For immediate release Herzogenaurach, May 9, 2006

First Quarter 2006 Results:

Currency-neutral sales up 40%
Net income attributable to shareholders increases 37%

- **Currency-neutral sales for the adidas Group excluding Reebok grow 13%**
- **Group operating profit increases 21%**
- **Currency-neutral adidas backlogs up 12%**
- **Sequential improvement in currency-neutral Reebok backlogs to -14%**
- **Full year earnings outlook of double-digit growth**

First quarter adidas Group currency-neutral sales grow 40%
In the first quarter of 2006, Group sales increased 40% on a currency-neutral basis, mainly driven by the first-time consolidation of the Reebok business segment. Sales for the adidas Group excluding Reebok increased 13% on a currency-neutral basis supported by higher sales in all regions. In euro terms, Group revenues grew 47% to € 2.459 billion in the first quarter of 2006 from € 1.674 billion in 2005. Sales for the adidas Group excluding Reebok grew 19% in euro terms to € 1.988 billion in 2006 from € 1.674 billion in the prior year.

"The adidas Group has got off to a powerful start in the first quarter of 2006," commented adidas-Salomon AG Chairman and CEO Herbert Hainer. "Both adidas and TaylorMade-adidas Golf delivered excellent top- and bottom-line results, and Reebok sales clearly outperformed order backlogs."

Brand adidas and first-time consolidation of Reebok drive top-line growth in first quarter
The **adidas** segment set the pace for the Group's organic sales growth in the first quarter of 2006. Currency-neutral adidas revenues increased 12% during the first three months. Drivers of this growth were significant increases in nearly all Sport Performance categories as well as double-digit growth in the Sport Heritage and Sport Style divisions. The **Reebok** segment, which was consolidated for the first time in the first quarter of 2006, contributed € 454 million to adidas Group sales. At **TaylorMade-adidas Golf** currency-neutral revenues increased 26%. This positive performance was driven by strong double-digit growth in all major categories and the first-time inclusion of the Greg Norman apparel business. Currency translation effects positively impacted sales at all brands in euro terms. **adidas** sales in euro terms increased 17% to € 1.776 billion in the first quarter of 2006 from

€ 1.512 billion in 2005. **TaylorMade-adidas Golf** sales in euro terms grew 34% to € 201 million in 2006 from € 149 million in 2005.

	2006[1]	2005[2]	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	*€ in millions*	*in %*	*in %*
adidas	**1,776**	1,512	17	12
Reebok[3]	**454**	505	(10)	(16)
TaylorMade-adidas Golf	**201**	149	34	26
Total	**2,459**	**1,674**	**47**	**40**

Group sales by brand in 2006, "Total" includes HQ/Consolidation

Strong double-digit sales increases in all regions

First quarter adidas Group sales in **Europe** grew 20% on a currency-neutral basis, mainly reflecting the first-time consolidation of the Reebok segment as well as increases at brand adidas. This represents an improvement of 21% in euro terms to € 1.067 billion in 2006 from € 881 million in 2005. In **North America**, Group sales during the first quarter increased 94% on a currency-neutral basis. This development represents the highest first quarter growth rate since the IPO in 1995 and reflects the first-time consolidation of the Reebok segment as well as double-digit increases at both adidas and TaylorMade-adidas Golf. In euro terms, sales increased 113% to € 759 million in 2006 from € 357 million in 2005. Sales for the adidas Group in **Asia** increased 28% on a currency-neutral basis in the first quarter of 2006, driven by strong double-digit increases at adidas and TaylorMade-adidas Golf as well as the first-time consolidation of the Reebok segment. In euro terms, revenues in Asia grew 34% to € 474 million in 2006 from € 354 million in 2005. In **Latin America**, currency-neutral sales increased 58% in the first quarter. This development mainly reflects strong increases at brand adidas as well as the first-time consolidation of the Reebok segment. In euro terms, sales grew 85% to € 126 million in 2006 from € 68 million in 2005.

