adidas
GROUP

First Half Year Report 2011

FIT FOR THE FUTURE »

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First Half Year Results at a Glance 01

€ in millions

	First half year 2011	First half year 2010	Change	Second quarter 2011	Second quarter 2010	Change
Group						
Net sales	6,337	5,590	13.4%	3,064	2,917	5.0%
Gross profit	3,093	2,727	13.4%	1,506	1,427	5.5%
Gross margin	48.8%	48.8%	0.0pp	49.2%	48.9%	0.2pp
Operating profit	532	454	17.1%	219	195	12.3%
Operating margin	8.4%	8.1%	0.3pp	7.1%	6.7%	0.5pp
Wholesale						
Net sales	4,292	3,826	12.2%	1,973	1,928	2.3%
Gross profit	1,780	1,608	10.7%	780	790	(1.3%)
Gross margin	41.5%	42.0%	(0.6pp)	39.5%	41.0%	(1.5pp)
Segmental operating profit	1,388	1,233	12.5%	586	607	(3.4%)
Segmental operating margin	32.3%	32.2%	0.1pp	29.7%	31.5%	(1.8pp)
Retail						
Net sales	1,258	1,061	18.6%	681	602	13.1%
Gross profit	801	659	21.6%	448	392	14.3%
Gross margin	63.7%	62.1%	1.6pp	65.8%	65.1%	0.7pp
Segmental operating profit	261	199	31.3%	172	147	17.0%
Segmental operating margin	20.8%	18.7%	2.0pp	25.3%	24.4%	0.9pp
Other Businesses						
Net sales	787	703	11.9%	410	387	6.0%
Gross profit	356	313	13.5%	184	171	7.6%
Gross margin	45.2%	44.6%	0.6pp	44.9%	44.2%	0.7pp
Segmental operating profit	220	197	12.1%	114	105	9.2%
Segmental operating margin	28.0%	28.0%	0.0pp	27.9%	27.1%	0.8pp
Sales by Brand						
adidas	4,673	4,101	13.9%	2,234	2,103	6.2%
Reebok	904	811	11.5%	427	435	(1.9%)
TaylorMade-adidas Golf	570	492	15.8%	288	269	7.1%
Rockport	114	114	(0.1%)	59	58	2.8%
Reebok-CCM Hockey	77	73	6.4%	56	52	7.0%

Rounding differences may arise in percentages and totals.

Financial Highlights (IFRS)

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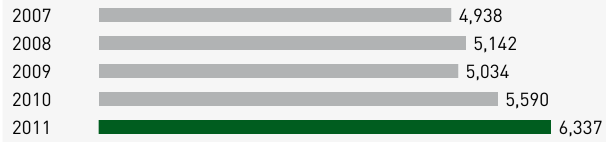
	First half year 2011	First half year 2010	Change	Second quarter 2011	Second quarter 2010	Change
Operating Highlights (€ in millions)						
Net sales	6,337	5,590	13.4%	3,064	2,917	5.0%
EBITDA	638	585	9.1%	274	260	5.3%
Operating profit	532	454	17.1%	219	195	12.3%
Net income attributable to shareholders	349	295	18.6%	140	126	10.7%
Key Ratios (%)						
Gross margin	48.8%	48.8%	0.0pp	49.2%	48.9%	0.2pp
Other operating expenses as a percentage of net sales	41.6%	42.8%	(1.1pp)	43.3%	43.9%	(0.6pp)
Operating margin	8.4%	8.1%	0.3pp	7.1%	6.7%	0.5pp
Effective tax rate	27.5%	29.5%	(2.0pp)	29.0%	28.1%	0.9pp
Net income attributable to shareholders as a percentage of net sales	5.5%	5.3%	0.2pp	4.6%	4.3%	0.2pp
Operating working capital as a percentage of net sales [1]	20.7%	21.7%	(1.0pp)			
Equity ratio	43.5%	44.6%	(1.1pp)			
Net borrowings/EBITDA [2]	0.7	1.0	(0.3)			
Financial leverage	19.3%	23.1%	(3.7pp)			
Return on equity	7.8%	6.2%	1.6pp			
Balance Sheet and Cash Flow Data (€ in millions)						
Total assets	10,265	10,608	(3.2%)			
Inventories	2,376	2,049	16.0%			
Receivables and other current assets	2,671	2,829	(5.6%)			
Working capital	2,109	2,038	3.5%			
Net borrowings	863	1,090	(20.8%)			
Shareholders' equity	4,467	4,729	(5.5%)			
Capital expenditure	124	80	54.9%	74	53	40.9%
Net cash used in operating activities	(332)	(73)	(353.1%)			
Per Share of Common Stock (€)						
Basic earnings	1.67	1.41	18.6%	0.67	0.60	10.7%
Diluted earnings	1.67	1.41	18.6%	0.67	0.60	10.7%
Operating cash flow	(1.59)	(0.35)	(353.1%)			
Share price at end of period	54.70	39.88	37.2%			
Other (at end of period)						
Number of employees	46,353	40,791	13.6%			
Number of shares outstanding	209,216,186	209,216,186	—	209,216,186	209,216,186	—
Average number of shares	209,216,186	209,216,186	—	209,216,186	209,216,186	—

First half year net sales

€ in millions

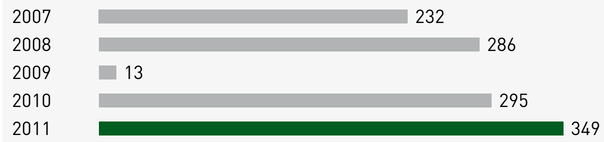
03



First half year net income attributable to shareholders

€ in millions

04



Rounding differences may arise in percentages and totals.
All Group figures comprise the reported segments and HQ/Consolidation.
1) Twelve-month trailing average.
2) EBITDA of last twelve months.

Operational and Sporting Highlights

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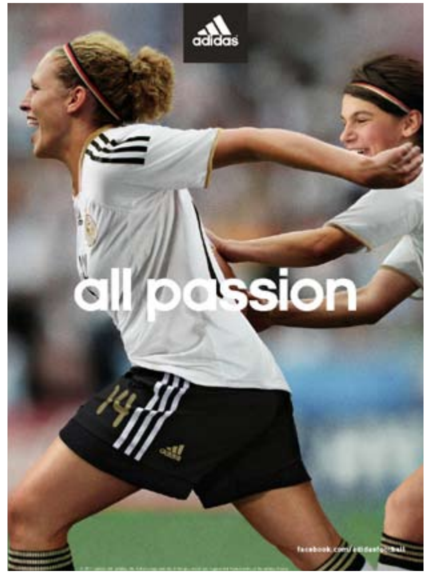


Second Quarter 2011

April

14.04. adidas launches the adiZero Crazy Light, the lightest basketball shoe ever, at an exclusive media event in New York City with streetball legend Bobbito Garcia. **14.04.** RealFlex, a first-of-its-kind running and training shoe from Reebok, designed with 76 strategically placed RealFlex sensors to promote natural movement, makes its debut in North America and other key markets »» Picture 01. **18.04.** At the Boston Marathon, Geoffrey Mutai runs the world's fastest ever marathon in a time of 2:03:02h and Caroline Kilel clocks the winning time in the women's race, both wearing adidas adiZero running shoes »» Picture 02. **19.04.** FC Bayern Munich and adidas announce the extension of their partnership agreement until 2020 and present the new home jersey for the 2011/2012 season at the Allianz Arena in Munich, Germany.

May

04.05. Chicago Bulls star basketball player Derrick Rose becomes the youngest Most Valuable Player (MVP) award-winner in the history of the NBA »» Picture 03. **06.05.** Ashworth introduces four new footwear models: a spikeless shoe for on- and off-course wear and three street shoes. **16.05.** adidas and the Deutsche Fußball Liga (DFL) launch the second edition of "Torfabrik", the official match ball of the German Bundesliga. **25.05.** adidas Originals celebrates reaching over 10 million followers on its Facebook page facebook.com/adidasoriginals. **27.05.** At a media event in London, adidas Group CEO Herbert Hainer confirms that the company is on track to achieve its goals set for the London 2012 Olympic & Paralympic Games, where it is the Official Sportswear Partner.

June

10.06. adidas launches the all-new adiPower Predator, the lightest and most powerful Predator ever, perfectly combining three key benefits: control, power and light weight »» Picture 04. **20.06.** TaylorMade introduces the Ghost Spider Putter, which fuses the head construction, size and high moment of inertia (MOI) of the Monza Spider with the white alignment benefits of the Corza Ghost »» Picture 05. **22.06.** The adidas Group announces the construction of a new € 100 million European Distribution Centre in Germany. **24.06.** Reebok-CCM Hockey signs five of the top 2011 NHL draft prospects – with Reebok signing Adam Larsson and Jonathan Huberdeau and CCM signing Ryan Nugent-Hopkins, Gabriel Landeskog and Sean Couturier. **26.06.** The FIFA Women's World Cup kicks off in Berlin, Germany. adidas equips six teams and is also the Official Sponsor, Supplier and Licensee of the event »» Picture 06.

Interview with the CEO

In the first half of 2011, the adidas Group achieved new milestones for sales and earnings. Double-digit growth at adidas, Reebok and TaylorMade-adidas Golf drove Group revenues up 14% currency-neutral and, together with operating cost leverage, Group earnings per share advanced 19%. Buoyed by a strong pipeline of product introductions, positive retailer feedback and continuing robust trends in its Retail segment, the Group is set to deliver record financial results for 2011. In the following interview, Herbert Hainer, adidas Group CEO, reviews the first half of 2011 and discusses the opportunities and challenges the Group faces for the remainder of the year.

Herbert, following the first six months, how is 2011 living up to your expectations?

After outlining our strategic vision for the company through to 2015 late last year, we have wasted no time and come out of the starting blocks in typical adidas Group fashion – fast and focused. The trajectory of our operational and financial performance is clear proof that both our short- and long-term goals are not just ambitious aspirations - but very realistic and very achievable. Let's look at the facts. For the first half, we achieved new record sales of € 6.3 billion, or growth of 14% currency-neutral. No matter which way we break down our results – by segment, by region or by brand – all facets of our business are excelling. This is particularly notable by brand, with adidas and Reebok posting revenue increases of 14% currency-neutral, and TaylorMade-adidas Golf up an even more impressive 17%, in a tough golf market. On and off the field, we are winning key competitive battles in our focus categories. Driven by our unparalleled strength in innovation and design as well as supply chain excellence, the desirability of our brands and products has also ensured we have risen to the challenge and defended our profitability against severe external pressures, in particular those from commodity price increases. We have also stayed vigilant on controlling our operating expenses, but unlike many others we have been able to do so without sacrificing the continuing need to invest in our business to secure long-term growth. With operating margins up 0.3 percentage points to 8.4% and record earnings per share, which increased 19% to € 1.67, 2011 is certainly living up to my expectations.

Some market commentators voiced concerns that momentum for the Group was slowing after sales growth rates moderate from the strong first quarter. Do you share this view?

No, definitely not. First and foremost, you cannot judge our business on just a set of quarterly numbers. Don't forget that we are predominantly a wholesaler with three- to six-month lead times, which means the timing of our sales can vary significantly from one year to the next, depending on various factors. These range from product launch and marketing timetables, to the sports events calendar, and obviously to when retailers execute their purchasing decisions. Therefore, to really gauge our performance, it is important to look at our financials over a longer period of time. In addition, it is also important to take a deeper view into the industry. Here in particular, it is even more relevant to look at how a brand is performing with the consumer. And in this respect, I see absolutely no evidence that we are slowing down. In fact, no matter which retailer I speak to, or which market share statistic I read, our product sell-throughs are stronger than they have ever been, and our market shares are nudging up virtually everywhere across the globe. Look at our own retail trends: comp store sales were up 13% in the second quarter, which is by no means a sign of a major slowdown. On the contrary, the trends we see in the market and the feedback we're getting from our retail partners only enhances our potential to be even stronger in the seasons ahead.

Several of your local Chinese competitors have been reporting difficulties in recent months. How is your business performing in this market and what are your expectations for the future?

Greater China has been our star performer in the first half of 2011 with currency-neutral sales up 38% to € 552 million, which is a new record for the region. Working closely with our local partners over the past twelve months, we have put a lot of energy into getting our brands and our business just right in this market. Today, unlike many of our competitors, who are carrying older stock and more of it, our inventories in China are balanced and fresh. As a result, our wholesale partners are achieving significantly higher comp store sales than with other brands, and we are seeing limited effects from discounting. Although the easy comparisons with the prior year are now over, Greater China is certainly going to continue to be an important growth engine for our Group. This will be supported by the rising disposable income of the Chinese consumer and their demand for our truly global brands. Momentum on the performance side is strong, particularly in running, outdoor and training. In addition, the wider availability of adidas Originals and the continuing evolution of adidas NEO are allowing us to rapidly capture more of the lifestyle segment. We also have plenty of opportunity to continue expanding our distribution footprint. Therefore, as long as there are no major macroeconomic shocks in the region, I am confident we will continue to resonate with the consumer and enjoy healthy growth rates in line with our medium-term aspirations in the quarters and years to come.

Market share data suggests that adidas and Reebok have been gaining share in North America. Is this a trend you expect to continue, given that sales growth moderated in the second quarter?

