FINANCIAL RESULTS PRESENTATION

Full Year 2008 Speech

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John-Paul O'Meara, Head of Investor Relations

Good afternoon ladies and gentlemen and welcome to our 2008 full year financial results presentation. I'm JP O'Meara and I head up the Investor Relations activities for the adidas Group.

During today's presentations Herbert Hainer, adidas Group CEO and Chairman, and Robin Stalker, Group CFO will be covering the Group's many achievements in 2008. Most importantly, we'll also discuss our initiatives and expectations for 2009 – to help you understand the drivers of how the adidas Group will position itself against the challenging macroeconomic conditions we all face today.

But before we dig deeper into this, and to get things going, here's a video that reflects the Group's energy and strong presence in 2008. Herbert Hainer will then take us through the Group's 2008 operational highlights.

Herbert Hainer, CEO and Chairman

Thanks JP and good afternoon ladies and gentlemen.

2008 has been another successful year for the adidas Group. When I look back at any year, there are two important factors I always examine to evaluate our Group's performance. Did we take our opportunities – and have we shaped our business for the future? And we delivered on both of those in 2008.

- At adidas, we missed no opportunity to reinforce the performance credentials of the brand, underlined by powerful performances at the year's major sporting events.
- At TaylorMade-adidas Golf - even against blustery conditions – we demonstrated there is always room to grow, gaining considerable market share throughout the year.
- And at Reebok, even though the brand is still in transition, we accelerated our efforts to clean old Reebok product from the shelves and took important strategic decisions to further align our business to leverage the competencies and scale of our entire Group.

From an execution standpoint, we raised standards throughout all facets of our organisation, from concept creation right through to marketing and supply chain excellence. We continued to invest into our future and spent almost 400 million euro expanding our controlled space activities, consolidating warehousing and upgrading our IT infrastructure. We brought talented people on board, to strengthen our workforce. These measures clearly highlight our consistency in building the right platform to achieve our long-term strategic goals.

While doing all of that, we again delivered on our financial targets. Despite mounting pressures from worsening global economic and retail conditions in the second half of the year, 2008 marked our eighth consecutive year of double-digit earnings growth – a record unmatched by any of our competitors during this period.

- Sales reached 10.8 billion euro, rising 9% on a currency-neutral basis.
- Profits grew substantially, with operating profit breaking the one billion euro barrier for the first time.
- Net income increased 16%.
- And following our share buyback programme, basic and diluted earnings per share jumped 20%.

This record performance is testament to the underlying strengths of our business model – being global, diversified and consumer-focused.

Let’s now quickly look at the performance of our brands in 2008.

No matter on which playing field – there is no doubt that today the adidas brand leads the industry when it comes to innovation, design and service. No other brand has a more distinguished history or stronger connection with sport than adidas; not only where the best meet the very best, like at the Olympic Games, but everywhere around the globe where sports are played, watched, enjoyed and celebrated.

adidas GROUP

Among other things, 2008 will be remembered for an all-adidas final between Spain and Germany at the UEFA EURO 2008™ and the adidas-dominated Beijing Olympic Games where we supplied more than three million products to athletes, organising committees and volunteers from all over the world.

However, major events are just one piece of the puzzle for sustaining brand momentum. adidas wouldn't be where it is today without a steady pipeline of performance product aimed at continuously helping consumers to achieve their own personal "impossible" goals.

- In football, we successfully launched and commercialised an entire new line of footwear and apparel – the adiPure. In its first year alone, this line has flourished and already notched up over half a million pairs in sales.
- In running, key product innovations such as the new generation of adiZero running shoes continue to resonate with seasoned athletes worldwide, resulting in market share gains in Europe and the emerging markets.
- In the training category, ClimaCool and TECHFIT technologies are proving a hit across men's, women's and Stella McCartney ranges as the category thrived in 2008.
- And in basketball, we continued to leverage our unique NBA partnership, through our highly successful Brotherhood campaign and

by bringing the NBA to China where basketball has overtaken football as the most popular sport.

And the result speaks for itself. All adidas' key performance categories – football, running, training and basketball – scored double-digit rate sales increases in 2008.