	2006[1]	2005[2]	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	*€ in millions*	*in %*	*in %*
Europe	**1,067**	881	20	21
North America	**759**	357	113	94
Asia	**474**	354	34	28
Latin America	**126**	68	85	58
Total	**2,459**	**1,674**	**47**	**40**

Group sales by region in 2006, "Total" includes HQ/Consolidation

Group gross profit increases 38%

The gross margin of the adidas Group declined 3.0 percentage points to 45.0% of sales in the first quarter of 2006 (2005: 48.1%), mainly reflecting the first-time consolidation of Reebok. Due to its strong presence in North America, where average gross margins are lower than in other regions, Reebok carries a significantly lower gross margin than the Group average. In addition, Reebok's gross margin includes negative impacts from purchase price allocation in an amount of € 22 million. For the adidas Group excluding Reebok, gross margin decreased 0.9 percentage points to 47.2% in the first quarter of 2006, mainly as a result of not repeated positive currency effects on the unhedged portion of the Group's sourcing costs enjoyed in 2005 as well as the cooperation agreement with Amer Sports Corporation. In addition, higher input prices for adidas products impacted this development. However, as a result of the Group's strong top-line growth, gross profit for the adidas Group rose strongly by 38% in the first quarter of 2006 to reach € 1.107 billion versus € 805 million in the prior year. Excluding Reebok, gross profit also grew strongly by 17% to € 938 million in the first quarter of 2006.

Operating profit improves 21%

The operating margin of the adidas Group declined 2.1 percentage points to 10.1% of sales in the first quarter of 2006 (2005: 12.2%). This mainly reflects the first-time consolidation of Reebok, which carries a significantly lower operating margin than the Group average, and includes negative impacts from purchase price allocation on the cost of sales and operating expenses in a total amount of € 26 million. For the adidas Group excluding Reebok, the operating margin decreased 0.8 percentage points to 11.5% in the first quarter of 2006, mainly reflecting the Group's lower gross margin as well as higher marketing expenditures related to the 2006 FIFA World Cup™. As a result of strong sales growth, however, operating profit for the adidas Group rose 21% in the first quarter of 2006 to reach € 248 million versus € 205 million in 2005. Excluding Reebok, operating profit for the adidas Group grew by 11% to € 228 million in the first quarter of 2006 from € 205 million in the prior year.

Income before taxes up 14%

As a result of the operating improvements in the adidas and TaylorMade-adidas Golf segments as well as the first-time consolidation of Reebok, income before taxes for the adidas Group increased 14% to € 220 million in the first quarter of 2006 from € 194 million in 2005.

Net income from continuing operations grows 16%

The Group's net income from continuing operations increased 16% to € 150 million in the first quarter of 2006 from € 130 million in 2005. The Group's strong sales increase was the main driver of this improvement. In addition, net income was also positively impacted by a lower tax rate, which declined 1.1 percentage points to 31.8% in 2006 (2005: 32.9%) mainly due to a more favorable earnings mix throughout the Group.

Net income attributable to shareholders up 37%

The Group's net income attributable to shareholders increased 37% to € 144 million in 2006 from € 105 million in 2005. This improvement reflects the strong performance of the adidas and TaylorMade-adidas Golf segments in the first quarter. The non-recurrence of losses from discontinued operations related to the Salomon business in 2005 also had a positive impact on this strong development.

Basic and diluted earnings per share increase 24%

The Group's basic earnings per share increased 24% to € 2.83 in the first quarter of 2006 versus € 2.29 in 2005. Diluted earnings per share in the first quarter of 2006 increased 24% to € 2.67 from € 2.15 in the prior year. The dilutive effect mainly results from approximately four million additional potential shares that could be created in relation to the outstanding convertible bond, for which conversion criteria were met for the first time in 2004.