With 15% currency-neutral growth in the first half, our Group in North America is flourishing. And what's more important, the quality of the business in our largest market is improving with each and every quarter. Although sales growth did moderate to 5% currency-neutral in the second quarter, all of the underlying trends for our brands were strong, which confirms the market share gains you are seeing in the point-of-sale research data. At adidas, sales were up 13% currency-neutral in the second quarter, our highest growth rate for the period in five years. All of our key categories – Originals, running, basketball and training – posted solid growth. And we continue to make great strides in improving our distribution mix – with strong double-digit growth in the mall and sporting goods channels, which is also giving us opportunities to further refine our exposure to more premium channels. For Reebok, as we had outlined in May, sales in the quarter were lower, declining 15%. This decline was exclusively due to the large sell-in of toning products which had propelled sales up 31% in the prior year period. If we exclude the toning category, Reebok revenues were up 24% in the quarter, highlighting the continued strong appeal of Zig and the successful launch of the RealFlex franchise. Gross margins were also up for the quarter, which is a real testament to the Reebok team, who have successfully managed the developments in the toning segment with very little disruption to our business or our retail partners. In terms of the future, I am very confident we will see a continuation of the positive trends for both brands. And with the toning comparison almost behind us, you will see the growth rates also accelerate in the remaining quarters of the year and beyond.

In the last quarter you predicted a difficult period ahead for the adidas Group in Japan. Are you seeing any signs of improvement?

Yes, I am pleased to report that our business in Japan has shown a lot of resilience, declining only 1% currency-neutral in the second quarter. In fact, we took significant market share during the period which is a credit to the determination and hard work of our team in Japan, who have demonstrated incredible spirit during this difficult time. We also have to pay tribute to our retail partners, who have been very swift in reopening stores, with over half of the affected stores now operational again. From a brand perspective, a large part of this success has been the resurgence of Reebok, where sales increased 71% currency-neutral in Q2 driven by strong demand for our new product pillars, in particular toning. This helped to more than compensate for a mid-single-digit decline at adidas, which was still much better than the underlying market. TaylorMade-adidas Golf also saw growth during the quarter due to the popularity of the R11 driver, despite significant challenges in the golf market and declines in most categories. Barring any major setbacks, we are now unlikely to see the big declines of 15% to 25% we feared back in May. For the second half of the year, we are now working with the scenario that sales will decline at a high-single-digit rate. However, due to margin pressures, we still expect profitability headwinds compared to our original plans for the year.

Given difficulties at competitors and recent industry consolidation in golf, can you comment on the reasons for TaylorMade-adidas Golf's success and whether it can be sustained?

With TaylorMade-adidas Golf we have the jewel of the golf industry in our portfolio. Over the past decade, we have not just grown significantly, but transformed our golf brands into industry leaders, despite headwinds from a stagnant golf market. Our success has been the fact that we are outmanoeuvring the competition on all fronts. Our rise to the top of the leader board is founded in being faster and more consistent in developing ground-breaking innovations which meet the high demands of our golf consumer and retailers. As a result, the competition has been squeezed and consolidation is the inevitable outcome. Can our success be sustained? Our 17% currency-neutral sales growth in the first half certainly points in that direction. The game of golf is currently witnessing a revolution with TaylorMade's sensational white R11 metalwoods. None of our competitors would have either the credibility or audacity to transform the colour of the game. The R11 is already a force on the world's major professional tours, having secured 20 wins so far this year. The consumer has also overwhelmingly voted yes, with our US market share now over 40% in the category. Our attention is now on replicating this type of domination in other categories. In irons, over the past twelve months we have already claimed the top spot in the USA with a market share above 20%. The next generation of irons, which were launched live on the web last weekend – the R11 series – will help us assert our lead over the competition in the sport's second most important category. These examples demonstrate the power of our strategy and, judging by the plans we have to continue to revolutionise the sport of golf, I am convinced the best of TaylorMade-adidas Golf is still to come.

What do you see as the biggest risks and opportunities for your financial performance in the coming months?

The greatest risk to our business in the immediate future remains the uncertainties in the macroeconomic environment. As of late, these have been heightened by political tensions which in my opinion are only slowing down economic progress. For us specifically, the side effect of volatile currency markets is a potential risk to earnings, with several currencies having now depreciated considerably versus the euro. While in the medium term we will benefit from a weakening of the US dollar as our medium-term hedging rates improve, in the short term we face significant negative translation pressures in our reported results from the US dollar as well as several emerging market currencies including the Chinese renminbi, Russian rouble, Argentine peso and Turkish lira. From an input cost standpoint, while short-term pressures on gross margins continue, there has been some easing in the commodity markets, particularly in relation to cotton prices, which should provide some relief in the second half of 2012, especially on the apparel side. Other than that, the only new material risk that has arisen in recent months has been the prospect of an NBA lockout. However, for 2011, given that the NFL labour dispute is now resolved, the net effect on our results should be much the same.

Given the good start and the visibility you now have for the rest of the year, have you changed your guidance?

After the strong first half performance, we are confident to raise our full year top- and bottom-line guidance, despite some of the headwinds we currently see from the currency markets which I just described. I am pleased to report that we will achieve record sales and earnings in 2011. We now expect around 10% currency-neutral revenue growth for the year. This will be driven by strong performances in markets like Greater China and North America, continuing robust sales in our own retail stores and a less pronounced decline in Japan compared to what we feared in May. We continue to project the Group gross and operating margins to range between 47.5% to 48.0%, and 7.5% to 8.0%, respectively. As a result of the higher top-line expectation and our profitability development in the first half of the year, we forecast earnings per share to improve at a rate approaching 15%, to a level between € 3.10 and € 3.12, thus eclipsing our 2008 pre-crisis record high of € 3.07.

Herbert, thank you for this interview.

Our Share

In the second quarter of 2011, international stock markets showed resilience against rising headwinds. Although the continued sovereign debt crisis in several euro area countries as well as weak US economic data unsettled investors, the strong first quarter earnings season and increasing M&A activity provided support to equity markets. Accordingly, the DAX-30 and the Dow Jones gained 5% and 1%, respectively, compared to the end of March. The adidas AG share, however, outperformed international indices over the three-month period and rose by 23%.

Global stock markets demonstrate resilience in the second quarter

Despite mounting headwinds throughout the three-month period, international stock markets showed resilience in the second quarter of 2011. The sovereign debt crisis in several euro area countries continued to weigh on investor sentiment as in previous quarters. Moreover, rising inflation in the euro area as well as China, which reached an annualised rate of 2.8% and 5.5%, respectively, depressed equity markets. As a response, the European Central Bank raised interest rates for the first time since 2008, and the Chinese Central Bank increased its key lending rates for the fourth time since October 2010. The slowing growth of the US economy, which led to the Fed cutting its forecast for full year GDP growth at the end of June, also contributed to unfavourable market sentiment. However, the very strong first quarter corporate earnings season until mid-May, particularly in Germany and within the European luxury goods sector, supported confidence in equity markets. Furthermore, increasing M&A activity was also a key bull factor for international stock markets in the second quarter. As a result, the DAX-30 increased 5% and closed the second quarter at 7,376 points, while the Dow Jones Index and the MSCI World Textiles, Apparel & Luxury Goods Index, which comprises the Group's main competitors, increased 1% and 14%, respectively.

adidas AG share outperforms peers in the second quarter

The adidas AG share began the second quarter trading sideways in line with the general market. However, from mid-April onwards, positive analyst previews with regard to the first quarter results provided stimulus to the adidas AG share price. On May 5, the day of the results release, the share price gained significantly and closed at a then all-time high, which was a reflection of better than expected top- and bottom-line results. In particular, continued strong demand for sporting goods products in the adidas Group's key attack markets – North America, Greater China and Russia/CIS – was mentioned as a key catalyst by market participants. After being burdened by the market weakness in the following weeks, several analyst upgrades and target price increases supported the adidas AG share price development from mid-June onwards. The strong quarterly earnings release of one of the Group's major competitors at the end of June resulted in a further share price appreciation towards the end of the quarter. Accordingly, the adidas AG share finished the three-month period at € 54.70, gaining 23% compared to the end of March 2011 and thereby outperforming the DAX-30 and the MSCI World Textiles, Apparel & Luxury Goods Index for the period. Since the end of 2010, the adidas AG share has increased 12%, whereas the DAX-30 and the MSCI World Textiles, Apparel & Luxury Goods Index improved 7% and 11%, respectively.

The adidas AG share 05

Number of shares outstanding	
First half average	209,216,186
At June 30[1]	209,216,186
Type of share	Registered no-par-value share
Free float	100%
Initial Public Offering	November 17, 1995
Share split	June 6, 2006 (in a ratio of 1:4)
Stock exchange	All German stock exchanges
Stock registration number (ISIN)[2]	DE000A1EWWW0
Stock symbol	ADS, ADSGn.DE
Important indices	DAX-30
	MSCI World Textiles, Apparel & Luxury Goods
	Deutsche Börse Prime Consumer
	Dow Jones STOXX
	Dow Jones EURO STOXX
	Dow Jones Sustainability
	FTSE4Good Europe
	Ethibel Index Excellence Europe
	ASPI Eurozone Index
	ECPI Ethical Index EMU

1) All shares carry full dividend rights.
2) On October 11, 2010, the no-par-value bearer shares of adidas AG were converted to registered no-par-value shares. Since this date, adidas AG registered shares are traded under the new ISIN DE000A1EWWW0 on the stock exchange (previously: DE0005003404).

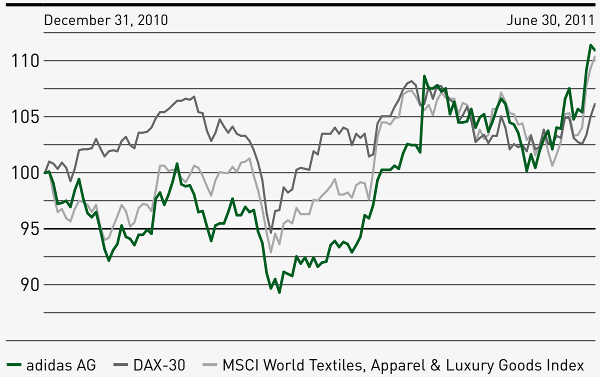
Number of ADRs increases

The number of Level 1 ADRs (American Depository Receipts) increased markedly during the three-month period compared to the end of March 2011. At June 30, 2011, 8.9 million ADRs were outstanding (March 31, 2011: 6.6 million), which also represents a significant increase versus June 30, 2010, when 6.5 million ADRs were outstanding. The Level 1 ADR closed the quarter at US $ 39.87, reflecting an increase of 26% compared to the end of March 2011. The more pronounced increase of the Level 1 ADR price compared to the increase of the ordinary share price was due to the continued depreciation of the US dollar versus the euro during the second quarter.

Dividend of € 0.80 per share paid

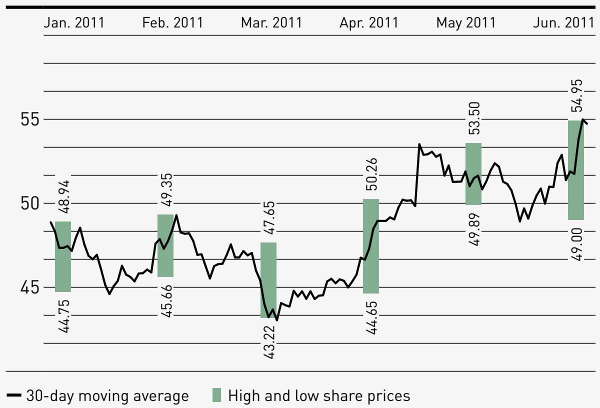
At the Annual General Meeting (AGM) on May 12, 2011, shareholders approved the adidas AG Executive and Supervisory Boards' recommendation to pay a dividend of € 0.80 per share for the financial year 2010 (2009: € 0.35). The dividend was paid on May 13, 2011. Based on the number of shares outstanding at the time of our AGM, this represents a dividend payout of € 167 million (2009: € 73 million) and a payout ratio of 30% of net income, as in the prior year. This is in line with our dividend policy where we intend to pay out between 20% and 40% of net income attributable to shareholders.

Share price development in 2011[1] 06



1) Index: December 31, 2010 = 100.

adidas AG high and low share prices per month[1] 07
in €



1) Based on daily closing prices.
Source: Bloomberg.

Changes in shareholder base

In the second quarter of 2011, the Group received two voting rights notifications according to § 21 section 1 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) »» see 08. These voting rights notifications and those received thereafter can be viewed on our corporate website »» www.adidas-Group.com/voting_rights_notifications.

Directors' dealings reported on corporate website

The purchase or sale of adidas AG shares (ISIN DE000A1EWWW0) or related financial instruments, as defined by § 15a WpHG, conducted by members of our Executive or Supervisory Boards, by key executives or by any person in close relationship with these persons, is reported on our website »» www.adidas-Group.com/directors_dealings. In the second quarter of 2011, adidas AG received notification that Christian Tourres, member of the adidas AG Supervisory Board, had sold 92,346 shares on June 29, 2011.

Shareholder rights notifications received in Q2 2011 08

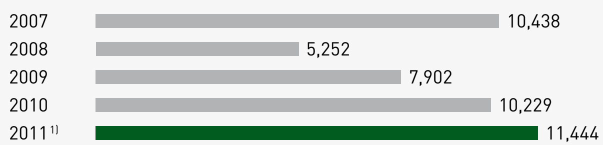
Date of notification	Notifying party	Threshold crossed	Voting rights of total shares outstanding	Date of change
Apr. 20, 2011	BlackRock, Inc.	>5%	10,543,960 (5.04%)	Apr. 14, 2011
Jun. 2, 2011	BlackRock, Inc.	<5%	10,297,833 (4.92%)	May 27, 2011

Historical performance of the adidas AG share and important indices at June 30, 2011[1] in % 09

	YTD	1 year	3 years	5 years	since IPO
adidas AG	12	37	36	46	466
DAX-30	7	24	15	30	236
MSCI World Textiles, Apparel & Luxury Goods	11	60	63	83	282

1) Source: Bloomberg.

adidas AG market capitalisation at year-end 10
€ in millions



1) June 30, 2011.

