First Quarter Report
January - March 2012

TOGETHER WE WIN

Q1

THE SPORT OF FITNESS HAS ARRIVED.
Reebok Aerva

DRIVER LOVE.
THE ALL NEW R11S
MORE TUNABLE AND EVEN LONGER.

FIFA BALON D11 OR 2011

adidas is all in
OPERATIONAL HIGHLIGHTS
adidas Group Delivers Record Q1 Sales And Earnings

- Strong top-line growth in all segments and all geographies
- Fifth consecutive quarter of double-digit growth
- Group sales up 14% on a currency-neutral basis to over €3.8 billion
- Net borrowings decrease 30% to €640 million
Sales Grow Across All Geographies In Q1

+11% North America

+7% Western Europe

+15% European Emerging Markets

+26% Greater China

+26% Other Asian Markets

1) Sales development on a currency-neutral basis
Clearly Outperforming In Greater China

- Sales growth of 26% currency-neutral
- Retail comp store sales up 10% currency-neutral
- Focus on quality of distribution
- Clear consumer focus
Further Market Share Gains In Western Europe

- Sales increase 7% currency-neutral
- Major sports events supporting market leadership ambitions in the UK and Poland
- Strong performance driven by improved consumer interaction at point-of-sale
North America Sales Increase 11% Currency-Neutral

- Currency-neutral sales at adidas and TMaG up 10% and 33% respectively
- Market share gains in all of our brands as a result of improved retail presence
- Continuation of sell-in momentum with adidas footwear sales up 22%
## Brand adidas Drives Growth In Q1

<table>
<thead>
<tr>
<th></th>
<th>Q1 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales (€ in millions)</strong></td>
<td>2,888</td>
<td>16%(^1)</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>46.4%</td>
<td>(1.5pp)</td>
</tr>
</tbody>
</table>

**Reebok**

<p>| | | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales (€ in millions)</strong></td>
<td>451</td>
<td>(7%)(^1)</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>37.8%</td>
<td>0.6pp</td>
</tr>
</tbody>
</table>

\(^1\) Currency-neutral
adidas Sales Increase 16% Currency-Neutral

- adidas core categories increase 16% on a currency-neutral basis
- Eighth consecutive quarter of double-digit growth
- All regions up at a double-digit rate
Football Sales Increase 23% Currency-Neutral

- Market share gains due to product introductions and brand activation events
- adizero f50 remains best-selling boot in the market
- New Predator Lethal Zones just unleashed
UEFA EURO 2012™ Will See New Record Highs In Football

- adidas Official Sponsor and Partner of the UEFA EURO 2012™
- Outfitter of six high-calibre teams (Spain, Germany, Russia, Ukraine, Denmark and Greece)
- Sales of more than € 1.5 billion targeted in 2012
- Sustain market share gains adidas has enjoyed since the 2010 FIFA World Cup™
Excitement Building Ahead Of Summer Olympic Games

- Team kit designed by Stella McCartney exceeding all expectations
Focus On Running Paying Off With 16% Growth

- Lightweight THE success story
- Clima franchise jumps over 80%
- High visibility due to marketing instalments
adidas Basketball Sales Increase 12% Driven By Footwear

- Footwear at Basketball up 23% on a currency-neutral basis
- adizero Crazy Light 2 setting new standards in lightness
Outdoor Sales Increase 45% Currency-Neutral
adidas Sport Style Sales Grow 24% Currency-Neutral
Reebok Sales Up 10% Excluding Licences And Toning

- Sales excluding NHL-, NFL-license and toning up 10% currency-neutral
- Classics grows 7% currency-neutral
- Gross margin continues to improve
- Major product and technology launches planned for 2013
Reebok Begins Global Brand Positioning Campaign
Commercial Irregularities Discovered At Reebok India

Course of actions to be taken ...

