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>
Agenda

• First half year results

• Operating highlights

• Reebok acquisition

• Outlook
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
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
Agenda

• First half year results

• Operating highlights

• Reebok acquisition

• Outlook
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
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>40%</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>40%</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>20%</td>
<td>• Improve warehousing facilities</td>
</tr>
</tbody>
</table>

Annual cost synergies and operating improvements ca. € 125m
Agenda

• First half year results

• Operating highlights

• Reebok acquisition

• Outlook
### Strong Footwear Backlogs Support Continuously Positive Order Book (YOY)

<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>

- Positive backlog development in all regions
Full Year Guidance Confirmed

Currency-neutral sales growth  mid- to high-single-digit

Gross margin  ca. 48%

Operating margin  ca. 11%

Net income attributable to shareholders from continuing and discontinued operations  ca. 20%
Medium Term Financial Targets

Mid to high single digit sales growth

Gross margin of approximately 46% to 48%

Operating margin greater than 11%

Double digit net income growth
QUESTION AND ANSWER SESSION