In 2008, we again significantly strengthened our partnership portfolio, deepening connections with existing partners and adding several new exciting partners to the mix. For example, the brand extended contracts with A.C. Milan, Ajax Amsterdam and New Zealand's iconic rugby team – the All Blacks. And we added the Russian Football Union as a partner – an important step for the brand's future success in the Russian market.

In November, we also announced an 11-year partnership with the IAAF. Under the agreement, adidas will be the official IAAF athletic sponsor and licensee product supplier. Among the highlights of the deal, adidas will be the Official Sponsor of the 2009 IAAF World Championships this summer in Berlin.

At the same time, we continued to credibly leverage our sports-inspired lifestyle business which – despite limiting supply of the Superstar in the first half of the year – grew 10% currency-neutral in 2008 and even 24% in the fourth quarter. Some of the key highlights include:

- Our new collaborations with jeans maker Diesel, scooter manufacturer Vespa, and 2008 skater of the year Silas Baxter Neal.
- The launch of the mi Originals customisation platform to the consumer, embedded in our new Atelier store format.
- And last but not least. our first ever global lifestyle campaign – the "Originals House Party" – featuring entertainment icons like Missy Elliott and Katy Perry, or sports icons from Kevin Garnett to David Beckham.

Let's take a look….

In addition, we also further strengthened the adidas lifestyle proposition with the introduction of a separate programme targeting more commercial price points, called adidas Style Essentials. I believe this will be a big opportunity for us which should evolve into a triple-digit million business in the medium term.

As you can see, we saw many highlights at brand adidas during the year. And on top of all of that, we delivered excellent financial results. adidas sales grew 14% on a currency-neutral basis – well above our initial expectations for high-single-digit growth. Gross margin expanded to 48.6%, and the operating margin reached an all-time high of 14.0%.

And for the fourth quarter, while many others in our industry struggled, currency-neutral revenues grew 7% – and that's on top of a record 26%

growth rate in the fourth quarter of the previous year. In a nutshell, the adidas brand has never been stronger as it enters its 60th year.

Let's move on to Reebok, where we continued to move forward in re-positioning and re-calibrating the brand. In 2008, we developed a clear roadmap for Reebok's key businesses going forward:

- First, to Own Women's Fitness based on the brand's long-standing credibility with female consumers.
- Second, to Challenge in Men's Sport with a particular focus on leveraging the brand's clear understanding of athletes' training needs.
- Third, to Revive Classics exploiting Reebok's iconic sports heritage and energising this with a modern look and feel.

We also made significant progress on improving distribution, which is one of our primary objectives for Reebok. We rolled out over 500 shop-in-shops in 2008 as planned. This included the successful Reebok Apparel initiative now in all Dick's Sporting Goods stores in the US. We have learned a lot from this experience and identified some volume drivers which encourage us for increased momentum going into 2009. In addition, Reebok began rolling out shop-in-shops with key European retail partners in order to present the new women's concepts holistically. By the end of 2009, Reebok plans to have over 150 of these in place in the European market.

As you know, streamlining our organisational structure to create Group-wide synergies is another key focus area. After several years of hard work and refining our businesses in Europe and Latin America, we are able to move forward with the implementation of joint operating structures for adidas and Reebok in these markets under the respective leadership of Roland Auschel and Charlie Maurath. Basically, it means that we now integrate all adidas and Reebok functions on a regional and local level under one leadership. Only the marketing functions of both brands will remain separate to keep the respective brand identity alive vis-à-vis the consumer. This organisational format has already proven successful in Asia and Russia and will ensure we actively leverage all the Group's strengths with customers and in back-office functions.

Despite making good progress on the operational front, 2008 was nonetheless a challenging year for Reebok and I am personally disappointed not to be able to show the financial improvements we anticipated at the beginning of the year. Although we continued to make ground expanding the brand in international markets, declines in particular in the US, UK and Japan led to a currency-neutral sales decrease of 2%. While tough conditions in these markets burdened Reebok's performance, we have to acknowledge that our clean-up efforts of old Reebok products have taken longer than we originally expected.