... new local leadership team appointed
... restructuring of business activities
... changing commercial business practices
... reduction of franchise store base
TMA Grows 32% Currency-Neutral

- Highest growth rate in almost nine years
- Sales up double-digit in all club categories, apparel and footwear
- Significant market share expansion in metalwoods and irons
- Planned acquisition of Adams Golf broadening consumer spectrum
adidas Group Well On Track For Successful 2012
FINANCIAL HIGHLIGHTS
Group Gross Margin Decline Limited To 70bp

- Higher input costs

+ Higher Retail sales at higher margins
- Overproportionate growth in emerging markets
- More favourable sales mix

<table>
<thead>
<tr>
<th>Gross Margin</th>
<th>Q1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale</td>
<td>(1.4pp) 41.8%</td>
</tr>
<tr>
<td>Retail</td>
<td>+0.2pp 61.5%</td>
</tr>
<tr>
<td>Other Businesses</td>
<td>(1.9pp) 43.7%</td>
</tr>
<tr>
<td></td>
<td>(0.7pp) 47.7%</td>
</tr>
</tbody>
</table>

1) Total Group includes HQ/Consolidation

Q1 Group gross profit up 15% to € 1.826 billion
Q1 Group Operating Profit Increases 30%

<table>
<thead>
<tr>
<th></th>
<th>Q1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalty and commission income</td>
<td>+34% € 25 million</td>
</tr>
<tr>
<td>Other operating income</td>
<td>+44% € 25 million</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>+12% € 1.467 billion</td>
</tr>
<tr>
<td>Other operating expenses as a percentage of sales</td>
<td>-1.6pp 38.4%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>+30% € 409 million</td>
</tr>
<tr>
<td>Operating margin</td>
<td>+1.1pp 10.7%</td>
</tr>
</tbody>
</table>
# Net Income And Diluted EPS Increase 38%

<table>
<thead>
<tr>
<th></th>
<th>Q1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial income</strong></td>
<td>€ 8 million</td>
</tr>
<tr>
<td><strong>Financial expenses</strong></td>
<td>€ 28 million</td>
</tr>
<tr>
<td><strong>Income tax rate</strong></td>
<td>25.5%</td>
</tr>
<tr>
<td><strong>Net income attributable to shareholders</strong></td>
<td>€ 289 million</td>
</tr>
<tr>
<td><strong>Diluted earnings per share</strong></td>
<td>€ 1.38</td>
</tr>
</tbody>
</table>

**Q1 2012 (16%)**

+78% +78% +38% +38%
## Q1 Wholesale Sales Up 10% Currency-Neutral

<table>
<thead>
<tr>
<th>Wholesale</th>
<th>Q1 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (€ in millions)</td>
<td>2,614</td>
<td>+10%$^1)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>41.8%</td>
<td>(1.4pp)</td>
</tr>
<tr>
<td>Segmental operating margin</td>
<td>32.6%</td>
<td>(2.0pp)</td>
</tr>
</tbody>
</table>

$^1$ Currency-neutral
## Retail Comparable Store Sales Increase 9%

<table>
<thead>
<tr>
<th></th>
<th>Q1 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales (€ in millions)</strong></td>
<td>693</td>
<td>+16%(^1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>adidas comp store sales</td>
<td></td>
<td>+9%(^1)</td>
</tr>
<tr>
<td>Reebok comp store sales</td>
<td></td>
<td>+6%(^1)</td>
</tr>
<tr>
<td>Total comp store sales</td>
<td></td>
<td>+9%(^1)</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>61.5%</td>
<td>+0.2pp</td>
</tr>
<tr>
<td><strong>Segmental operating margin</strong></td>
<td>16.6%</td>
<td>+1.1pp</td>
</tr>
</tbody>
</table>

\(^1\) Currency-neutral
### Other Businesses Up 32% Currency-Neutral

<table>
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<tr>
<th></th>
<th>Q1 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (€ in millions)</td>
<td>517</td>
<td>+32%(^1)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>43.7%</td>
<td>(1.9pp)</td>
</tr>
<tr>
<td>Segmental operating margin</td>
<td>28.7%</td>
<td>+0.6pp</td>
</tr>
</tbody>
</table>

\(^1\) Currency-neutral
Inventory Growth Moderates To 13% Currency-Neutral

- Inventories increase 13% on a currency-neutral basis
  - Sequential decline in growth rate (+16% in Q4)
  - Reflects FOB impact and growth expectations
- Receivables up 8% on a currency-neutral basis
  - Increase below Group’s wholesale-related sales growth in Q1
- Payables increase 9% on a currency-neutral basis

Average operating working capital as a % of net sales, at quarter-end

<table>
<thead>
<tr>
<th></th>
<th>Q1/10</th>
<th>Q2/10</th>
<th>Q3/10</th>
<th>Q4/10</th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
<th>Q4/11</th>
<th>Q1/12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22.9</td>
<td>21.7</td>
<td>20.9</td>
<td>20.8</td>
<td>20.5</td>
<td>20.7</td>
<td>20.9</td>
<td>20.8</td>
<td>20.7</td>
</tr>
</tbody>
</table>
Net Borrowings Decrease 30%