Group Business Performance

In the first half of 2011, the adidas Group delivered a strong financial performance. Currency-neutral Group sales increased 14% as a result of double-digit growth in the Wholesale and Retail segments as well as in Other Businesses. In euro terms, adidas Group revenues grew 13% to € 6.337 billion from € 5.590 billion in 2010. The Group's gross margin remained stable at 48.8% (2010: 48.8%), as the positive impact from a larger share of higher-margin Retail sales as well as a more favourable product and regional sales mix offset the increase in input costs. The Group's gross profit rose 13% to € 3.093 billion in the first half of 2011 versus € 2.727 billion in 2010. The Group's operating margin was up 0.3 percentage points to 8.4% from 8.1% in 2010. This was primarily due to the positive effects from lower other operating expenses as a percentage of sales, which more than offset a decrease in other operating income. The Group's operating profit grew 17% to € 532 million in the first half of 2011 versus € 454 million in 2010. The Group's net income attributable to shareholders increased 19% to € 349 million from € 295 million in 2010. Diluted earnings per share grew 19% to € 1.67 in the first half of 2011 versus € 1.41 in 2010.

Economic and Sector Development

Global economy grows in the second quarter

In the second quarter of 2011, the global economy continued to expand, despite headwinds from inflation and the disruption to global supply chains from the earthquake in Japan in March. The engine of global growth remained the emerging markets, driven by industrial activity and increasing domestic consumption. In Western Europe, GDP growth decelerated slightly, with the continuing robust expansion of Germany's economy offset by low growth levels in many of the other major regional economies. European emerging markets' GDP grew in the quarter, supported by improved consumer confidence and spending. Russia, in particular, benefited from increasing domestic demand and higher commodity prices compared to the prior year. US GDP continued to grow in the second quarter, driven by exports. However, consumer demand slowed, as high fuel prices, budgetary cutback concerns and soft labour and housing markets all contributed to a decrease in consumer confidence and spending levels. China's GDP expanded strongly, although at a slightly lower rate than in the first quarter. Inflation remained the key macroeconomic consideration, with increases in food and other commodity prices, as well as wage growth. Nevertheless, the rise in income supported significant increases in consumer spending in the period.

Other Asian markets posted solid growth, with South Korea, India and other major regional economies all maintaining strong GDP levels, despite negative after-effects of the Japanese earthquake on the region. Japan itself started showing sequential improvements in its recovery from the March disaster, with repairs to infrastructure underway and consumer spending stabilising. However, these developments were not enough to deliver positive GDP growth for the quarter. For Latin America, high inflation was the key concern in the period, with many governments implementing strict fiscal control measures to help mitigate the negative pressures. Nonetheless, high commodity prices coupled with growth in domestic demand in key markets drove regional GDP growth.

Quarterly consumer confidence development 11
by region

	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
USA 1)	54.3	48.6	63.4	63.8	58.5
Euro area 2)	(17)	(11)	(11)	(11)	(10)
Japan 3)	43.6	41.4	40.2	38.3	36.3
China 4)	108.5	104.1	100.4	107.6	105.8
Russia 5)	(7)	(11)	(10)	(13)	(9)

1) Source: Conference Board.
2) Source: European Commission.
3) Source: Economic and Social Research Institute, Government of Japan.
4) Source: China National Bureau of Statistics.
5) Source: Russia Federal Service of State Statistics.

Exchange rate development 12
€ 1 equals

	Average rate 2010	Q3 2010 1)	Q4 2010 1)	Q1 2011 1)	Q2 2011 1)	Average rate 2011 2)
USD	1.3279	1.3648	1.3362	1.4207	1.4453	1.4031
GBP	0.8584	0.8600	0.8608	0.8837	0.9026	0.8676
JPY	116.56	113.68	108.65	117.61	116.25	114.94
RUB	40.303	41.692	40.820	40.285	40.400	40.158
CNY	8.9885	9.1457	8.8493	9.3147	9.3534	9.1774

1) Spot rates at quarter-end.
2) Average rate for the first half of 2011.

Global sporting goods industry growth continues in the second quarter

In the second quarter of 2011, the global sporting goods industry recorded strong growth, despite tough comparisons as it lapped last year's FIFA Football World Cup and headwinds from increases in input costs. Higher volumes and slight improvements in average selling prices supported the industry's expansion. From a category perspective, running was the biggest growth driver in the quarter, due to the popularity of lightweight running footwear and high-performance apparel products. Additionally, outdoor and training posted robust growth and the women's segment maintained its momentum. Western Europe's sporting goods retailers recorded positive sales growth despite the effect of the World Cup comparison. However, consumer demand for sporting goods in some peripheral euro area countries and the UK remained challenging. In many key European emerging markets, the sporting goods sector performed strongly as improvements in consumer confidence and spending buoyed demand, especially in Russia. North American sporting goods retailers maintained positive growth, with sales trends strongest in the mall channel, supported by slight increases in average selling prices. Running (especially lightweight running), training and outdoor recorded the strongest growth. In China, the sporting goods industry continued to develop rapidly as higher disposable income levels and demand for discretionary items drove sales, particularly for Western brands. In other Asian markets, outside of Japan, consumer spending on sporting goods was also robust, despite inflationary pressures from high food and fuel prices. However, in Japan the aftermath of the Tohoku earthquake continued to disrupt and negatively impact the entire economy and ensured the sporting goods industry remained highly challenged in this period. Latin America's sporting goods industry was supported by consumer spending related to the build-up to the 2011 Copa América. However, high inflation and strict credit control measures were negative factors for consumer discretionary spending in most regional markets.

Income Statement

adidas Group currency-neutral sales increase 10% in the second quarter of 2011

During the second quarter of 2011, Group revenues grew 10% on a currency-neutral basis, mainly as a result of double-digit sales increases in Retail and Other Businesses. Currency translation effects had a negative impact on sales in euro terms. Group revenues grew 5% to € 3.064 billion in the second quarter of 2011 from € 2.917 billion in 2010.

Retail and Other Businesses drive strong sales growth in Q2

In the second quarter of 2011, currency-neutral Wholesale revenues increased 6%, mainly due to sales growth at adidas. Currency-neutral Retail sales increased 20% versus the prior year, primarily as a result of double-digit comparable store sales growth. Revenues in Other Businesses were up 12% on a currency-neutral basis, driven by double-digit sales increases at TaylorMade-adidas Golf and Rockport. Currency translation effects had a negative impact on segmental sales in euro terms. Wholesale revenues increased 2% to € 1.973 billion in the second quarter of 2011 from € 1.928 billion in 2010. Retail sales rose 13% to € 681 million versus € 602 million in the prior year. Sales in Other Businesses grew 6% to € 410 million in the second quarter of 2011 (2010: € 387 million).

adidas Group currency-neutral sales increase 14% in the first half of 2011

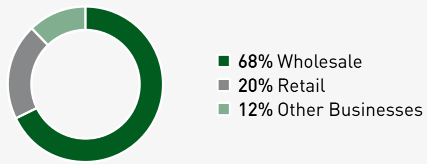
In the first half of 2011, Group revenues increased 14% on a currency-neutral basis. Currency translation effects had a negative impact on sales in euro terms. Group revenues grew 13% to € 6.337 billion in the first half of 2011 from € 5.590 billion in 2010 see 13.

First half Group sales increase driven by double-digit growth in all segments

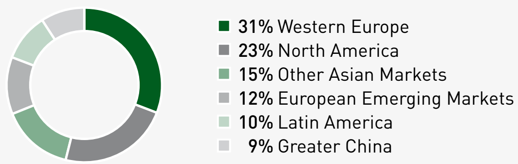
The adidas Group's sales increase in the first half of 2011 was driven by double-digit growth in the Wholesale and Retail segments as well as in Other Businesses. Currency-neutral Wholesale revenues increased 13% during the period, driven by double-digit sales growth at adidas and Reebok. Currency-neutral Retail sales increased 21% versus the prior year as a result of double-digit adidas and Reebok sales growth. Revenues in Other Businesses increased 13% on a currency-neutral basis, mainly due to double-digit sales growth at TaylorMade-adidas Golf. Rockport and Reebok-CCM Hockey sales also grew. Currency translation effects had a negative impact on segmental sales in euro terms. Wholesale revenues increased 12% to € 4.292 billion in the first half of 2011 from € 3.826 billion in 2010. Retail sales increased 19% to € 1.258 billion versus € 1.061 billion in the prior year. Sales in Other Businesses grew 12% to € 787 million in the first half of 2011 (2010: € 703 million).

First half year net sales 13
€ in millions

First half year net sales by segment 14



First half year net sales by region 15



Currency-neutral sales increase in all regions

In the first half of 2011, currency-neutral adidas Group sales grew in all regions. Revenues in Western Europe increased 10% on a currency-neutral basis, primarily as a result of strong sales growth in Germany, France, Italy and Spain. In European Emerging Markets, Group sales increased 23% on a currency-neutral basis due to growth in most of the region's markets, in particular Russia. Sales for the adidas Group in North America grew 15% on a currency-neutral basis due to double-digit sales increases in both the USA and Canada. Sales in Greater China increased 38% on a currency-neutral basis. Currency-neutral revenues in Other Asian Markets grew 6% due to increases in most markets, in particular South Korea. In Latin America, sales grew 11% on a currency-neutral basis, with double-digit increases in most of the region's major markets. Currency translation effects had a mixed impact on regional sales in euro terms see 16.

Group sales up in all product categories

In the first half of 2011, Group sales grew in all product categories on a currency-neutral basis. Currency-neutral footwear sales increased 21% during the period. This development was due to double-digit growth in the running, training, football and outdoor categories. Apparel revenues increased 8% on a currency-neutral basis, driven by growth in training, running and basketball. Currency-neutral hardware sales increased 9% compared to the prior year, primarily due to strong growth at TaylorMade-adidas Golf. Currency translation effects had a negative impact on sales in euro terms see 17.

New product introductions contributed to the sales growth in all product categories. An overview of major product launches in the second quarter of 2011 is provided in the adjacent table see 18.

Net sales by region
€ in millions

16

	First half year 2011	First half year 2010	Change	Change currency-neutral
Western Europe	1,961	1,772	11%	10%
European Emerging Markets	751	633	19%	23%
North America	1,452	1,312	11%	15%
Greater China	552	403	37%	38%
Other Asian Markets	956	868	10%	6%
Latin America	666	601	11%	11%
Total [1]	**6,337**	**5,590**	**13%**	**14%**

1) Rounding differences may arise in totals.

Net sales by product category
€ in millions

17

	First half year 2011	First half year 2010	Change	Change currency-neutral
Footwear	3,076	2,573	20%	21%
Apparel	2,579	2,392	8%	8%
Hardware	683	625	9%	9%
Total [1]	**6,337**	**5,590**	**13%**	**14%**

1) Rounding differences may arise in totals.

Major product launches in Q2 2011

18

Brand	Product
adidas	Supernova Sequence 4 running shoe
adidas	adiZero Trainer training shoe
adidas	adiZero Crazy Light basketball shoe
adidas	adiPower Predator football boot
adidas	adiZero Feather tennis shoe
adidas	TechFit PowerWeb training apparel
Reebok	RealFlex footwear
Reebok	Kamikaze Classic footwear
adidas Golf	Tour360 Carbon golf shoe
Ashworth	Leucadia street saddle shoe
Ashworth	Cardiff spikeless golf shoe
Reebok Hockey	11K KFS protective equipment
Reebok Hockey	Reebok 11K ReeFit helmet

Group gross margin remains stable

The gross margin of the adidas Group remained stable at 48.8% in the first half of 2011 (2010: 48.8%) see 20. The positive impact from a larger share of higher-margin Retail sales as well as a more favourable product and regional sales mix offset an increase in input costs. Gross profit for the adidas Group grew 13% in the first half of 2011 to € 3.093 billion versus € 2.727 billion in the prior year see 19.

Royalty and commission income declines

Royalty and commission income for the adidas Group decreased 11% to € 40 million in the first half of 2011 from € 45 million in the prior year. On a currency-neutral basis, royalty and commission income was down 9%, mainly as a result of lower licensee sales at Reebok.

Other operating income decreases

Other operating income includes items such as gains from the disposal of fixed assets and releases of accruals and provisions. In the first half of 2011, other operating income decreased 50% to € 36 million (2010: € 72 million). This was mainly due to the non-recurrence of positive one-off effects in conjunction with the settlement of a lawsuit and the divestiture of a trademark in the prior year, each of which had a positive low-double-digit million euro impact on the Group's financial results in 2010.

Other operating expenses as a percentage of sales down 1.1 percentage points

Other operating expenses, including depreciation and amortisation, consist of items such as sales working budget, marketing working budget and operating overhead costs. Other operating expenses as a percentage of sales decreased 1.1 percentage points to 41.6% in the first half of 2011 from 42.8% in 2010. In euro terms, other operating expenses increased 10% to € 2.637 billion in the first half of 2011 (2010: € 2.390 billion), as a result of higher marketing expenditure as well as the expansion of the Group's own-retail activities see 21. Thereof, sales and marketing working budget expenditure amounted to € 832 million, which represents an increase of 10% versus the prior year level (2010: € 756 million). The increase was primarily related to higher expenditures for both the adidas and the Reebok brand. In the first half of 2011, adidas launched the "all adidas" campaign, which is the biggest marketing campaign in the brand's history. Nevertheless, as a result of the strong revenue development, sales and marketing working budget expenditure as a percentage of sales decreased 0.4 percentage points to 13.1% (2010: 13.5%).