It's obvious Reebok is still a brand in transition - on the right way, but with still a way to go. However, I believe we have made a step change in our efforts to reposition the brand for a brighter future and I will tell you about the plans we have for 2009 a little later.

Moving over to TaylorMade-adidas Golf where we had another year with lots to talk about. TaylorMade continues to be the most-played and most successful driver brand in golf, with 52 events won across seven tours worldwide by players using TaylorMade drivers in 2008. During the year, we extended our market leadership in the critical metalwoods category in each of our main markets. In North America, we lead our closest competitor now by more than ten percentage points thanks to the phenomenal launch of the Burner and Tour Burner drivers.

In 2008, we have also made solid gains in categories like balls and putters with the highly successful launch of our TP Tour ball and the Spider family of putters, which have simultaneously led to a jump in gross margin in these categories.

We also successfully completed the acquisition of Ashworth. With adidas Golf and Ashworth, we now are the leading manufacturer in the golf apparel market. Ashworth is the authentic lifestyle-inspired golf brand, and enjoys a loyal brand following. It just needed a good home. We believe that Ashworth and adidas Golf are a perfect complement and a powerful duo.

We have already moved fast with the integration, aligning business processes and eliminating double functions. And we have even designed a new eye-catching logo for the brand, which is already used in all brand communication.

Every year the golf market sees its ups and downs, and 2008 was no exception. However, looking back at the year, TaylorMade-adidas Golf's success is evident. Sales increased 7% currency-neutral, while most of our major competitors suffered declines. Nevertheless, towards the end of the year, the going really got rough. As a result, full year gross margin declined 50 basis points to 44.3%.

So ladies and gentlemen, to wrap up the first half of my presentation – it should be clear that we made notable progress at all of our brands in 2008.

Entering 2009, the market is clearly challenging. Nevertheless, based on a record year 2008, I can assure you that our Group enters this period stronger than ever and we are doing all the right things to keep our company on its long-term growth path.

I'll be back in a few minutes to tell you more about our plans. But first, Robin will take you through the financials.

Robin Stalker, CFO

Thank you, Herbert. And good afternoon ladies and gentlemen.

You have already heard today about our key operational highlights. Therefore, my comments will focus on providing some more detail on how we converted our commercial successes on the playing field into the type of financial performance you have come to expect from our Group. In particular, I will focus on our fourth quarter results and some one-time effects that impacted our development. More importantly, however, I will take some time today to highlight some of the issues that will impact our financial performance in the coming year.

Let me start with top-line development, where 2008 currency-neutral revenues grew 9% or 5% in euros to reach 10.8 billion euro. In the fourth quarter, Group sales increased 4% currency-neutral and 6% in euros to almost 2.6 billion euro.

Consequently, our full year revenue growth came in right in line with our initial guidance of high-single-digit sales growth in 2008. This development exemplifies broad-based strength across our brands, regions, categories and distribution channels. Herbert already discussed the strong momentum adidas and TaylorMade-adidas Golf enjoyed. Let me add two other growth drivers:

- Firstly, emerging markets: Here, sales again grew at double-digit rates all over the world. By now, we generate around 30% of Group revenues in these markets.
- And secondly, controlled space and in particular own-retail. In recent years, we have consistently increased the portion of sales we generate in self-controlled distribution channels. 2008 was no exception. As a result, own retail now accounts for 18% of sales in both the adidas and Reebok segments.

Both trends actually go hand in hand as our controlled space initiatives are heavily weighted towards emerging markets, in particular Russia. And let me assure you we expect both factors to gain further importance and support our Group's financial performance in the medium and long term.

Moving below the top line, the Group's full year gross margin grew 130 basis points to 48.7%, representing the highest Group gross margin in the history of our Group.

The biggest driver of this increase was a more favourable regional mix as a result of the Group's overproportionate growth in the emerging markets. As in previous years, own-retail expansion also supported gross margin improvements. And finally, our focus on innovation and design as well as our strong product offering around the UEFA EURO 2008™ enabled us to enhance our product mix. Currency movements played only a minor role in 2008.

