Agenda

• First half year results

• Operating highlights

• Reebok acquisition

• Outlook
Excellent First Half Year Results

• Currency-neutral sales grow 11%

• Gross margin grows 50bp to 48.5%

• Operating profit up 26%, with operating margin at record 11.2%

• Net income attributable to shareholders from continuing and discontinued operations grows 48%
## Outstanding First Half Regional Performance

<table>
<thead>
<tr>
<th>Region</th>
<th>Currency-Neutral Sales</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>+ 1%</td>
<td>+ 18%</td>
</tr>
<tr>
<td>North America</td>
<td>+ 18%</td>
<td>+ 234%</td>
</tr>
<tr>
<td>Asia</td>
<td>+ 30%</td>
<td>+ 59%</td>
</tr>
<tr>
<td>Latin America</td>
<td>+ 36%</td>
<td>+ 55%</td>
</tr>
</tbody>
</table>
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Industry Leader in Design and Innovation: adidas_1
adidas and Polar Introduce the First Completely Integrated Performance Measurement System
New Partnership Announced with Porsche Design
New T-MAC 5 to Launch in Fall 2005
Our Successful adidas by Stella McCartney Line Goes into the Second Season
Largest Sport Performance Center Globally Opened in New York City
Top Partnerships Assure Exposure at Major Global Sporting Events
World Cup 2006

- Official sponsor, licensee and supplier of the 2006 FIFA World Cup™ in Germany
- Supplier of numerous teams
- Groundbreaking new products
  - Match ball
  - Predator® and X-Edge football shoes
  - Federation jerseys
Olympia Partnership

• Official Sportswear Partner for the Beijing 2008 Olympic Games
• Official Sportswear Partner for the Chinese National Olympic Committee
• Biggest Sporting Event in History
• Platform to reach target of € 1 billion of sales in China by 2010
The Salomon Divestiture

• Approx. € 485 million enterprise value of Salomon segment, adjusted for changes in capital employed

• All-cash transaction

• Subject to customary terms and conditions (e.g. approval of antitrust authorities)

• Deal expected to close end of September

• Visibly improved profitability ratios, especially ROCE
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A Stronger Competitive Platform

- A world leader in athletic footwear and apparel
- €8,899 million in net sales and €820 million in operating profit\(^{(1)}\)
- Strong positions in three key regions
- Better balanced geographic sales mix
- New dynamic in North America

Source: adidas and Reebok

Note: Pro forma for the new adidas Group, excluding Salomon’s discontinued operations

\(^{(1)}\) Pro forma 2004 aggregate data, excluding Salomon’s discontinued operations
Two Well-Defined Brand Identities

- Sports performance
- European heritage

- Sports lifestyle inspired
- American sports
Transaction Highlights

• US $59.00 in cash per Reebok share
• Total transaction value of € 3.1bn
• Annual cost synergies estimated at ca. € 125m
• Offer approved by the Board of Reebok
• Paul and Phyllis Fireman have entered into a voting agreement whereby they will vote their 17.5% of shares in favor of the offer
Six Opportunities for Value

• Geographies and categories
• Consumers and demographics
• Technology
• Licenses, teams and events
• Distribution channels
• Operating efficiencies
**Widen Geographic and Category Impact**

- Idea sharing across markets and geographies
- Capitalize on Reebok’s skills and know-how to accelerate adidas’ position in North America
- Benefit from adidas’ expertise in Europe and Asia for Reebok
- Combine expertise in branded and licensed athletic apparel
Reach a Broader Spectrum of Consumers and Demographics

- Ability to identify sport / style trends
- Continue brand developments into new segments
- Benefit from Reebok’s expertise in women’s segment
- Capitalize on Reebok’s skills in sport lifestyle and leisure
Expand Technology Expertise Across Brands

- Enhance profile as technology and innovation leader
- More products to capitalize on R&D developments
- New technology development and awareness across brands

PUMP 2.0 TECHNOLOGY

CLIMACOOL: IMPOSSIBLE IS NOTHING.
Maximize License, Team and Event Assets

- Transfer of skills and know-how
- Management of exclusive agreements
- Relationship with teams and athletes
- More active events calendar
Broaden Channel Relationships

• Capitalize on adidas’ in-depth understanding of specialized sporting goods channel

• Benefit from Reebok’s strong insights into department store and general merchandise channels

• Expand on own retail initiatives in fast growing markets
# Increase Operating Efficiencies

<table>
<thead>
<tr>
<th>Synergies</th>
<th>Selected Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales, Marketing &amp; Distribution</td>
<td>• Higher efficiency through combined sales and marketing scale</td>
</tr>
<tr>
<td></td>
<td>• Better utilization of available distribution capacity</td>
</tr>
<tr>
<td>Admin. Services &amp; IT</td>
<td>• Simplify overlapping functions</td>
</tr>
<tr>
<td></td>
<td>• Remove duplicative IT systems</td>
</tr>
<tr>
<td>Operations &amp; Sourcing</td>
<td>• Greater economies of scale in global sourcing</td>
</tr>
<tr>
<td></td>
<td>• Improve warehousing facilities</td>
</tr>
</tbody>
</table>

Annual cost synergies and operating improvements ca. € 125m
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Strong Footwear Backlogs Support Continuously Positive Order Book (Y/Y)

- Positive backlog development in all regions

<table>
<thead>
<tr>
<th></th>
<th>euros</th>
<th>currency neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footwear</td>
<td>+ 11%</td>
<td>+ 11%</td>
</tr>
<tr>
<td>Apparel</td>
<td>+ 9%</td>
<td>+ 8%</td>
</tr>
<tr>
<td>Total</td>
<td>+ 10%</td>
<td>+ 9%</td>
</tr>
</tbody>
</table>
### Full Year Guidance Confirmed

<table>
<thead>
<tr>
<th>Metric</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency-neutral sales growth</td>
<td>mid- to high-single-digit</td>
</tr>
<tr>
<td>Gross margin</td>
<td>ca. 48%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>ca. 11%</td>
</tr>
<tr>
<td>Net income attributable to shareholders from continuing and discontinued operations</td>
<td>ca. 20%</td>
</tr>
</tbody>
</table>
Medium Term Financial Targets

- Currency-neutral sales growth: mid- to high-single-digit
- Gross margin: 46 - 48%
- Operating margin: ≥ 11%
- Net income growth: double-digit
QUESTION AND ANSWER SESSION