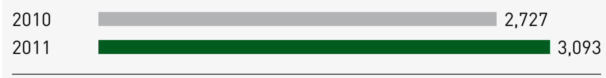
Number of Group employees up 14%

At the end of the first half of 2011, the Group employed 46,353 people. This represents an increase of 14% versus the prior year level of 40,791. New hirings related to the expansion of the Group's own-retail store base were the main driver of this development. On a full-time equivalent basis, the number of employees increased 10% to 38,767 at the end of the first half of 2011 (2010: 35,379).

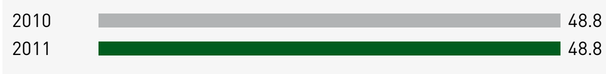
Operating margin increases 0.3 percentage points

In the first half of 2011, Group operating profit increased 17% to € 532 million versus € 454 million in 2010 see 22. As a percentage of sales, the operating margin of the adidas Group was up 0.3 percentage points to 8.4% (2010: 8.1%) see 23. This development was primarily due to the positive effects from lower other operating expenses as a percentage of sales, which more than offset the non-recurrence of prior year positive effects related to the settlement of a lawsuit and the divestiture of a trademark.

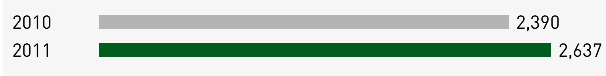
First half year gross profit 19
€ in millions



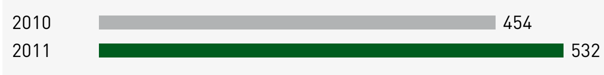
First half year gross margin 20
in %



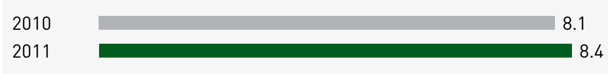
First half year other operating expenses 21
€ in millions



First half year operating profit 22
€ in millions



First half year operating margin 23
in %



Financial income down 43%

Financial income decreased 43% to € 13 million in the first half of 2011 from € 23 million in the prior year, mainly due to the non-recurrence of positive exchange rate effects in the prior year.

Financial expenses up 8%

Financial expenses increased 8% to € 63 million in the first half of 2011 (2010: € 58 million) see 24, mainly as a result of negative exchange rate effects, which more than offset lower interest expenses. Excluding those effects, financial expenses decreased 11%.

Income before taxes increases 15%

Income before taxes (IBT) for the adidas Group increased 15% to € 482 million from € 419 million in 2010 see 25. IBT as a percentage of sales grew 0.1 percentage points to 7.6% in the first half of 2011 from 7.5% in 2010, primarily as a result of the Group's operating margin increase.

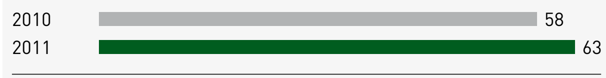
Net income attributable to shareholders up 19%

The Group's net income attributable to shareholders increased to € 349 million in the first half of 2011 from € 295 million in 2010 see 26. This represents an increase of 19% versus the prior year level. Higher IBT was the primary reason for this development. The Group's tax rate decreased 2.0 percentage points to 27.5% in the first half of 2011 (2010: 29.5%), mainly due to a more favourable earnings mix as well as tax rate reductions which have been enacted in the U.K. for measuring deferred tax assets and liabilities.

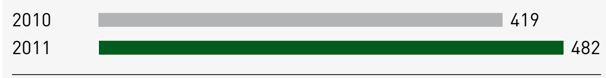
Earnings per share reach € 1.67

In the first half of 2011, basic and diluted earnings per share amounted to € 1.67 (2010: € 1.41) see 27, representing an increase of 19%. The weighted average number of shares used in the calculation was 209,216,186.

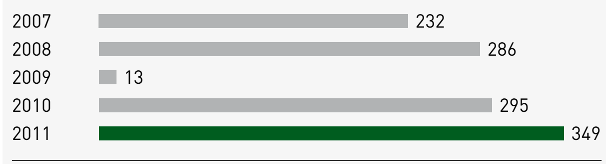
First half year financial expenses 24
€ in millions



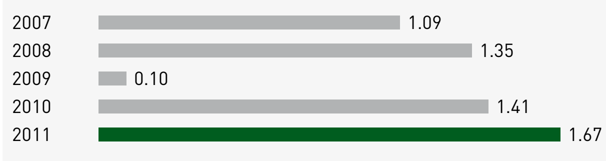
First half year income before taxes 25
€ in millions



First half year net income attributable to shareholders 26
€ in millions



First half year diluted earnings per share 27
in €



Statement of Financial Position and Statement of Cash Flows

Total assets decrease 3%
At the end of June 2011, total assets decreased 3% to € 10.265 billion versus € 10.608 billion in the prior year. A decrease in non-current assets more than offset an increase in current assets. Compared to December 31, 2010, total assets decreased 3%.

Group inventories up 16%
Group inventories increased 16% to € 2.376 billion at the end of June 2011 versus € 2.049 billion in 2010 see 30. On a currency-neutral basis, inventories grew 26%, driven by a normalisation of inventory levels compared to the prior year as well as continued growth expectations in the coming quarters.

Accounts receivable increase 1%
At the end of June 2011, Group receivables increased 1% to € 2.023 billion (2010: € 1.999 billion) as a result of the Group's sales growth see 31. On a currency-neutral basis, receivables were up 9%. This growth is lower than the 10% currency-neutral Group sales increase in the second quarter of 2011 and mirrors strict discipline in the Group's trade terms management and concerted collection efforts in all segments.

Other current financial assets down 48%
Other current financial assets decreased 48% to € 162 million at the end of June 2011 from € 311 million in 2010. This development was mainly due to the decrease in the fair value of financial instruments.

Other current assets up 1%
Other current assets increased 1% to € 433 million at the end of June 2011 from € 428 million in 2010, mainly as a result of an increase in tax receivables other than income taxes.

Fixed assets decrease 9%
Fixed assets include property, plant and equipment, goodwill, trademarks and other intangible assets as well as long-term financial assets. Fixed assets decreased 9% to € 3.878 billion at the end of June 2011 versus € 4.256 billion in 2010. Additions in an amount of € 315 million were primarily related to the continued expansion of our own-retail activities, investments into the Group's IT infrastructure as well as the further development of the Group's headquarters in Herzogenaurach. A net transfer of fixed assets from assets held for sale totalling € 17 million also contributed to the increase. Additions were more than offset by depreciation and amortisation amounting to € 259 million, negative currency translation effects in an amount of € 442 million on fixed assets denominated in currencies other than the euro as well as disposals of € 10 million. Compared to December 31, 2010, fixed assets decreased 5%.

Assets held for sale decrease 62%
At the end of June 2011, assets held for sale declined 62% to € 30 million compared to € 79 million in 2010. This decrease was due to the reclassification of certain assets held for sale back to fixed assets, as it is not considered likely that they will be sold in the foreseeable future, as well as the sale of a warehouse in the Netherlands. Assets held for sale primarily relate to the planned sale of land and buildings in Herzogenaurach, Germany.

Other non-current assets down 20%
Other non-current assets decreased 20% to € 100 million at the end of June 2011 from € 125 million in 2010, mainly driven by a decline in prepaid promotion partnerships.

Accounts payable increase 10%
Accounts payable were up 10% to € 1.605 billion at the end of June 2011 versus € 1.464 billion in 2010 see 32. On a currency-neutral basis, accounts payable increased 15%, reflecting the growth in inventories during the first half.

Structure of statement of financial position [1]
in % of total assets

28

	June 30, 2011	June 30, 2010
Cash and cash equivalents	4.4%	5.6%
Accounts receivable	19.7%	18.9%
Inventories	23.1%	19.3%
Fixed assets	37.8%	40.1%
Other assets	15.0%	16.1%
Total	**100%**	**100%**
Total assets (€ in millions)	10,265	10,608

1) For absolute figures see adidas AG Consolidated Statement of Financial Position (IFRS), p. 33.

Structure of statement of financial position [1]
in % of total liabilities and equity

29

	June 30, 2011	June 30, 2010
Short-term borrowings	1.5%	2.8%
Accounts payable	15.6%	13.8%
Long-term borrowings	13.9%	14.0%
Other liabilities	25.4%	24.8%
Total equity	43.6%	44.6%
Total	**100%**	**100%**
Total liabilities and equity (€ in millions)	10,265	10,608

1) For absolute figures see adidas AG Consolidated Statement of Financial Position (IFRS), p. 33.

Other current financial liabilities increase 28%

At the end of June 2011, other current financial liabilities increased 28% to € 137 million from € 107 million in 2010, primarily as a result of an increase in the negative fair value of financial instruments.

Other current provisions up 12%

Other current provisions were up 12% to € 449 million at the end of June 2011 versus € 400 million in 2010. This primarily relates to increases in provisions for returns, allowances and warranty as well as marketing initiatives.

Current accrued liabilities grow 2%

Current accrued liabilities increased 2% to € 843 million at the end of June 2011 from € 823 million in 2010, mainly due to an increase in accruals for payment of goods and services not yet invoiced.

Other current liabilities down 1%

Other current liabilities were down 1% to € 265 million at the end of June 2011 from € 268 million in 2010, mainly due to a decrease in tax payables other than income taxes.

Equity declines mainly as a result of negative currency effects

Shareholders' equity decreased 6% to € 4.467 billion at the end of June 2011 versus € 4.729 billion in 2010 see 33. The net income generated during the last twelve months was more than offset by negative currency translation effects in an amount of € 520 million, declines in the fair value of financial instruments in an amount of € 181 million as well as the dividend in an amount of € 167 million paid during the period. Compared to December 31, 2010, shareholders' equity decreased 3%, mainly as a result of negative currency translation effects as well as the dividend payment.

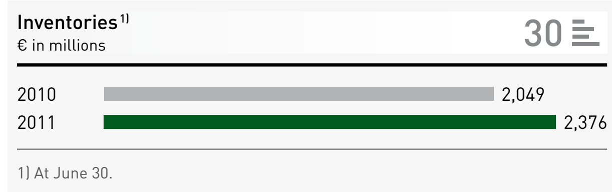
Cash flow reflects higher operating working capital requirements

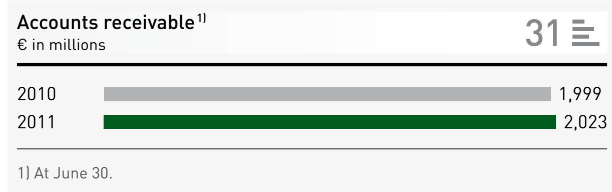
In the first half of 2011, net cash outflow from operating activities was € 332 million (2010: € 73 million). The increase in cash used in operating activities compared to the prior year was primarily due to higher operating working capital requirements. Net cash outflow from investing activities was € 161 million (2010: € 64 million). This was mainly related to spending for property, plant and equipment such as investments in the furnishing and fitting of stores in our Retail segment, in new office buildings and in IT systems.

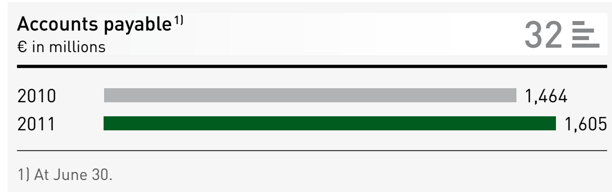
Net cash outflows from financing activities totalled € 188 million (2010: € 62 million). Cash outflows from financing activities were related to the repayment of short-term borrowings totalling € 350 million, partly offset by an increase in long-term borrowings in an amount of € 329 million. Exchange rate effects in an amount of € 24 million negatively impacted the Group's cash position in the first half of 2011 (2010: positive € 18 million). As a result of all these developments, cash and cash equivalents decreased by € 705 million to € 451 million at the end of June 2011 compared to € 1.156 billion at the end of December 2010.

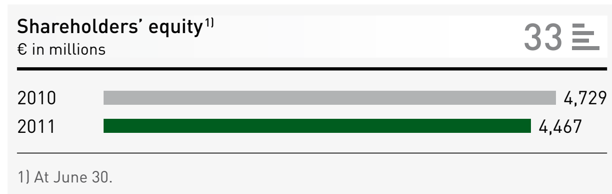
Net borrowings decrease € 227 million

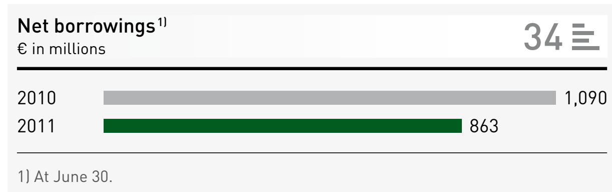
Net borrowings at June 30, 2011 amounted to € 863 million, which represents a decrease of € 227 million, or 21%, versus € 1.090 billion at the end of June 2010 see 34. The decrease was driven by the strong operating cash flow development over the past twelve months. Currency translation had a positive effect in an amount of € 25 million. The Group's ratio of net borrowings over 12-month rolling EBITDA decreased to 0.7 at the end of June 2011 versus 1.0 in the prior year.











Business Performance by Segment

The adidas Group has divided its operating activities into three reported segments: Wholesale, Retail and Other Businesses. The Wholesale segment comprises the adidas and Reebok business activities with retailers. The Retail segment comprises the own-retail activities of the adidas and Reebok brands. The financial results of TaylorMade-adidas Golf, Rockport, Reebok-CCM Hockey and Other Centrally Managed Brands are aggregated under Other Businesses. In the first half of 2011, currency-neutral sales of the adidas Group grew at double-digit rates in Wholesale, Retail and Other Businesses.