Inventories and receivables increase due to Reebok consolidation

Group inventories increased 73% to € 1.586 billion in 2006 versus € 917 million in 2005. On a currency-neutral basis, inventories increased 66%, mainly as a result of the inclusion of inventories valued at € 398 million related to the Reebok business. Inventories for the adidas Group excluding Reebok increased 30% (25% currency-neutral), primarily reflecting preparations for deliveries of World Cup products in the second quarter. Group receivables grew 61% (54% currency-neutral) to € 1.898 billion at the end of the first quarter of 2006 versus € 1.182 billion in the prior year, mainly due to the first-time inclusion of receivables totalling € 571 million related to the Reebok business. Receivables for the adidas Group excluding Reebok increased 12% (8% currency-neutral), which is lower than the strong sales growth during the first quarter of 2006.

Net borrowings at € 2.952 billion

Net borrowings at March 31, 2006 were € 2.952 billion, up 322% or € 2.252 billion versus € 700 million in the prior year. This increase was driven by the payment of around € 3.2 billion for the acquisition of Reebok International Ltd., paid on January 31, 2006.

Strong backlogs support high-single-digit full year sales growth expectations for brand adidas

Backlogs for the adidas brand at the end of the first quarter of 2006 increased 12% versus the prior year on a currency-neutral basis. In euro terms, this represents an increase of 15%. Footwear backlogs grew 8% in currency-neutral terms (+11% in euros), reflecting improvements in many categories, in particular Sport Performance football and Sport Heritage products. Apparel backlogs grew 13% on a currency-neutral basis (+16% in euros), driven by improvements in the Sport Performance category football as well as in Sport Heritage. Hardware backlogs, which grew at double-digit rates mainly due to improvements in the football category, also contributed to the positive development of adidas backlogs. As a result of the strong product pipeline, the excellent order book and vigorous growth expectations for adidas own-retail activities, high-single-digit currency-neutral sales growth is forecasted for adidas in 2006.

	Footwear		Apparel		Total[4]	
Change y-o-y in %	**in €**	**currency-neutral**	**in €**	**currency-neutral**	**in €**	**currency-neutral**
Europe	4	3	8	8	**8**	**7**
North America	20	11	18	10	**19**	**11**
Asia	20	17	30	26	**28**	**25**
Total	**11**	**8**	**16**	**13**	**15**	**12**

adidas order backlogs by product category and region as at March 31, 2006

Mid-single-digit sales decline of Reebok business anticipated for 2006

Backlogs for the Reebok brand at the end of the first quarter of 2006 decreased 14% versus the prior year on a currency-neutral basis. In euro terms, this represents a decrease of 10%. Footwear backlogs declined 15% in currency-neutral terms (–11% in euros), mainly due to Reebok's lifestyle product offering. Apparel backlogs decreased 13% on a currency-neutral basis (–9% in euros), primarily as a result of changing order patterns in Reebok's licensed apparel business. Consequently, Reebok sales for eleven months of 2006, with consolidation starting on February 1, 2006, are expected to decline at mid-single-digit rates versus the prior year.

	Footwear		Apparel		Total[4]	
Change y-o-y in %	**in €**	**currency-neutral**	**in €**	**currency-neutral**	**in €**	**currency-neutral**
Europe	1	0	(21)	(21)	**(8)**	**(8)**
North America	(23)	(28)	1	(7)	**(14)**	**(20)**
Total	**(11)**	**(15)**	**(9)**	**(13)**	**(10)**	**(14)**

Reebok order backlogs by product category and region as at March 31, 2006.

Double-digit sales and earnings growth expected in 2006

Supported by the exciting product pipeline and marketing initiatives, the Group continues to expect an excellent top- and bottom-line performance this year. The first-time consolidation of Reebok will lead to a strong double-digit sales increase in 2006. The adidas Group excluding Reebok is expected to deliver a high-single-digit currency-neutral sales increase, driven by gains at both adidas and TaylorMade-adidas Golf. The Group's gross margin is expected to be in the range of between 44 and 46% (between 47 and 48% excluding Reebok). The Group's operating margin is forecasted to be around 9% (between 10 and 10.5% excluding Reebok). Net earnings for the adidas Group are expected to grow by double-digit rates from the 2005 level of € 383 million, mainly driven by a strong operational performance of both adidas and TaylorMade-adidas Golf. Reebok is also forecasted to have an accretive impact on the Group's net earnings in 2006.