In the fourth quarter, gross margin declined slightly as we continued to support retailers in cleaning their shelves to make way for new Reebok product initiatives which Herbert will come to in a minute.

While the adidas margin held up strongly, we have seen the first indications of what I expect to become a more pronounced factor in 2009: A more promotional retail environment in mature markets will create an additional headwind on pricing. Further, as mentioned on several occasions during 2008, we will face higher input prices – certainly in the first half, but also in the second half of the year albeit to a lesser extent than we had originally anticipated. As we usually finalise pricing negotiations with our suppliers at least six months before the actual start of production, it won't be until towards the end of this year that the positive effects of favourable movements in raw material prices kick in.

Turning now to operating profit – in 2008, we were able to deliver an increase of 13% for the full year to nearly 1.1 billion euro. And for the fourth quarter, operating profit even grew 77%. While the non-recurrence of high marketing expenditures related to the UEFA EURO 2008™ drove this development, we also benefited from a book gain of 21 million euro related to the acquisition of Ashworth. This was due to the so-called negative goodwill we realised as we paid less than fair value. However, restructuring and other one-time expenses related to Ashworth had a negative impact of 7 million euro in the fourth quarter.

Royalty income for the Group declined 13% in 2008 as we replaced distributor agreements for the Reebok brand in Latin America with new companies whose sales were consolidated for the first time in 2008.

Full year operating expenses were up 6%, with continued investments into controlled space in emerging markets being the primary driver. Our strong sales development and tight cost control, however, led to a decline of marketing expenditures as a percentage of sales – despite all the marketing power we put behind this year's major sporting events.

Operating margin for the Group increased 70 basis points in 2008 to reach 9.9%. This is well in line with the guidance we gave you in August of an operating margin approaching 10%.

When we look out at 2009, our focus is on making our organisation leaner, faster and even more efficient. But I don't want anyone to forget that marketing and the expansion of controlled space are critical building blocks for the future success of our Group. We will continue to sign top partnerships where we see good value for money. All of this means you should not expect operating expense leverage to help results in 2009. What you can expect, however, is that we will continue to be highly disciplined in the management of our cost base. Initiatives such as the hiring freeze we announced in October last year speak clearly to this point.

Moving now to the non-operating items of the P&L. In 2008, net financial expenses increased 23% for the full year and 71% in the fourth quarter. While interest expenses increased only moderately for the full year, we took a 25 million euro hit – mainly from the revaluation of subsidiary balance sheet positions denominated in foreign currencies that have weakened against the respective functional currencies. I'll discuss the effects of exchange rate volatility on our financial results in more detail in a minute.

Nonetheless, income before taxes grew 11% to 904 million euro in 2008, increasing by even 82% in the fourth quarter.

Moving on to taxes, the full year tax rate decreased 300 basis points to 28.8% as we generate more and more profit in countries with more favourable tax rates. One-time benefits in the fourth quarter related to the merger of our adidas and Reebok subsidiaries in Japan as well as the acquisition of Ashworth will not recur in 2009. This means we expect our 2009 tax rate to be slightly above the 2008 level.

Minority interests were down 39% to 2 million euro following lower Reebok profits in Spain. Effective in January this year, we acquired the remaining 25% of shares in this subsidiary so that minorities will decline further in 2009.

As a result of all these developments, net income attributable to shareholders increased 16% in 2008 to 642 million euro, with a strong 151% expansion in the fourth quarter. Due to our share buyback and the resulting reduction in the number of shares outstanding, earnings per share increased even more strongly. For the full year, basic and diluted EPS each grew 20% to 3.25 euro and 3.07 euro, respectively.

Moving over to the balance sheet, improving operating working capital as a percentage of sales is – and will continue to be – a top management priority. 2008 marked another year of strong progress. Today's level of 24.5% is the result of several years of steady improvements and represents a decline of eight percentage points since 2000.

At year-end, however, both inventories and receivables were higher than we would have liked.

Inventories grew 21% on a currency-neutral basis. There are a number of reasons here.