Wholesale Business Performance

Wholesale results in summary

The Wholesale segment comprises the adidas and Reebok business activities with retailers. In the first half of 2011, currency-neutral sales in the Wholesale segment increased 13%. In euro terms, Wholesale sales improved 12% to € 4.292 billion from € 3.826 billion in the prior year. Gross margin decreased 0.6 percentage points to 41.5% (2010: 42.0%), as the positive impact from a more favourable product and regional mix as well as less clearance sales was more than offset by higher input costs. Gross profit grew 11% to € 1.780 billion in the first half of 2011 from € 1.608 billion in 2010. Segmental operating expenses as a percentage of sales decreased 0.7 percentage points to 9.1% (2010: 9.8%). As a result of lower segmental operating expenses as a percentage of sales, segmental operating margin increased 0.1 percentage points to 32.3% in the first half of 2011 (2010: 32.2%). In absolute terms, segmental operating profit grew 13% to € 1.388 billion in the first half of 2011 versus € 1.233 billion in 2010.

Currency-neutral segmental sales up 6% in second quarter 2011

In the second quarter of 2011, revenues for the Wholesale segment increased 6% on a currency-neutral basis. This development was mainly due to growth at adidas Sport Style. Currency translation effects negatively impacted segmental revenues in euro terms. Sales in the Wholesale segment grew 2% to € 1.973 billion in the second quarter of 2011 from € 1.928 billion in 2010 see 38.

First half 2011 currency-neutral segmental sales up 13%

Revenues for the Wholesale segment grew 13% on a currency-neutral basis in the first half of 2011, driven by double-digit growth at adidas Sport Style and Reebok. adidas Sport Performance revenues grew at a high-single-digit rate. Currency translation effects negatively impacted segmental revenues in euro terms. Sales in the Wholesale segment grew 12% to € 4.292 billion in the first half of 2011 from € 3.826 billion in 2010 see 36.

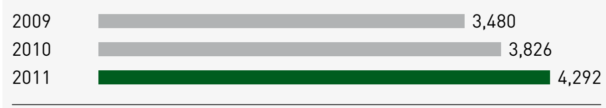
Currency-neutral Wholesale sales grow in most regions

In the first half of 2011, currency-neutral sales for the Wholesale segment increased in all regions except European Emerging Markets, where sales remained stable. Currency-neutral revenues in Western Europe rose 9%, mainly driven by strong sales growth in all key markets with the exception of the UK. Currency-neutral sales in European Emerging Markets remained flat. Sales increases in Turkey were offset by declines in other markets. Currency-neutral Wholesale sales in North America grew 16% due to double-digit growth in both the USA and Canada. Revenues in Greater China increased 42% on a currency-neutral basis. Sales in Other Asian Markets grew 7% on a currency-neutral basis due to increases in most markets, in particular in South Korea. In Latin America, currency-neutral sales were up 10%, supported by double-digit sales growth in Argentina and Chile. Currency translation effects had a mixed impact on regional sales in euro terms see 37.

Wholesale at a glance 35
€ in millions

	First half year 2011	First half year 2010	Change
Net sales	4,292	3,826	12%
Gross profit	1,780	1,608	11%
Gross margin	41.5%	42.0%	(0.6pp)
Segmental operating profit	1,388	1,233	13%
Segmental operating margin	32.3%	32.2%	0.1pp

Wholesale first half year net sales 36
€ in millions



Currency-neutral adidas Sport Performance sales up 8%

In the first half of 2011, adidas Sport Performance wholesale revenues grew 8% on a currency-neutral basis. Growth was mainly a result of double-digit sales increases in the training, running, basketball and outdoor categories. Currency translation effects had no impact on revenues in euro terms. In the first half of 2011, adidas Sport Performance sales grew 8% to € 2.655 billion from € 2.453 billion in the prior year.

adidas Sport Style sales grow 27% on a currency-neutral basis

Currency-neutral adidas Sport Style wholesale revenues grew 27% in the first half of 2011. This increase was driven by strong momentum in most categories, particularly adidas Originals and the adidas NEO label. Currency translation effects did not impact revenues in euro terms. adidas Sport Style sales grew 27% to € 936 million in the first half of 2011 (2010: € 737 million).

Reebok sales grow 13% on a currency-neutral basis

In the first half of 2011, Reebok wholesale revenues increased 13% on a currency-neutral basis. This was mainly the result of significant sales growth in the training category due to the ZigTech platform. Currency translation effects negatively impacted revenues in euro terms. In euro terms, Reebok sales improved 10% to € 692 million in the first half of 2011 from € 628 million in 2010.

Gross profit increases 11%

Wholesale gross margin decreased 0.6 percentage points to 41.5% in the first half of 2011 from 42.0% in 2010. The positive impact from a more favourable product and regional mix as well as less clearance sales was more than offset by higher input costs. The adidas brand wholesale gross margin decreased 0.8 percentage points to 43.7% in the first half of 2011 (2010: 44.5%). Wholesale gross margin of the Reebok brand increased 0.4 percentage points to 29.9% in the first half of 2011 versus 29.5% in the prior year. Wholesale gross profit improved 11% to € 1.780 billion in the first half of 2011 versus € 1.608 billion in 2010 see 35.

Wholesale net sales by region 37

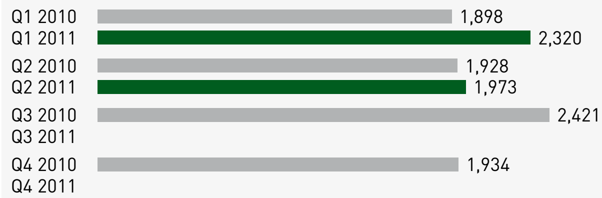
€ in millions

	First half year 2011	First half year 2010	Change	Change currency-neutral
Western Europe	1,620	1,466	10%	9%
European Emerging Markets	236	243	(3%)	0%
North America	801	722	11%	16%
Greater China	462	328	41%	42%
Other Asian Markets	613	555	10%	7%
Latin America	561	511	10%	10%
Total[1]	**4,292**	**3,826**	**12%**	**13%**

1) Rounding differences may arise in totals.

Wholesale net sales by quarter 38

€ in millions



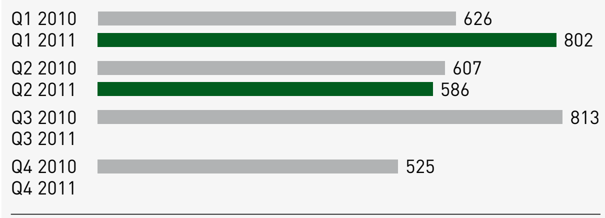
Segmental operating expenses as a percentage of sales down 0.7 percentage points

Segmental operating expenses in Wholesale primarily relate to sales working budget expenses as well as expenditure for sales force, administration and logistics. Segmental operating expenses as a percentage of sales decreased 0.7 percentage points to 9.1% (2010: 9.8%). In euro terms, segmental operating expenses grew 5% to € 392 million in the first half of 2011 from € 375 million in 2010. This was primarily due to higher warehousing and distribution costs as a result of the Wholesale segment's expansion.

Segmental operating profit increases 13%

Segmental operating profit improved 13% to € 1.388 billion in the first half of 2011 versus € 1.233 billion in the prior year see 39. Segmental operating margin increased 0.1 percentage points to 32.3% (2010: 32.2%), due to lower segmental operating expenses as a percentage of sales.

Wholesale segmental operating profit by quarter 39
€ in millions



Retail Business Performance

Retail results in summary

The Retail segment comprises the own-retail activities of the adidas and Reebok brands. In the first half of 2011, currency-neutral Retail sales increased 21%. In euro terms, Retail sales grew 19% to € 1.258 billion (2010: € 1.061 billion). Currency-neutral comparable store sales were up 15% versus the prior year. Gross margin increased 1.6 percentage points to 63.7% (2010: 62.1%), which was mainly a result of a higher proportion of concept store sales at higher margins. Gross profit increased 22% to € 801 million in the first half of 2011 from € 659 million in 2010. Segmental operating expenses as a percentage of sales decreased 0.4 percentage points to 43.0% (2010: 43.4%). As a result of the increase in gross margin and lower segmental operating expenses as a percentage of sales, segmental operating margin improved 2.0 percentage points to 20.8% (2010: 18.7%). In absolute terms, segmental operating profit grew 31% to € 261 million in the first half of 2011 versus € 199 million in 2010.

Currency-neutral Retail sales increase 20% in Q2

During the second quarter of 2011, Retail revenues increased 20% on a currency-neutral basis as a result of double-digit growth rates at both adidas and Reebok. Currency-neutral comparable store sales increased 13%. Currency translation effects had a negative impact on sales in euro terms. Retail revenues grew 13% to € 681 million in the second quarter of 2011 from € 602 million in 2010 »» see 43.

Currency-neutral segmental sales grow 21% in the first half of 2011

In the first half of 2011, Retail revenues increased 21% on a currency-neutral basis. Concept store, factory outlet and other retail format sales were all up at double-digit rates versus the prior year. Currency translation effects negatively impacted segmental revenues in euro terms. Sales grew 19% to € 1.258 billion from € 1.061 billion in the prior year »» see 41. Currency-neutral comparable store sales rose 15% versus the prior year, with double-digit growth in all store formats.

Own-retail store base increases

At June 30, 2011, the adidas Group Retail segment operated 2,335 stores. This represents a net increase of 65 or 3% versus the prior year-end level of 2,270. Of the total number of stores, 1,759 were adidas and 576 Reebok branded (December 31, 2010: 1,712 adidas stores, 558 Reebok stores). Over the course of the first half of 2011, the Group opened 152 new stores, 87 stores were closed and 73 stores were remodelled.

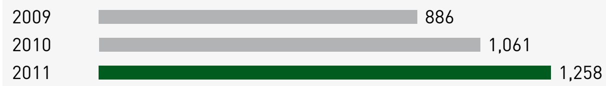
Currency-neutral Retail sales grow in all regions

In the first half of 2011, currency-neutral Retail sales increased in all regions. Retail revenues in Western Europe grew 11% on a currency-neutral basis, mainly due to increases in Germany, France and Italy. Sales in European Emerging Markets rose 38% on a currency-neutral basis, driven by growth in Russia where both the adidas and Reebok brands had strong double-digit sales increases. Currency-neutral Retail sales in North America grew 11% due to double-digit growth in the USA. Retail revenues in Greater China rose 20% on a currency-neutral basis. Sales in Other Asian Markets grew 8% on a currency-neutral basis, mainly driven by double-digit increases in South Korea. In Latin America, currency-neutral Retail sales were up 19%, with particularly strong growth in Brazil, Argentina and Chile. Currency translation effects had a mixed impact on regional sales in euro terms »» see 42.

Retail at a glance 40
€ in millions

	First half year 2011	First half year 2010	Change
Net sales	1,258	1,061	19%
Gross profit	801	659	22%
Gross margin	63.7%	62.1%	1.6pp
Segmental operating profit	261	199	31%
Segmental operating margin	20.8%	18.7%	2.0pp

Retail first half year net sales 41
€ in millions



Concept store sales up 28% on a currency-neutral basis

Concept store revenues include sales from adidas Sport Performance, adidas Sport Style and Reebok concept stores. In the first half of 2011, concept store revenues grew 28% on a currency-neutral basis. Sales increased at double-digit rates at both adidas and Reebok. Currency-neutral comparable concept store sales were up 18%. During the first half of 2011, the Group opened 93 new concept stores, 52 concept stores were closed and 110 concept stores were reclassified as stores in other retail formats. As a result, the number of concept stores decreased by 69 to 1,283 at the end of the first half of 2011 (December 31, 2010: 1,352). Currency translation effects had a negative impact on sales in euro terms. Concept store sales increased 25% to € 594 million in the first half of 2011 from € 474 million in 2010.

Factory outlet sales grow 13% on a currency-neutral basis

Factory outlet revenues include sales from adidas and Reebok factory outlets. In the first half of 2011, factory outlet revenues grew 13% on a currency-neutral basis. Comparable factory outlet sales increased 11% on a currency-neutral basis.

During the first half of 2011, the Group opened 26 and closed 22 factory outlets. As a result, the number of factory outlets increased by 4 to 729 at the end of the first half (December 31, 2010: 725). Sales increased at a double-digit rate at adidas. Reebok sales grew at a high-single-digit rate. Currency translation effects had a negative impact on sales in euro terms. Factory outlet sales increased 11% to € 591 million in the first half of 2011 from € 530 million in 2010.

Currency-neutral sales from other retail formats up 34%

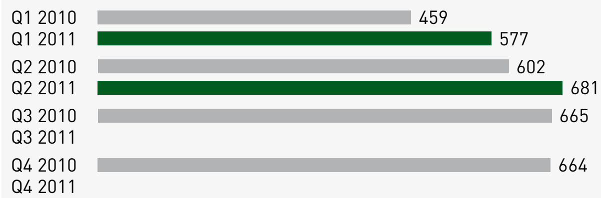
Revenues from other retail formats include adidas and Reebok concession corners and e-commerce operations. In the first half of 2011, sales from other retail formats increased 34% on a currency-neutral basis. Currency-neutral comparable sales from other retail formats grew 20%. During the first half of 2011, the Group opened 33 new stores in other retail formats and closed 13. In addition, 110 concept stores were reclassified as stores in other retail formats. As a result, the number of other retail formats increased by 130 to 323 at the end of the first half (December 31, 2010: 193). Sales from adidas and Reebok e-commerce platforms were up 53% on a currency-neutral basis compared to 2010. Currency translation effects had a negative impact on sales from other formats in euro terms. Other retail format sales increased by 31% in the first half of 2011 to € 73 million (2010: € 56 million).

Retail net sales by region 42
€ in millions

	First half year 2011	First half year 2010	Change	Change currency-neutral
Western Europe	215	192	12%	11%
European Emerging Markets	495	377	31%	38%
North America	206	194	6%	11%
Greater China	72	61	18%	20%
Other Asian Markets	171	152	12%	8%
Latin America	99	84	18%	19%
Total [1]	**1,258**	**1,061**	**19%**	**21%**

1) Rounding differences may arise in totals.