Herbert Hainer stated, “2006 has been exciting for us so far on many fields. We have made important progress in successfully integrating Reebok within the adidas Group and we are well positioned for the World Cup which is only one month away. We are on track for continued success and, in light of our performance so far, we are confident that we will achieve our ambitious targets in 2006 and beyond.”

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[1] *Including Reebok business segment from February 1, 2006 onwards.*

[2] *Figures reflect continuing operations as a result of the divestiture of the Salomon business segment in 2005.*

[3] *Only includes two months of the three-month period in the first quarter of 2006. The relevant figures for the two-month period of 2005 were not consolidated within the adidas Group in 2005 and are therefore not included in the total. Reebok prior year results are based on US-GAAP figures and not IFRS.*

[4] *Including hardware backlogs.*

adidas GROUP

adidas Group
Consolidated Income Statement (IFRS)

€ in millions	1st Quarter 2006	1st Quarter 2005 1)	Change	1st Quarter 2006 (excl. Reebok)	Change (excl. Reebok)
Net sales	2,459	1,674	*46.9 %*	*1,988*	*18.8 %*
Cost of sales	1,352	869	*55.5 %*	*1,050*	*20.8 %*
Gross profit	**1,107**	**805**	*37.6 %*	***938***	*16.6 %*
(% of net sales)	45.0%	48.1%	*(3.0) PP*	*47.2%*	*(0.9) PP*
Royalty and commission income	15	10	*48.8 %*	*13*	*23.4 %*
Selling, general and administrative expenses	836	587	*42.5 %*	*694*	*18.3 %*
(% of net sales)	34.0%	35.0%	*(1.1) PP*	*34.9%*	*(0.2) PP*
Depreciation and amortization (excl. goodwill)	39	24	*65.2 %*	*29*	*23.0 %*
Operating profit	**248**	**205**	*21.1 %*	***228***	*11.4 %*
(% of net sales)	10.1%	12.2%	*(2.1) PP*	11.5%	*(0.8) PP*
Financial income	21	8	*170.8 %*		
Financial expenses	49	19	*159.7 %*		
Income before taxes	**220**	**194**	*13.7 %*		
(% of net sales)	9.0%	11.6%	*(2.6) PP*		
Income taxes	70	64	*9.8 %*		
(% of income before taxes)	31.8%	32.9%	*(1.1) PP*		
Net income from continuing operations	**150**	**130**	*15.6 %*		
(% of net sales)	6.1%	7.8%	*(1.7) PP*		
Income from discontinued operations, net of tax	-	(22)	*100.0 %*		
Net income	**150**	**108**	*38.8 %*		
(% of net sales)	6.1%	6.5%	*(0.4) PP*		
Net income attributable to shareholders	**144**	**105**	*36.9 %*		
(% of net sales)	5.8%	6.3%	*(0.4) PP*		
Net income attributable to minority interests	**6**	**3**	*102.2 %*		
Basic earnings per share from continuing operations	**2.83**	**2.76**	*2.5 %*		
Diluted earnings per share from continuing operations	**2.67**	**2.59**	*3.3 %*		
Basic earnings per share from continuing and discontinued operations (in €)	**2.83**	**2.29**	*23.7 %*		
Diluted earnings per share from continuing and discontinued operations (in €)	**2.67**	**2.15**	*24.1 %*		

Net Sales

€ in millions	1st Quarter 2006	1st Quarter 2005 1)	Change
adidas	1,776	1,512	*17.4* %
TaylorMade-adidas Golf	201	149	*34.5* %
Reebok	454	-	-
Europe	1,067	881	*21.1* %
North America	759	357	*112.8* %
Asia	474	354	*34.1* %
Latin America	126	68	*84.8* %

Rounding differences may arise in percentages and totals.

