<td>€ 2.2 billion</td>
</tr>
</tbody>
</table>
ADIDAS SALES TARGET INCREASED 5%
OTHER BUSINESSES TO ACHIEVE 2015 GOAL ALREADY THIS YEAR
REEBOK TO FOCUS ON BUILDING SUSTAINABLE FITNESS CATEGORIES
## GLOBAL SALES REVISED REVENUE TARGETS

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th>OLD</th>
<th>NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale</td>
<td>€ 8.2 billion</td>
<td>€ 10.6 billion</td>
<td>€ 10.2 billion</td>
</tr>
<tr>
<td>Retail</td>
<td>€ 2.4 billion</td>
<td>€ 4.1 billion</td>
<td>€ 4.1 billion</td>
</tr>
<tr>
<td>eCOM</td>
<td>€ 0.1 billion</td>
<td>€ 0.5 billion</td>
<td>€ 0.5 billion</td>
</tr>
<tr>
<td>Other Businesses</td>
<td>€ 1.4 billion</td>
<td>€ 1.8 billion</td>
<td>€ 2.2 billion</td>
</tr>
</tbody>
</table>

*Note: The diagram shows an upward trend in revenue targets.*
STRONG POSITION TO ACHIEVE 11% OPERATING MARGIN TARGET

- Emerging Market Growth
- Retail proficiency
- Organisational set-up
- Range reduction
- Quality of distribution
- Manufacturing excellence
- Performance driven Trade Terms
- Infrastructure modernisation
PRUDENT MANAGEMENT IN CHALLENING ECONOMIC ENVIRONMENT

Net debt

Inventory growth rate (currency-neutral)
2013 WILL SEE SIGNIFICANT INNOVATION PIPELINE
2013 DEEPENING EMOTIONAL CONNECTION TO THE CONSUMER
APPENDIX: 2015 ASPIRATIONS
GLOBAL BRANDS GAME CHANGING GROWTH PROJECTS

REEBOK
FITNESS EMPIRE

NEO
FAST FASHION

ADIDAS
RUNNING

BASKETBALL

CUSTOMIZATION

INTERACTIVITY
BRAND ARCHITECTURE: PORTFOLIO STRATEGY

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

**Segments**:
- **Competitive Sports**: 12%
- **Active Sports**: 78%
- **Casual Sports**: 10%
- **Sports Fashion**: 14%
ADIDAS SPORT PERFORMANCE – MAKING THE ATHLETE BETTER
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 STYLISH 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 HOMOGENEOUS 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
Fit for Life
The FITNESS Brand

- Clearly defined Category Focus
  - Product and Technology Excellence
  - Deep Consumer Connection
  - Distribution and Focus on Key Markets
From an activity to a lifestyle...

Activity

Community

Events

Social Media

@blondeponytail
Do your fore arms feel swollen after pull-ups?! Feel like I should ice mine!
#fitfluential #getafterit

@keithbritton
NEW Personal Record! 1 Mile Run For Time > 6'34"
Feels SOOO good to write it down in my journal!! #CrossFit

Lifestyle
New organization: Focus on Fitness categories

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitness Training</td>
<td>Brand Strategy</td>
</tr>
<tr>
<td>Fitness Running</td>
<td></td>
</tr>
<tr>
<td>Walking/Toning</td>
<td></td>
</tr>
<tr>
<td>Studio</td>
<td>Design</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>Brand Comms</td>
</tr>
</tbody>
</table>

---

Reebok
Meet consumers where they live within their fitness life

Grassroots

Instructor Network

Reebok CrossFit

Reebok Retail

Retail Store Management

Digital & Tracking

Mark

Melissa
DISRUPT THE MARKET PLACE

DRIVE PERFORMANCE THROUGH INNOVATION

VALIDATE ON TOUR

DELIVER HOT PRODUCTS

REACT QUICKLY TO MARKET SHIFTS

STAY TRUE TO OUR BRAND VALUES
THE BIG OPPORTUNITY
€1.5 BILLION
SUSTAINABLE GROWTH IN KEY ATTACK MARKETS

North America
• Biggest growth potential
• Focus on High School Kids and Team Sports

Greater China
• Market leadership by 2015
• Increase store base

Russia/CIS
• Increase market share of currently 60% to 70%
• Become leading sports brands in Outdoor
win the hearts and minds of high school kids on the field and in the hallway
+41%
doubled fw share
27%
shifted distribution

% of Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>HSK Focus Channels</th>
<th>Other Channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>2010</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>2011</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>2012</td>
<td>62%</td>
<td>38%</td>
</tr>
</tbody>
</table>
average selling price
footwear

YTD 12

+21.0%
adidas

+4.6%
REST OF MARKET

SOURCE - NPD
generation us 2015: 3 phases

2010
- delivery of top and bottom line
- inspirational focus concepts

2011
- innovation and brand marketing push

2012
- team business attack

2013
- clear #2 market share

2014
- #1 with high school kid

2015
- ✓
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

GAIN LEADERSHIP BY 2015
FOOTBALL

CHALLENGE LEADERSHIP BY 2015
BASKETBALL

EMBRACE UNEXPLOITED OPPORTUNITIES
HARDWARE

BUILD NEW SOURCE OF GROWTH
BEYOND
TIME TO UNLEASH ORIGINALS
INCREASING STORE FOOTPRINT TO CAPTURE GROWTH

1. City-by-city footprint plan to match local retail environment
2. Segmentation to match purchase patterns of high vs. low spenders
3. Accessible pricing options to complement range
4. POS increase of 2,500 by 2015
RUSSIA/CIS DRIVEN BY ADIDAS AND REEBOK OWN RETAIL

~800 own retail stores in 2011

~1,200 own retail stores by 2015

>90% of sales through own retail in 2011

YTD December 2011 comp store sales +24%
OPPORTUNITIES OUTWEIGH CHALLENGES IN RUSSIA/CIS

- Volatility of economy and currency
- High levels of bureaucracy
- Infrastructure challenges
- War for talent

- Large population (Russia 143m)
- Russians spend 74% of income on consumer goods vs. 40% for Europe
- Above average GDP growth
- Rising disposable incomes
- Expanding middle class
- High sports affinity
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution</td>
<td>Significant coverage and market penetration</td>
</tr>
<tr>
<td>Product Range</td>
<td>Broad range covering multiple consumer targets</td>
</tr>
<tr>
<td>Brand Marketing</td>
<td>Unmatched partnership portfolio Strong POS activation</td>
</tr>
</tbody>
</table>