Retail net sales by quarter 43
€ in millions



adidas and Reebok branded own-retail sales increase

In the first half of 2011, adidas Group Retail sales increased at a double-digit rate at both adidas and Reebok. Currency-neutral adidas Sport Performance revenues grew 14% in the period. adidas Sport Style sales rose 40% versus the prior year on a currency-neutral basis. Currency-neutral Reebok sales were 19% higher compared to the prior year. Comparable store sales for the adidas brand increased 15% on a currency-neutral basis, driven by double-digit growth in the training, running and outdoor categories. Comparable store sales for Reebok grew 13% on a currency-neutral basis, mainly due to strong double-digit growth in training and running. Currency translation effects had a negative impact on revenues in euro terms. adidas Sport Performance own-retail sales increased 12% to € 706 million in the first half of 2011 from € 630 million in 2010. adidas Sport Style own-retail sales were up 38% to € 340 million in the first half of 2011 from € 247 million in 2010. Own-retail sales of Reebok branded products grew 15% to € 211 million in the first half of 2011 (2010: € 183 million).

Retail gross margin improves 1.6 percentage points

Gross margin in the Retail segment increased 1.6 percentage points to 63.7% in the first half of 2011 from 62.1% in 2010. This was mainly a result of a higher proportion of concept store sales at higher margins. Factory outlet margins also grew. By brand, the adidas gross margin grew 0.9 percentage points to 64.7% (2010: 63.8%) and Reebok's gross margin improved 4.5 percentage points to 58.8% (2010: 54.4%). Retail gross profit increased 22% to € 801 million in the first half of 2011 from € 659 million in 2010 »» see ≣ 40.

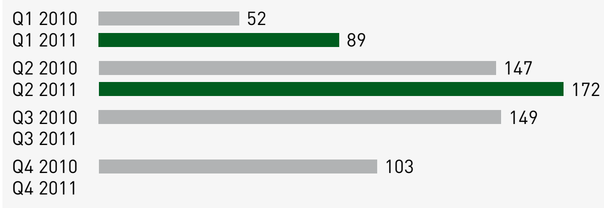
Segmental operating expenses as a percentage of sales down 0.4 percentage points

Segmental operating expenses in Retail primarily relate to personnel and rent expenses as well as the sales working budget. Segmental operating expenses increased 17% to € 540 million in the first half of 2011 from € 460 million in 2010. This was a result of higher sales working budget expenses and higher expenses related to the expansion of the Group's store base, particularly in emerging markets. Segmental operating expenses as a percentage of sales declined 0.4 percentage points to 43.0% (2010: 43.4%), as a result of operating leverage in the segment.

Segmental operating profit up 31%

Segmental operating profit increased 31% to € 261 million in the first half of 2011 versus € 199 million in the prior year »» see ≣ 44. Segmental operating margin improved 2.0 percentage points to 20.8% (2010: 18.7%). This was a result of the gross margin increase and lower segmental operating expenses as a percentage of sales.

Retail segmental operating profit by quarter 44
€ in millions



Other Businesses Performance

Other Businesses results in summary

Other Businesses primarily include the TaylorMade-adidas Golf, Rockport and Reebok-CCM Hockey segments. In addition, the segment Other Centrally Managed Brands, which comprises brands such as Y-3, is also included. In the first half of 2011, currency-neutral sales of Other Businesses increased 13%. In euro terms, sales grew 12% to € 787 million (2010: € 703 million). Gross margin increased 0.6 percentage points to 45.2% (2010: 44.6%), mainly as a result of improving product margins at Rockport and Reebok-CCM Hockey. Gross profit improved 14% to € 356 million in the first half of 2011 from € 313 million in 2010. Segmental operating expenses as a percentage of sales increased 0.6 percentage points to 17.2% (2010: 16.6%). As a result of the higher segmental operating expenses as a percentage of sales, which offset the increase in gross margin, the segmental operating margin remained stable at 28.0% (2010: 28.0%). In absolute terms, segmental operating profit grew 12% to € 220 million in the first half of 2011 versus € 197 million in 2010.

Currency-neutral sales of Other Businesses increase 12% in Q2

In the second quarter of 2011, revenues of Other Businesses grew 12% on a currency-neutral basis, driven by double-digit growth at TaylorMade-adidas Golf and Rockport. Sales at Reebok-CCM Hockey increased at a high-single-digit rate. Currency translation effects negatively impacted revenues in euro terms. Sales of Other Businesses increased 6% to € 410 million in the second quarter of 2011 (2010: € 387 million) see 48.

First half 2011 currency-neutral sales of Other Businesses up 13%

In the first half of 2011, revenues of Other Businesses increased 13% on a currency-neutral basis, driven by double-digit sales growth at TaylorMade-adidas Golf. Sales at Reebok-CCM Hockey and Rockport also grew. Currency translation effects negatively impacted revenues in euro terms. Sales of Other Businesses grew 12% to € 787 million in the first half of 2011 (2010: € 703 million) see 46.

Currency-neutral sales of Other Businesses grow in all regions

In the first half of 2011, currency-neutral sales of Other Businesses increased in all regions. Revenues in Western Europe were up 10% on a currency-neutral basis due to double-digit sales growth at TaylorMade-adidas Golf, partly offset by declines at Rockport as well as Reebok-CCM Hockey. Sales in European Emerging Markets increased 59% on a currency-neutral basis, driven by strong double-digit growth at TaylorMade-adidas Golf, Rockport and Reebok-CCM Hockey. Currency-neutral sales in North America were up 16%, due to strong double-digit growth at TaylorMade-adidas Golf, which was partly offset by declines at Rockport. Revenues in Greater China were up 27% on a currency-neutral basis as a result of higher TaylorMade-adidas Golf sales. Sales in Other Asian Markets were up 3% on a currency-neutral basis, driven by sales increases at Rockport. In Latin America, currency-neutral sales grew 6%. Double-digit sales growth at Rockport was partly offset by decreases at TaylorMade-adidas Golf. Currency translation effects had a mixed impact on regional sales in euro terms see 47.

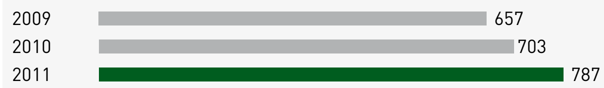
Currency-neutral TaylorMade-adidas Golf sales increase 17%

In the first half of 2011, TaylorMade-adidas Golf revenues increased 17% on a currency-neutral basis. Growth at TaylorMade was primarily driven by strong double-digit revenue increases in both metalwoods and putters. Sales for adidas Golf also increased, mainly driven by double-digit sales growth in apparel. Currency translation effects negatively impacted TaylorMade-adidas Golf sales in euro terms. In the first half of 2011, revenues increased 16% to € 570 million from € 492 million in the prior year.

Other Businesses at a glance 45
€ in millions

	First half year 2011	First half year 2010	Change
Net sales	787	703	12%
Gross profit	356	313	14%
Gross margin	45.2%	44.6%	0.6pp
Segmental operating profit	220	197	12%
Segmental operating margin	28.0%	28.0%	0.0pp

Other Businesses first half year net sales 46
€ in millions



Currency-neutral Rockport sales up 2%

In the first half of 2011, Rockport revenues were up 2% on a currency-neutral basis. Regionally, double-digit growth in European Emerging Markets, Other Asian Markets as well as Latin America was partly offset by declines in Western Europe and North America. Currency translation effects negatively impacted sales in euro terms. Revenues in the Rockport segment remained stable at € 114 million in the first half of 2011 (2010: € 114 million).

Currency-neutral Reebok-CCM Hockey sales grow 6%

Currency-neutral Reebok-CCM Hockey sales grew 6% in the first half of 2011, mainly driven by double-digit sales increases in apparel. Regionally, double-digit sales growth in European Emerging Markets was partly offset by declines in Western Europe. Currency translation effects did not impact sales in euro terms. Reebok-CCM Hockey revenues increased 6% to € 77 million in the first half of 2011 from € 73 million in 2010.

Gross margin of Other Businesses improves 0.6 percentage points

Gross margin of Other Businesses increased 0.6 percentage points to 45.2% in the first half of 2011 from 44.6% in 2010. This was mainly due to improving product margins in most segments, in particular at Rockport as well as at Reebok-CCM Hockey. In absolute terms, gross profit increased 14% to € 356 million in the first half of 2011 versus € 313 million in 2010 see 45.

Segmental operating expenses as a percentage of sales increase 0.6 percentage points

Segmental operating expenses rose 16% to € 136 million in the first half of 2011 from € 117 million in 2010. This was driven in particular by higher sales working budget as well as marketing working budget expenditures at TaylorMade-adidas Golf. Segmental operating expenses as a percentage of sales increased 0.6 percentage points to 17.2% (2010: 16.6%).

Segmental operating profit up 12%

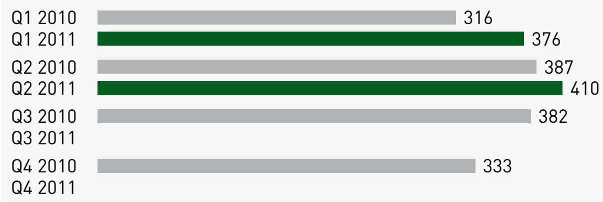
Segmental operating margin remained stable at 28.0% (2010: 28.0%). This was the result of higher segmental operating expenses as a percentage of sales which offset the increase in gross margin. In absolute terms, segmental operating profit increased 12% to € 220 million in the first half of 2011 versus € 197 million in the prior year see 49.

Other Businesses net sales by region 47
€ in millions

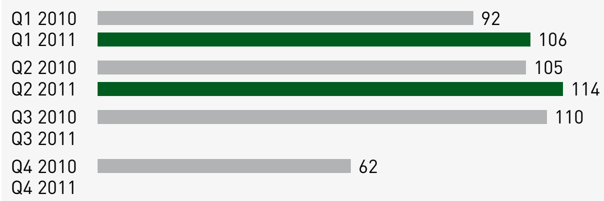
	First half year 2011	First half year 2010	Change	Change currency-neutral
Western Europe	127	114	11%	10%
European Emerging Markets	20	13	56%	59%
North America	444	395	12%	16%
Greater China	18	14	26%	27%
Other Asian Markets	172	160	7%	3%
Latin America	7	6	2%	6%
Total[1]	**787**	**703**	**12%**	**13%**

1) Rounding differences may arise in totals.

Other Businesses net sales by quarter 48
€ in millions



Other Businesses segmental operating profit by quarter 49
€ in millions



Subsequent Events and Outlook

In 2011, most major economies are projected to expand, with the sporting goods industry and the adidas Group expected to benefit from increasing consumer confidence and spending. Based on our strength in innovation, extensive pipeline of new and fresh products as well as marketing initiatives, we expect top- and bottom-line improvements in our Group's financial results in 2011. We forecast adidas Group sales to increase at around 10% on a currency-neutral basis due to growth in the Wholesale and Retail segments as well as in Other Businesses. The Group's gross margin is expected to be in a range between 47.5% and 48.0%. Pressures from higher input costs as well as the setback from the earthquake and tsunami catastrophe in Japan will weigh on otherwise positive effects anticipated from our regional and product mix. Operating margin is forecasted to improve to a level between 7.5% and 8.0%, driven by lower other operating expenses as a percentage of sales. As a result, we project earnings per share to grow at a rate approaching 15% to a level between € 3.10 and € 3.12.

Subsequent Events

No subsequent events

Since the end of the second quarter of 2011, there have been no significant organisation, management, economic, socio-political, legal or financial changes which we expect to influence our business materially going forward.

Outlook

Forward-looking statements

This Management Report contains forward-looking statements that reflect Management's current view with respect to the future development of the adidas Group. The outlook is based on estimates that we have made on the basis of all the information available to us at this point in time. In addition, such forward-looking statements are subject to risks and uncertainties as described in the Risk and Opportunity Report of the adidas Group Annual Report 2010, which are beyond the control of the adidas Group. In case the underlying assumptions turn out to be incorrect or described risks materialise, actual results and developments may materially deviate from those expressed by such statements. The adidas Group does not assume any obligation to update any forward-looking statements made in this Management Report beyond statutory disclosure obligations.

Global economy forecasted to grow in 2011

According to the World Bank, global GDP is projected to increase by 3.2% in 2011, after growing by 3.8% in 2010. The consensus from economic institutes and government agencies is that the majority of the world's economic growth will continue to be derived from the emerging economies, with modest growth in the developed markets. These developments are also forecasted to support increases in household incomes and help promote global consumer spending, which in turn will be supportive to our growth aspirations. In Western Europe, GDP is expected to increase by around 1.7% in 2011, with Germany as the main regional growth economy, due to strong export levels and increasing domestic demand. However, in many peripheral euro area economies, deficit and sovereign debt concerns coupled with high unemployment levels and tight austerity programmes are all considerable headwinds to growth in these markets. European emerging markets' GDP is estimated to grow at around 4.7% in 2011, driven by improvements in private spending and robust industrial output. Domestic demand in the region's largest economy, Russia, is forecasted to increase rapidly, supported by recovering consumer confidence, credit expansion and decreasing food inflation pressures. In the USA, GDP is forecasted to increase approximately 2.5% in 2011, with an improving manufacturing sector a key positive contributor to this growth.