1) Restated due to application of IAS 32.

adidas Group
Consolidated Balance Sheet (IFRS)

€ in millions	Mar 31 2006	Mar 31 2005[1]	Change in %	Dec 31 2005	Mar 31 2006 (excl. Reebok)	Change in % (excl. Reebok)
Cash and cash equivalents	268	206	30,3%	1.525	376	83,0%
Short-term financial assets	20	238	(91,4)%	61	20	(91,4)%
Accounts receivable	1.898	1.182	60,6%	965	1.327	12,2%
Inventories	1.586	917	72,9%	1.230	1.188	29,5%
Other current assets	590	405	45,7%	586	453	11,9%
	4.363	**2.948**	**48,0%**	**4.367**	**3.365**	**14,1%**
Assets classified as held for sale	-	512	(100,0)%		-	(100,0)%
Total current assets	**4.363**	**3.460**	**26,1%**	**4.367**	**3.365**	**(2,8%)**
Property, plant and equipment, net	676	326	107,5%	424	433	33,0%
Goodwill, net	1.570	435	261,1%	436	438	0,8%
Other intangible assets, net	1.851	91	1928,0%	91	87	(4,7)%
Long-term financial assets	120	111	7,7%	114	114	2,7%
Deferred tax assets	526	154	242,2%	195	201	30,7%
Other non-current assets	169	106	59,8%	122	153	44,4%
Total non-current assets	**4.912**	**1.223**	**301,8%**	**1.384**	**1.426**	**16,7%**
Total assets	**9.275**	**4.683**	**98,1%**	**5.750**	**4.791**	**2,3%**
Accounts payable	765	470	62,7%	684	645	37,2%
Income taxes	362	190	90,8%	283	287	51,1%
Accrued liabilities and provisions	966	593	62,8%	634	648	9,3%
Other current liabilities	248	174	42,4%	190	209	20,1%
	2.341	**1.428**	**64,0%**	**1.790**	**1.790**	**25,4%**
Liabilities classified as held for sale	-	158	(100,0%)	-	-	(100,0)%
Total current liabilities	**2.341**	**1.586**	**47,6%**	**1.790**	**1.790**	**12,8%**
Long-term borrowings	3.240	1.144	183,2%	1.035	- [2]	(100,0)%
Pensions and similar obligations	150	125	19,7%	148	150	19,7%
Deferred tax liabilities	701	70	898,9%	42	26	(63,2)%
Other non-current liabilities	27	29	(5,9)%	22	25	(13,8)%
Total non-current liabilities	**4.118**	**1.368**	**201,0%**	**1.248**	**201**	**(85,3)%**
Share capital	130	118	10,6%	130	130	10,6%
Reserves	645	(47)	1461,1%	700	644	1459,6%
Retained earnings	1.999	1.636	22,1%	1.854	1.992	21,7%
Shareholders' equity	2.774	1.707	62,5%	2.684	2.766	62,1%
Minority interests	42	22	91,7%	28	35	58,7%
Total equity	**2.816**	**1.729**	**62,9%**	**2.712**	**2.801**	**62,0%**
Total liabilities and equity	**9.275**	**4.683**	**98,1%**	**5.750**	**4.791**	**2,3%**
Additional balance sheet information						
Operating working capital	2.719	1.629	*66,9%*	1.511	1.870	*14,8%*
Working capital	2.022	1.874	*7,9%*	2.576	1.575	*(16,0)%*
Net total borrowings	2.952	700	*321,5%*	(551)	(397)	*(156,7)%*
Financial leverage	106,4%	41,0%	*(55.4) PP*	(20,5)%	(14,3)%	*65.4 PP*

Rounding differences may arise in percentages and totals.
1) Restated due to application of amendment to IAS 19 and IAS 32
2) Assuming a debt-free presentation