- First, we pulled forward some production to benefit from the more favourable pricing we enjoyed in the fourth quarter compared to today.
- Second, inventories were impacted by the consolidation of Reebok's new companies in Latin America as well as the acquisition of Ashworth.
- And third, slower than expected sales growth in the fourth quarter and a change in retailer order patterns also played a role. Cash is king everywhere, so customers are ordering less up front and trusting in our ability to replenish quickly. Despite the significant progress we have made in our supply chain, this means we have to increase inventories to be able to fulfil short-term demand.

Receivables grew 13% currency-neutral as some customers in several markets slowed payment. This is a direct consequence of tougher retail and tighter credit markets everywhere.

Turning to cash flow development, our business continues to be highly cash generative. In 2008, cash provided by operations again surpassed the one billion euro threshold, despite negative impacts from higher working capital requirements in the fourth quarter. Including interest and taxes, net cash provided by operating activities was almost 500 million euro.

This development, however, fell short of the prior year's record level and meant we did not achieve our target to further reduce the level of net borrowings in 2008. At year-end, net borrowings amounted to almost 2.2 billion euro, an increase of 24% or 423 million euro compared to 2007. Our share buyback of 409 million euro played a role here. And don't forget the acquisitions we made over the course of 2008 as well as negative currency effects – the latter alone accounting for roughly a fifth of the overall increase. As a result, Group financial leverage at year-end was 64.6%.

In 2009, we expect to continue generating excess cash from operations. With financing of approximately 400 million euro expiring against unused credit facilities of almost 4 billion euro, we certainly have a healthy balance sheet putting us into a very comfortable position in today's rough credit markets. Nevertheless, in 2009 our focus will be first and foremost on paying down debt as we concentrate on making progress towards reaching our medium-term financial leverage target of below 50%.

Our priority on paying down debt means we will not engage in another share buyback for the time being. Taking the tough environment into account, we will propose a stable dividend of 50 cents per share at our shareholders' meeting in May. This translates into a payout of 97 million euro and a payout ratio of 15% versus 18% in the prior year. Our proposal is in line with our dividend strategy to pay out between 15% and 25% of consolidated net income.

Before I hand back to Herbert, let me discuss the effects we expect currency to have on our financial results. Given the unprecedented exchange rate volatility we have seen over recent months, currency will most likely have a material impact on our Group's top- and bottom-line development in 2009.

A significant portion of our Group's sales – and even more importantly of our profits – is generated in currencies which have significantly depreciated over the last couple of months. The most important example in this respect is the Russian ruble which by now has lost approximately 30% of its value against the US dollar compared to the prior year. We regard our exposure to currency translation risks as one of our most significant headwinds as we go into 2009. Given the illiquid and extremely expensive hedging market for the ruble, our toolkit is limited on that front. But certainly we will continue to take operational measures wherever possible to mitigate these effects.

At the same time, we do not expect any support from currency for gross margin in 2009. We have hedged almost 100% of our US dollar needs for

2009, locking in a rate a bit above 1.40, which is virtually unchanged compared to the prior year.

So, ladies and gentlemen, as you have seen we had a great 2008 and took many important measures to build our business for the future. 2009 will see its challenges. However, our focus on proactively managing our brands, strict cost discipline and the strength of our balance sheet gives me the confidence that we are well positioned to deal with these challenges successfully.

Now back to Herbert who will give you some more colour on the outlook and strategic initiatives for 2009.

Herbert Hainer, CEO and Chairman

Thanks Robin.

So moving on to our financial outlook and prospects for 2009 – and more importantly how the adidas Group will face up to the challenging times ahead.

At the end of December, order backlogs at adidas were down 6% currency-neutral. This reflects the difficult retail environment in many major markets. Additionally, order backlogs in Europe were negatively impacted by the non-recurrence of strong prior year orders for football products supported by the European Championships. Differences in order timing also had a negative effect on backlog development in Asia.

At Reebok, order backlogs declined 17% currency-neutral. Apparel backlogs declined 33% on a currency-neutral basis, mainly driven by lower orders for licensed apparel in particular in North America.