- Net borrowings decrease 30% versus prior year to € 640 million
- Ratio of net borrowings/EBITDA decreases to 0.5 from 0.8 in 2011
- Equity ratio increases 2.9 percentage points to 48.1%

Net cash/(net borrowings) at quarter-end, € in millions

<table>
<thead>
<tr>
<th></th>
<th>Q1/10</th>
<th>Q2/10</th>
<th>Q3/10</th>
<th>Q4/10</th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
<th>Q4/11</th>
<th>Q1/12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1,359)</td>
<td>(1,090)</td>
<td>(903)</td>
<td>(221)</td>
<td>(914)</td>
<td>(863)</td>
<td>(750)</td>
<td>(90)</td>
<td>(640)</td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>
## Full Year Outlook Increased

<table>
<thead>
<tr>
<th>Category</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group sales (currency-neutral)</td>
<td>increase at a rate approaching 10%</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-teens increase</td>
</tr>
<tr>
<td>Other Businesses sales (currency-neutral)</td>
<td>low-teens increase</td>
</tr>
<tr>
<td>Gross margin</td>
<td>around 47.5%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>approaching 8.0%</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>increase at a rate of 12% to 17% to a level between €3.58 and €3.75</td>
</tr>
</tbody>
</table>
QUESTIONS & ANSWERS
# Upcoming Financial Reporting Dates

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>10, 2012</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>May</td>
<td>11, 2012</td>
<td>Dividend Payment¹)</td>
</tr>
<tr>
<td>Aug</td>
<td>2, 2012</td>
<td>First Half 2012 Results</td>
</tr>
<tr>
<td>Sep</td>
<td>20-21, 2012</td>
<td>Investor Field Trip to Carlsbad, California</td>
</tr>
<tr>
<td>Nov</td>
<td>8, 2012</td>
<td>Nine Months 2012 Results</td>
</tr>
</tbody>
</table>

¹) Subject to Annual General Meeting approval
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
- **14%** Athletic Style
- **22%** Athletic Classic
- **14%** Brand Driven
- **26%** Sport Inspired
- **10%** Style Adopter
- **6%** Style Setter

Competitive Sports: 12%
Active Sports: 78%
Casual Sports: 10%
Sports Fashion:
Brand Architecture – Business Reality

- **Reebok**

  - **Competitive Sports**: 12%
  - **Active Sports**: 78%
  - **Casual Sports**: 10%
  - **Sports Fashion**:
    - **Style Adopter**: 10%
    - **Style Setter**: 6%
  - **Brand Driven**: 26%
  - **Sport Inspired**: 22%
  - **Athletic Classic**: 14%
  - **Athletic Style**: 14%
  - **Pure Performer**: 8%
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

New
NEO provides constant newness – always visible in collection and stores

Active
Attracting a consumer who is fully engaged in life, be it through social networking, family, friends, outdoor, sports ...

Accessible
Easy to find, to understand and to relate to: accessible design, price/value, offer for everyday occasions

Authentic
True to the consumer – expressing their personality in an honest and real way, reflecting their lifestyle and values
| 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

GIRLS

TRAINING

RUNNING

WALKING

FUN + FITNESS

MEN

BOYS

TRAINING

RUNNING

SPORTS

OWN

REVIVE

CHALLENGE

CLASSICS
Three Elements Of Total Fitness

Strength

Conditioning

Flexibility
Reebok – The Fitness And Training Brand
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

Reebok

€ 1.9 billion

€ 3.0 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
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
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

**BEYOND**
Build new source of growth
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
- Accessible pricing options to complement range
- 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>Distribution</th>
<th>Significant coverage and market penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Range</td>
<td>Broad range covering multiple consumer targets</td>
</tr>
<tr>
<td>Brand Marketing</td>
<td>Unmatched partnership portfolio</td>
</tr>
<tr>
<td></td>
<td>Strong POS activation</td>
</tr>
</tbody>
</table>
Reebok Has Strong Momentum

- Inherited solid foundation
- Brand strength second only to India
- Powerful Brand representation in ~200 stores
- Success with Toning, Zig and Flex
- KPI’s approaching adidas levels