However, government deficit concerns, a contraction in public sector spending, weak labour and housing markets, as well as decreases in consumer confidence and spending levels remain as considerable headwinds. In Asia, growth rates are expected to remain high, but to decelerate slightly to 4.0% in 2011. Increases will be driven by growth in the region's emerging markets, in particular in China and India as a result of strong domestic demand. In Japan, however, due to the negative effects of the natural disaster in March, economic growth is projected to be very modest in 2011. In Latin America, growth rates are likely to continue to moderate to around 4.5% in 2011 as fiscal and monetary tightening provides relief to inflation pressures. Nonetheless, low unemployment levels, strong export activity and rising domestic demand are all supportive to continued economic growth in this region.

Rising incomes to support consumer spending on sporting goods

We expect the global sporting goods industry to expand in 2011, however with significant regional variation. Following macroeconomic trends, consumer spending on sporting goods in the developing economies will outperform the more mature markets.

Due to higher input costs, inflation in footwear and apparel prices is also forecasted for the industry, which may dampen growth rates towards the end of the year. In Western Europe, the sporting goods industry is expected to grow modestly in 2011, despite tough prior year comparisons due to the 2010 FIFA World Cup and increasing pressure on prices from rising input costs. The improvement in consumer demand trends seen in the European emerging markets is expected to continue in 2011, led by Russia, where increasing income and spending are promoting expansion of the sporting goods industry. In North America, footwear and apparel sales growth rates are projected to accelerate in 2011. From a category perspective, lightweight running, training and outdoor are seen as particular drivers for the year. In Greater China, rising domestic consumption is forecasted to continue to propel sporting goods sales in 2011. In other Asian markets, the sporting goods industry is forecasted to extend its presence, due to rapid growth in markets such as India, Indonesia and Vietnam.

However in Japan, despite the gradual market recovery and slight improvements in consumer sentiment, the impact of the disaster and relatively low spending will lead to significant challenges for discretionary purchases including sporting goods. The sporting goods industry in Latin America is projected to grow in 2011, with falling unemployment rates and rising income levels promoting consumer spending.

adidas Group currency-neutral sales to increase at around 10% in 2011

We expect adidas Group sales to increase at around 10% on a currency-neutral basis in 2011. The positive sales development will be driven by rising consumer confidence as the global economy continues to improve. The positive impacts of our high exposure to fast-growing emerging markets, the further expansion of Retail as well as continued momentum at the Reebok brand will more than offset the non-recurrence of sales related to the 2010 FIFA World Cup. As a result, we expect the adidas Group to outperform global economic growth in 2011.

Currency-neutral Wholesale revenues expected to increase at a high-single-digit rate

We project currency-neutral Wholesale segment revenues to increase at a high-single-digit rate compared to the prior year. Order backlog development as well as positive retailer and trade show feedback support our growth expectations for 2011. Currency-neutral adidas Sport Performance sales are forecasted to increase at a mid-single-digit rate due to growth in key categories such as running and training. adidas Sport Style revenues are projected to increase at a mid-teens rate on a currency-neutral basis as a result of the expanded distribution scope and continued momentum in our product lines, in particular adidas NEO. Currency-neutral Reebok sales are expected to increase due to growth in the women's fitness and men's training categories as well as increases in the Classics business.

Retail sales to increase at a mid-teens rate on a currency-neutral basis

adidas Group currency-neutral Retail segment sales are projected to grow at a mid-teens rate in 2011. Comparable store sales are expected to increase at a high-single-digit rate and to contribute to revenue growth at a higher rate than the expansion of the Group's own-retail store base. The Group expects a net increase of its store base by around 100 adidas and Reebok stores in 2011. We forecast to open around 200 new stores, depending on the availability of desired locations.

New stores will primarily be located in emerging markets in Eastern Europe. Approximately 100 stores will be closed over the course of the year. Around 220 stores will be remodelled. As a result of the forecasted improvements in the consumer environment in 2011, concept stores are expected to perform slightly better than factory outlets.

Currency-neutral sales of Other Businesses to increase at a mid- to high-single-digit rate

In 2011, segmental revenues of Other Businesses are expected to increase at a mid- to high-single-digit rate on a currency-neutral basis. TaylorMade-adidas Golf currency-neutral sales are projected to grow at a mid- to high-single-digit rate compared to the prior year. Product launches in core categories such as metalwoods, irons and putters should support growth in this segment against a slow recovery in the global golf market. Revenues at Rockport are forecasted to increase at a high-single- to low-double-digit rate on a currency-neutral basis as a result of improvements in the brand's product portfolio and own-retail expansion. Currency-neutral sales at Reebok-CCM Hockey are expected to grow at a low-single-digit rate in 2011, mainly due to new product introductions.

adidas Group sales expected to grow in all regions

We expect Group currency-neutral revenues to increase in all our regions in 2011. In Western Europe, despite the non-recurrence of the 2010 FIFA World Cup, which provided a positive stimulus in the region in 2010, the gradual improvement in the macroeconomic environment will positively impact sales development in this region, albeit at a moderate level. Growth in Central Europe is likely to offset challenging conditions in the region's peripheral markets. In European Emerging Markets, the expansion of and increasing sophistication in our own-retail activities as well as improving wholesale conditions in some of the region's markets are forecasted to have a positive influence on Group sales. In North America, we expect to benefit from continued momentum, in particular with the adidas and Reebok brands. This will be driven by new product introductions and product extensions. In Greater China, following a sales decline in 2010, we expect a return to strong growth in this region in 2011. This will be mainly due to more current levels of inventory as well as the expansion of our retail footprint, including the further roll-out of adidas Originals and adidas NEO. In Other Asian Markets, we project sales to increase only slightly compared to the prior year as the setback from the earthquake and tsunami catastrophe in Japan on March 11 will partly offset the good performance in the region's other markets such as South Korea and India. Lastly, in Latin America, the strong positioning of our brands is expected to more than compensate for the non-recurrence of the positive impetus from sales associated with the 2010 FIFA World Cup.

Group gross margin to be in a range from 47.5% to 48.0%

In 2011, the adidas Group's gross margin is forecasted to reach a level between 47.5% and 48.0% (2010: 47.8%). While we expect gross margin in our Retail segment as well as Other Businesses to improve, gross margin in the Wholesale segment is forecasted to decline. In 2011, Group gross margin will benefit from positive regional mix effects, as growth rates in emerging markets are projected to be above growth rates in more mature markets. In addition, improvements in the Retail segment as well as at the Reebok brand will positively influence development of the Group's gross margin. However, these positive effects will be offset by several factors. In particular, sourcing costs will increase significantly compared to the prior year as a result of rising raw material costs and capacity constraints. In addition, as a consequence of the dramatic events in Japan during the first quarter of 2011, Group gross margin will be negatively impacted by sales declines in this market. Further, hedging terms in 2011 will be slightly less favourable compared to the prior year.

Group other operating expenses to decrease as a percentage of sales

In 2011, the Group's other operating expenses as a percentage of sales are expected to decrease modestly (2010: 42.1%). Sales and marketing working budget expenses as a percentage of sales are also projected to decline modestly compared to the prior year. Marketing investments to support Reebok's growth strategy in the women's fitness and men's training categories, as well as investments to support growth in our key attack markets North America, Greater China and Russia/CIS will be offset by the non-recurrence of expenses in relation to adidas' presence at the 2010 FIFA World Cup. Operating overhead expenditures as a percentage of sales are forecasted to decline slightly in 2011. Higher administrative and personnel expenses in the Retail segment due to the planned expansion of the Group's store base will be offset by leverage and efficiency gains in the Group's non-allocated central costs. We expect the number of employees within the adidas Group to increase versus the prior year level. Additional hires will be mainly related to own-retail expansion. The majority of new hires will be employed on a part-time basis and will be located in emerging markets. The adidas Group will continue to spend around 1% of Group sales on research and development in 2011. Areas of particular focus include customisation and digital sports products at adidas, as well as supporting the expansion of Reebok's fitness and training positioning.

Operating margin to continue to expand
In 2011, we expect the operating margin for the adidas Group to increase to a level between 7.5% and 8.0% (2010: 7.5%). Lower other operating expenses as a percentage of sales are expected to be the primary driver of the improvement.

Earnings per share to increase at a rate approaching 15%
Earnings per share are expected to increase at a rate approaching 15% to a level between € 3.10 and € 3.12 (2010 diluted earnings per share: € 2.71). Top-line improvement and an increased operating margin will be the primary drivers of this positive development. In addition, we expect lower interest expenses in 2011 as a result of a lower average level of net borrowings. The Group's tax rate is expected to be at a similar level compared to the prior year level (2010: 29.5%).

Operating working capital as a percentage of sales to increase
In 2011, average operating working capital as a percentage of sales is expected to increase compared to the prior year level (2010: 20.8%). This is mainly due to working capital increases to support the growth of our business.

Investment level between € 350 million and € 400 million
In 2011, investments in tangible and intangible assets are expected to amount to € 350 million to € 400 million (2010: € 269 million). Investments will focus on adidas and Reebok controlled space initiatives, in particular in emerging markets. These investments will account for almost one-third of total investments in 2011. Other areas of investment include the further development of the adidas Group Headquarters in Herzogenaurach, Germany, and the increased deployment of SAP and other IT systems in major subsidiaries within the Group. All investments within the adidas Group in 2011 are expected to be fully financed through cash generated from operations.

Excess cash to be used to support growth initiatives
In 2011, we expect continued positive cash flows from operating activities. Cash will be used to finance working capital needs, investment activities, as well as dividend payments. We intend to largely use excess cash to invest in our Route 2015 growth initiatives and to further reduce net borrowings. Over the long term, we aim to maintain a ratio of net borrowings over EBITDA of less than two times as measured at year-end (2010 ratio: 0.2).

adidas Group 2011 Outlook 50

		Previous guidance [1]
Currency-neutral sales development (in %):		
adidas Group	increase around 10%	high-single-digit increase
Wholesale	high-single-digit increase	mid- to high-single-digit increase
Retail	mid-teens increase	low-double-digit increase
Comparable store sales	high-single-digit increase	high-single-digit increase
Other Businesses	mid- to high-single-digit increase	mid-single-digit increase
TaylorMade-adidas Golf	mid- to high-single-digit increase	low- to mid-single-digit increase
Rockport	high-single- to low-double-digit increase	high-single- to low-double-digit increase
Reebok-CCM Hockey	low-single-digit increase	low-single-digit increase
Gross margin	47.5% to 48.0%	47.5% to 48.0%
Operating margin	7.5% to 8.0%	7.5% to 8.0%
Earnings per share	increase at a rate approaching 15% to € 3.10 to € 3.12	€ 2.98 to € 3.12
Average operating working capital as a percentage of sales	increase	increase
Capital expenditure	€ 350 million to € 400 million	€ 350 million to € 400 million
Store base	net increase by around 100 stores	net increase by around 100 stores
Net borrowings	decline	decline

1) As published on May 5, 2011.

Major product launches in Q3 2011 51

Brand	Product
adidas	adiPower Howard basketball shoe
adidas	Terrex Fast outdoor collection
adidas	CC Experience Trainer training shoe
adidas	CW Ride running shoe
adidas	adidas by Stella McCartney gym collection
Reebok	Rockeasy Classic footwear featuring Moving Air technology
Reebok	EasyTone Plus footwear
Reebok	Zig Dynamic running shoe
adidas Golf	Tour360 ATV golf shoe
TaylorMade	Ghost Spider putter
TaylorMade	CGB SuperMAX irons
TaylorMade	R11 irons
Rockport	DresSports footwear collection with truWALK technology
Rockport	Janae women's footwear collection

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Herzogenaurach, August 1, 2011

Herbert Hainer
Chief Executive Officer

Glenn Bennett
Global Operations

Robin J. Stalker
Chief Financial Officer

Erich Stamminger
Global Brands

adidas AG Consolidated Statement of Financial Position (IFRS)
€ in millions

	June 30, 2011	June 30, 2010	Change in %	Dec. 31, 2010
Cash and cash equivalents	451	594	(24.1)	1,156
Short-term financial assets	267	90	197.9	233
Accounts receivable	2,023	1,999	1.2	1,667
Other current financial assets	162	311	(47.9)	197
Inventories	2,376	2,049	16.0	2,119
Income tax receivables	53	91	(41.8)	71
Other current assets	433	428	1.3	390
Assets classified as held for sale	30	79	(61.6)	47
Total current assets	**5,795**	**5,641**	**2.8**	**5,880**
Property, plant and equipment	836	816	2.4	855
Goodwill	1,479	1,610	(8.2)	1,539
Trademarks	1,338	1,575	(15.1)	1,447
Other intangible assets	130	161	(19.2)	142
Long-term financial assets	95	93	1.9	93
Other non-current financial assets	36	124	(70.6)	54
Deferred tax assets	456	463	(1.4)	508
Other non-current assets	100	125	(20.4)	100
Total non-current assets	**4,470**	**4,967**	**(10.0)**	**4,738**
Total assets	**10,265**	**10,608**	**(3.2)**	**10,618**
Short-term borrowings	158	292	(45.9)	273
Accounts payable	1,605	1,464	9.6	1,694
Other current financial liabilities	137	107	27.9	123
Income taxes	230	247	(6.9)	265
Other current provisions	449	400	12.3	470
Current accrued liabilities	843	823	2.3	842
Other current liabilities	265	268	(0.9)	241
Liabilities classified as held for sale	0	1	(33.8)	0
Total current liabilities	**3,687**	**3,602**	**2.3**	**3,908**
Long-term borrowings	1,423	1,482	(3.9)	1,337
Other non-current financial liabilities	15	23	(36.8)	15
Pensions and similar obligations	188	167	12.4	180
Deferred tax liabilities	378	515	(26.5)	451
Other non-current provisions	36	23	56.2	29
Non-current accrued liabilities	35	35	1.0	39
Other non-current liabilities	29	25	18.2	36
Total non-current liabilities	**2,104**	**2,270**	**(7.3)**	**2,087**
Share capital	209	209	—	209
Reserves	232	948	(75.6)	563
Retained earnings	4,026	3,572	12.7	3,844
Shareholders' equity	**4,467**	**4,729**	**(5.5)**	**4,616**
Non-controlling interests	7	7	(5.3)	7
Total equity	**4,474**	**4,736**	**(5.5)**	**4,623**
Total liabilities and equity	**10,265**	**10,608**	**(3.2)**	**10,618**