For several years we have indicated that backlogs no longer provide a fair and realistic view of future sales development at adidas and Reebok. You saw that in many quarters – where sales performance was out of sync with backlog development. This is due to the:

- Growing own-retail business, which is not included in backlogs.
- The fluctuation of order backlogs due to timing of major sporting events between different years.
- And a higher portion of replenishment sales and at-once business, particularly as we increase our controlled space activities.

As a result, we believe that the specifics on order backlogs can be misleading and do not give you the right direction anymore in building your expectations for our future performance. Therefore, after today we will not provide specific backlog data anymore. Nevertheless, you can fully expect us to continue giving the qualitative comments you need to understand the direction of where our business is going.

Entering 2009, the market is clearly challenging. Staying competitive during this difficult period is of utmost importance. We must act responsibly for the good of all our stakeholders – shareholders, customers, consumers and employees alike.

Visibility in the market is currently low. Retailer and consumer uncertainty is high. And at the moment, nobody can tell how rising unemployment and lower consumer confidence will affect private consumption and for how long.

We could now take the easy route followed by many other companies and give no guidance at all for 2009 and just wait and hope for the best. However, I believe this is not transparent, and the direction the overall economy is taking is clear. Consumers will spend less. And that will have a bearing on virtually all consumer goods companies and retailers.

It is therefore a critical time to prudently plan our sales to ensure we keep our margins and inventories in check. Oversupplying the market at this time would be detrimental to all the good work we have done – and we won't just go chasing sales at any price for the sake of a quarter or two. We will proactively manage all of our brands during this period. And I can assure you, ladies and gentlemen; this will put us in an even better position to drive our business forward as the economy recovers.

So turning to our guidance, based on current market conditions and our indications for the first half of the year, we expect Group sales and earnings will decline in 2009.

- Currency-neutral Group sales will decline at a low- to mid-single-digit rate. Our expectation is based on the current weakness we see in developed markets as well as slowing growth rates in emerging markets.

- Gross margin will be under pressure given the promotional retailer landscape in mature markets as well as expected higher sourcing costs in the first half of the year.

- Earnings per share will also decline. The magnitude of the decrease, however, will to a large extent depend on how currencies move over the year and, as Robin already outlined, this is our biggest unknown variable at the moment.

Although we are not in a position to control the macro environment or currency fluctuations; I do want to make one thing clear, ladies and gentlemen. We are in control of our business.

With a Group our size, becoming faster, leaner and even more efficient is paramount and we are – and always have been – looking for ways to create new efficiencies throughout our global organisation.

Therefore, I believe we are already a step ahead of the field in this time of crisis: not just talking about it, but doing it.

As I mentioned before, we have just implemented a joint operating model for adidas and Reebok in Europe and Latin America following the success of this model in Asia. This initiative is not just about saving costs – but also to ensure we have a more focused go-to-market approach and foster the alignment of our brands in these markets.

Also at brand adidas we continue to take steps to increase overall efficiency. A year ago we introduced a comprehensive programme called "Streamlining Complexity" to reduce complexity and increase effectiveness in concept creation and the marketing organisation.

Further, in recent months – across the entire Group – we have quickly taken some very decisive measures to improve our cost base such as cutting back on travel expenditure and the use of external consultants. In addition we have implemented a hiring freeze. At the beginning of this year we also reduced our workforce at Reebok and TaylorMade in the US and announced plans to restructure Reebok's operation in the UK.

But we will not cost-cut our way out of this crisis. I believe the real winners of this crisis will be the ones who remain consistent with their long-term strategies.

Our focus in 2009 will therefore be a two-way approach: Strictly reduce all types of costs that do not contribute directly to our short-term business success, while on the other hand investing in our future success.

Here we will concentrate on key Group strategic priorities.

- Own retail and controlled space roll-out remain top of that list as we strive to gain better point-of-sale representation of our brands as well as to support our future growth in emerging markets.
- We will invest in new long-term promotion partnerships.
- And we will continue to invest in infrastructure projects to create future synergies.

But our biggest asset in this or any other environment is the strength of our brands and our commitment to challenge the boundaries and provide unrivalled consumer experiences.

Although our inventories have increased – the quality of our inventories is high. Inventory ageing has improved, and our inventory is more current and fresher than it ever has been.

Therefore, unlike many of our competitors who will struggle to invest in these times, we have the product and concept firepower to really turn up the heat. And this is true for all of our brands.

In 2009, although adidas may be celebrating its 60th anniversary, I can assure you this great brand is nowhere near retirement age. In March 2008, adidas took interactive training to a new level with the introduction of miCoach. This initiative is just the start of a new chapter in our efforts to transform adidas into “the” personalised brand in our industry.

In 2009, TECHFIT compression, led by the TECHFIT PowerWEB proposition, will further broaden itself as a cross-category technology featuring athletes in sports as wide-ranging as football and athletics to basketball and boxing. At the recent NBA All-Star Weekend, we expanded our partnership with the NBA to become the official compression undergarment supplier of all 30 NBA teams. This exciting development will bring front and centre our leadership in high-tech apparel in the US – a market I know we can do better in.

In 2009, adidas will also bring the Sport Style division to another level with the launch of the adidas SLVR Label, a pure fashion brand for the modern cosmopolitan consumer. adidas SLVR Label celebrated its launch at New York Fashion Week in February, including the opening of its first store in the city, with Paris to follow next week.

And don't forget the 2010 FIFA World Cup™ is just around the corner – an event that plays to the very strengths of adidas and that will already start positively impacting our business later this year.

Turning to Reebok, as I told you earlier, we've made good progress on operational initiatives in 2008 and refined our brand priorities, concentrating on three key areas. In 2009, the central focus will be on women's and here I believe we are now in a position to really show the female consumer what Reebok is all about.

At the top of the list is our groundbreaking new partnership with Cirque du Soleil. In early 2008 we came together with this highly recognisable entertainment company and also signed up several renowned women's fitness instructors to our Reebok Global Instructor Program to support our big plans for 2009.

Back in 1989, Reebok started a women's fitness revolution with the creation of Step Reebok. Now we will re-invent the scene with a totally new gym workout experience – JUKARI Fit to Fly™, created together with Cirque du Soleil.

I was in Miami last week for the official launch of this programme that will now be rolled out globally. And of course, it will be accompanied by two strong product concepts called JUKARI and On the Move. And to share in the excitement, we have one of our Global Instructors here today who will give you special insights after this video...

As you can see, over the past 12 months we have come a long way with product innovation and new product introductions. In 2008 we also introduced SmoothFit™ to a whole host of categories. We successfully launched the Taikan running shoe, which is the best-selling running shoe at Xebio in Japan since mid December.

In 2009, we will take innovation another step further with a new versatile shoe called SelectRide™. Through its adjustable air-inflated underfoot cushioning system, the SelectRide™ technology creates two shoes in one - a running shoe and a training shoe.

Reebok will also launch the EasyTone™ footwear collection that allows consumers to “Take the gym with you”. The EasyTone™ technology involves two balance pods that create natural instability with every step, forcing the muscles to adapt and develop tone. Initial reports on sell-through in Europe, America and Japan reflect strong response to this exciting new technology.

And last but not least, TaylorMade-adidas Golf also has plenty in the bag in 2009 and I fully expect the segment to take further market share this year. Product innovations like the R9 which includes our new Flight Control Technology, and extending the Burner family into irons, are just two of the highlights. The R9 has already been the most played driver this year on tour – even before it hits the shelves at the end of this week.

So to sum things up for today, 2008 was a great year, in which we delivered strongly, and prepared all our brands for even better performance going forward. In the last eight years we have seen our company come a long way. Sales have nearly doubled from 5.8 to almost 11 billion euro. And profits have more than tripled from 182 to 642 million euro.

Based on this track record, we start a challenging year 2009 on the front foot. Within our industry, we enjoy a leading position with a well-balanced and extensive product offering spanning performance and lifestyle. We are present in all major sports categories. We have a partnership portfolio that is second to none. And we are following a controlled space strategy that will ensure we stay right in front of the consumer.

We have the resources and the energy to tackle the challenges to come. We are willing to go the extra mile to improve our operational efficiency even if we have to make some hard sacrifices. And we will continue to execute our "game plan" to build a long-term sustainable growth company for the benefit of all our stakeholders.