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Income Statement (IFRS)

€ in millions

	First half year 2011	First half year 2010	Change	Second quarter 2011	Second quarter 2010	Change
Net sales	6,337	5,590	13.4%	3,064	2,917	5.0%
Cost of sales	3,244	2,863	13.3%	1,558	1,490	4.6%
Gross profit	**3,093**	**2,727**	**13.4%**	1,506	1,427	5.5%
(% of net sales)	48.8%	48.8%	0.0pp	49.2%	48.9%	0.2pp
Royalty and commission income	40	45	(11.1%)	22	24	(6.8%)
Other operating income	36	72	(50.1%)	19	25	(25.4%)
Other operating expenses	2,637	2,390	10.3%	1,328	1,281	3.6%
(% of net sales)	41.6%	42.8%	(1.1pp)	43.3%	43.9%	(0.6pp)
Operating profit	**532**	**454**	**17.1%**	219	195	12.3%
(% of net sales)	8.4%	8.1%	0.3pp	7.1%	6.7%	0.5pp
Financial income	13	23	(43.0%)	8	11	(22.3%)
Financial expenses	63	58	7.9%	30	30	2.0%
Income before taxes	**482**	**419**	**15.1%**	197	176	12.0%
(% of net sales)	7.6%	7.5%	0.1pp	6.4%	6.0%	0.4pp
Income taxes	133	124	7.3%	57	50	15.4%
(% of income before taxes)	27.5%	29.5%	(2.0pp)	29.0%	28.1%	0.9pp
Net income	**349**	**295**	**18.3%**	140	126	10.6%
(% of net sales)	5.5%	5.3%	0.2pp	4.6%	4.3%	0.2pp
Net income attributable to shareholders	**349**	**295**	**18.6%**	140	126	10.7%
(% of net sales)	5.5%	5.3%	0.2pp	4.6%	4.3%	0.2pp
Net income attributable to non-controlling interests	**0**	**0**	**(76.6%)**	(0)	(0)	(97.4%)
Basic earnings per share (in €)	1.67	1.41	18.6%	0.67	0.60	10.7%
Diluted earnings per share (in €)	1.67	1.41	18.6%	0.67	0.60	10.7%

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Statement of Comprehensive Income (IFRS)
€ in millions

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	First half year 2011	First half year 2010
Net income after taxes	349	295
Net (loss)/gain on cash flow hedges, net of tax	(59)	154
Actuarial gain of defined benefit plans (IAS 19), net of tax	0	4
Currency translation	(272)	580
Other comprehensive income	**(331)**	**738**
Total comprehensive income	**18**	**1,033**
Attributable to shareholders of adidas AG	18	1,031
Attributable to non-controlling interests	0	2

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Statement of Changes in Equity (IFRS)
€ in millions

	Share capital	Capital reserve	Cumulative translation adjustments	Hedging reserve	Other reserves[1]	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2009	**209**	**722**	**(451)**	**(41)**	**(18)**	**3,350**	**3,771**	**5**	**3,776**
Total comprehensive income			578	154	4	295	1,031	2	1,033
Dividend payment						(73)	(73)	(0)	(73)
Reclassifications of non-controlling interests in accordance with IAS 32						0	0		0
Balance at June 30, 2010	**209**	**722**	**127**	**113**	**(14)**	**3,572**	**4,729**	**7**	**4,736**
Balance at December 31, 2010	**209**	**722**	**(121)**	**(10)**	**(28)**	**3,844**	**4,616**	**7**	**4,623**
Total comprehensive income			(272)	(59)	0	349	18	0	18
Dividend payment						(167)	(167)	(0)	(167)
Reclassifications of non-controlling interests in accordance with IAS 32						(0)	(0)		(0)
Balance at June 30, 2011	**209**	**722**	**(393)**	**(69)**	**(28)**	**4,026**	**4,467**	**7**	**4,474**

1) Reserves for actuarial gains/losses and share option plans.
Rounding differences may arise in percentages and totals.

adidas AG Consolidated Statement of Cash Flows (IFRS)
€ in millions

	First half year 2011	First half year 2010
Operating activities:		
Income before taxes	482	419
Adjustments for:		
Depreciation, amortisation and impairment losses	117	122
Reversals of impairment losses	(1)	(2)
Unrealised foreign exchange (gains)/losses, net	(14)	8
Interest income	(13)	(14)
Interest expense	52	59
Gains on sale of property, plant and equipment, net	(0)	(9)
Operating profit before working capital changes	**623**	**583**
Increase in receivables and other assets	(473)	(363)
Increase in inventories	(326)	(371)
Increase in accounts payable and other liabilities	39	235
Cash (used in)/generated from operations before interest and taxes	**(137)**	**84**
Interest paid	(49)	(48)
Income taxes paid	(146)	(109)
Net cash used in operating activities	**(332)**	**(73)**
Investing activities:		
Purchase of trademarks and other intangible assets	(15)	(11)
Proceeds from sale of trademarks and other intangible assets	1	14
Purchase of property, plant and equipment	(109)	(72)
Proceeds from sale of property, plant and equipment	1	6
Purchase of short-term financial assets	(47)	(12)
Purchase of investments and other long-term assets	(5)	(3)
Interest received	13	14
Net cash used in investing activities	**(161)**	**(64)**
Financing activities:		
Proceeds from long-term borrowings	329	197
Dividend paid to shareholders of adidas AG	(167)	(73)
Dividend paid to non-controlling interest shareholders	(0)	(0)
Cash repayments of short-term borrowings	(350)	(186)
Net cash used in financing activities	**(188)**	**(62)**
Effect of exchange rates on cash	**(24)**	**18**
Net decrease of cash and cash equivalents	(705)	(181)
Cash and cash equivalents at beginning of the year	1,156	775
Cash and cash equivalents at end of the period	**451**	**594**

Rounding differences may arise in percentages and totals.

Selected Explanatory Notes to the Interim Consolidated Financial Statements (IFRS) as at June 30, 2011

General ⋙ 01

The interim consolidated financial statements of adidas AG and its subsidiaries (collectively the "Group") for the first half year ending June 30, 2011 are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The Group applied all International Financial Reporting Standards and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) effective as at June 30, 2011.

These interim consolidated financial statements have been prepared in compliance with IAS 34 "International Accounting Standard No. 34 – Interim Financial Reporting" and with GAS 16 "German Accounting Standard No. 16 – Interim Financial Reporting". Accordingly, these interim consolidated financial statements do not include all of the information and notes required for consolidated financial statements for financial year ends. Therefore, these interim consolidated financial statements should be read in conjunction with the 2010 annual consolidated financial statements. The accounting policies as well as principles and practices applied in the consolidated financial statements for the year ending December 31, 2010 also apply to the interim consolidated financial statements for the first half year ending June 30, 2011.

An exemption to this principle is the application of new/revised standards and interpretations which are effective for financial years starting from January 1, 2011. The application of new/revised standards does not have any material impact on the Group's financial position, results of operations and cash flows.

The interim consolidated financial statements and the interim Group management report have not been audited in accordance with § 317 German Commercial Code (Handelsgesetzbuch – HGB) or reviewed by an auditor.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim consolidated financial statements only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

The results of operations for the first half year ending June 30, 2011 are not necessarily indicative of results to be expected for the entire year.

Seasonality ⋙ 02

The sales of the Group in certain product categories are seasonal and therefore revenues and attributable earnings may vary within the financial year. Sales and earnings tend to be strongest in the first and third quarters of the financial year because these coincide with the launch of the spring/summer and fall/winter collections, respectively. This is especially relevant for the adidas and Reebok brands, whose sales account for approximately 90% of the Group's net sales. However, shifts in the share of sales and attributable earnings of particular product categories, brands or the regional composition may occur throughout the year.

Assets/liabilities classified as held for sale ⋙ 03

The composition of assets/liabilities classified as held for sale is unchanged versus March 31, 2011.

Shareholders' equity ⋙ 04

In the period from January 1, 2011 to June 30, 2011, the nominal capital of adidas AG did not change. Consequently, on June 30, 2011, the nominal capital of adidas AG amounted to € 209,216,186, divided into 209,216,186 registered no-par-value shares ("registered shares").

Other operating income and other operating expenses ⋙ 05

Other operating income mainly includes income from the release of accrued liabilities and other provisions as well as sundry income.

Other operating expenses include expenses for marketing, sales and research and development, as well as for logistics and central administration. In addition, they include impairment losses as well as depreciation on tangible assets and amortisation on intangible assets, with the exception of depreciation and amortisation which is included in the cost of sales. In the first half of 2011, depreciation and amortisation expense for tangible and intangible assets (excluding goodwill) and impairment losses amounted to € 115 million (2010: € 118 million).

Segmental reporting ⋙ 06

The Group's internal management reporting is structured into six operating segments: Wholesale, Retail, TaylorMade-adidas Golf, Rockport, Reebok-CCM Hockey and Other Centrally Managed Brands.

The adidas and Reebok brands are reported under the segments Wholesale, Retail and Other Centrally Managed Brands.

The operating segment TaylorMade-adidas Golf contains the brands TaylorMade, adidas Golf and Ashworth.

TaylorMade-adidas Golf, Rockport, Reebok-CCM Hockey and Other Centrally Managed Brands do not meet the definition of a reportable segment according to IFRS 8 "International Financial Reporting Standard No. 8 – Operating Segments" and are therefore aggregated under "Other Businesses" due to their only subordinate materiality.

Certain centralised Group functions do not meet the definition of IFRS 8 for a reportable operating segment. This includes functions such as central treasury, global sourcing as well as other headquarters departments. Income and expenses relating to these corporate functions are presented together with other non-allocable items and intersegment eliminations in the reconciliation of segmental operating profit. Segmental operating profit is defined as gross profit minus costs directly attributable to the segment or the group of segments (primarily sales and logistics costs) before marketing working budget expenditures and operating overhead costs not directly attributable.

Segmental assets include accounts receivable and inventories.

Segmental information
€ in millions

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	Wholesale		Retail		Other Businesses		Total Segments	
	2011	2010	2011	2010	2011	2010	2011	2010
Net sales (non-Group)[1]	4,292	3,826	1,258	1,061	787	703	6,337	5,590
Segmental operating profit[1]	1,388	1,233	261	199	220	197	1,869	1,629
Segmental assets[2]	3,138	2,869	580	530	663	614	4,381	4,013

1) First half year.
2) At June 30.

Reconciliation

Operating profit
€ in millions

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	First half year 2011	First half year 2010
Operating profit for reportable segments	1,649	1,432
Operating profit for Other Businesses	220	197
HQ/Consolidation	133	124
Marketing working budget	675	620
Other operating expenses	835	724
Royalty and commission income	40	45
Operating profit	**532**	**454**
Financial income	13	23
Financial expenses	63	58
Income before taxes	**482**	**419**

Subsequent events ⋙ 07

Between the end of the first half of 2011 and the finalisation of the interim consolidated financial statements on August 1, 2011, there were no major Group-specific matters which we expect to influence our business materially going forward.

Herzogenaurach, August 1, 2011
The Executive Board of adidas AG

Executive and Supervisory Boards

Executive Board

Herbert Hainer
Chief Executive Officer

Glenn Bennett
Global Operations

Robin J. Stalker
Chief Financial Officer

Erich Stamminger
Global Brands

Supervisory Board

Igor Landau
Chairman

Sabine Bauer [1)]
Deputy Chairwoman

Willi Schwerdtle
Deputy Chairman

Dieter Hauenstein [1)]

Dr. Wolfgang Jäger [1)]

Dr. Stefan Jentzsch

Herbert Kauffmann

Roland Nosko [1)]

Alexander Popov

Hans Ruprecht [1)]

Heidi Thaler-Veh [1)]

Christian Tourres

1) Employee representative.

Biographical information on our Executive Board members as well as on mandates of the members of the Executive Board and the members of the Supervisory Board is available at »» www.adidas-Group.com/executive-board and »» www.adidas-Group.com/supervisory-board.

Financial Calendar

»» 2011/2012

Investor Field Trip .... »» **October 10 – 11, 2011**
Moscow, Russia

Nine Months 2011 Results .... »» **November 3, 2011**
Press release, conference call and webcast
Publication of Nine Months 2011 Report

Full Year 2011 Results .... »» **March 7, 2012**
Analyst and press conferences in Herzogenaurach, Germany
Press release, conference call and webcast

First Quarter 2012 Results .... »» **May 3, 2012**
Press release, conference call and webcast
Publication of First Quarter 2012 Report

Annual General Meeting .... »» **May 10, 2012**
Fürth (Bavaria), Germany
Webcast

Dividend paid .... »» **May 11, 2012**
(Subject to Annual General Meeting approval)

First Half 2012 Results .... »» **August 2, 2012**
Press release, conference call and webcast
Publication of First Half 2012 Report

Nine Months 2012 Results .... »» **November 8, 2012**
Press release, conference call and webcast
Publication of Nine Months 2012 Report

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adidas Group is a member of DIRK (German Investor Relations Association) and NIRI (National Investor Relations Institute, USA).

This report is also available in German.

For further adidas Group publications, please see our corporate website.

To improve readability, registered trademarks are omitted in this Quarterly Report.

Concept and Design
Strichpunkt, Stuttgart

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