HOW
FIFTH GERMAN CORPORATE CONFERENCE
MUNICH - SEPTEMBER 21, 2016
WE CREATE THE NEW
OPERATIONAL HIGHLIGHTS
MAJOR DEVELOPMENTS IN Q2
ADIDAS GROUP DELIVERS RECORD SECOND QUARTER PERFORMANCE

GROUP REVENUES GROW 21% CURRENCY-NEUTRAL OR 13% IN EURO TERMS TO € 4.4 BILLION

ONGOING BRAND HEAT AT ADIDAS (+25%)
FUELED BY GROWTH IN KEY PERFORMANCE AND LIFESTYLE CATEGORIES

ACCELERATING MOMENTUM AT REEBOK (+7%)
13th CONSECUTIVE QUARTER OF GROWTH

GROSS MARGIN CLIMBS 50 BASIS POINTS TO 48.8%
DRIVEN BY A MORE FAVOURABLE PRICING, PRODUCT AND CHANNEL MIX

OPERATING MARGIN RISES 3.4PP TO 9.4%
PARTLY DUE TO EARLY TERMINATION OF CHELSEA F.C. CONTRACT

UNDERLYING NET INCOME NEARLY DOUBLES TO € 291 MILLION
**STRONG GROWTH IN KEY MARKETS AND KEY CATEGORIES**
UNDERLINES BROAD-BASED TOP-LINE MOMENTUM

<table>
<thead>
<tr>
<th>KEY MARKETS</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>WESTERN EUROPE</td>
<td>+29%</td>
</tr>
<tr>
<td>NORTH AMERICA</td>
<td>+26%</td>
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<tr>
<td>LATIN AMERICA</td>
<td>+8%</td>
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<table>
<thead>
<tr>
<th>KEY CATEGORIES</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>FOOTBALL</td>
<td>+17%</td>
</tr>
<tr>
<td>RUNNING</td>
<td>+30%</td>
</tr>
<tr>
<td>TRAINING</td>
<td>+11%</td>
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<tr>
<td>ORIGINALS</td>
<td>+50%</td>
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<tr>
<td>NEO</td>
<td>+31%</td>
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</table>
FOOTBALL

CURRENCY-NEUTRAL REVENUES GROW 17% IN Q2, WITH DOUBLE-DIGIT SALES INCREASES IN MOST MARKETS

REVENUES IN APPAREL UP AT A STRONG DOUBLE-DIGIT RATE, REFLECTING THE SUCCESS AROUND FEDERATION JERSEYS

NEW RECORD SALES OF €2.5 BILLION IN 2016 EXPECTED

#FIRSTNEVERFOLLOWS CAMPAIGN ‘REDEFINES THE RULES OF REAL-TIME MARKETING’

ADIDAS CLAIMS THE TITLE OF ‘MOST SHAREABLE BRAND’ OF UEFA EURO 2016
KEY FRANCHISES
DRIVE RECORD Q2 SALES

RUNNING

CURRENCY-NEUTRAL REVENUES SOAR 30% IN Q2, FUELED BY STRONG DOUBLE-DIGIT SALES GROWTH IN ALL MAJOR MARKETS

FOOTWEAR SALES GROW AT A STRONG DOUBLE-DIGIT RATE, DRIVEN BY THE STRONG DEMAND AROUND KEY FRANCHISES

HIGHLY ANTICIPATED ULTRA BOOST UNCAGED SUCCESSFULLY INTRODUCED

ADIDAS RUNNING CURRENTLY WITH 12 RUNBASES AND COUNTING
FOCUS ON FEMALE CONSUMER
PROPELS TOP-LINE GROWTH

TRAINING

CURRENCY-NEUTRAL REVENUES GROW 11% IN Q2, DRIVEN BY HIGH-SINGLE-DIGIT GROWTH IN FOOTWEAR AND DOUBLE-DIGIT INCREASES IN APPAREL

DOUBLE-DIGIT SALES GROWTH IN ALL MAJOR REGIONS

ONGOING STRONG MOMENTUM IN THE MEN’S BUSINESS FUELLED BY LATEST GENERATION OF TECHFIT

STRONG GROWTH IN THE WOMEN’S BUSINESS, SUPPORTED BY SUCCESSFUL MARKETING CAMPAIGNS
UNRIVALLED EXCITEMENT THROUGH KEY FRANCHISES AND PARTNERSHIPS

ORIGINALS

CURRENCY-NEUTRAL SALES SURGE 50% IN Q2
DOUBLE-DIGIT INCREASES IN ALL MARKETS EXCEPT RUSSIA/CIS
STRONG DOUBLE-DIGIT SALES GROWTH IN BOTH FOOTWEAR AND APPAREL
NMD AND YEEZY BOOST REMAIN THE MOST IN-DEMAND SNEAKERS WITH OUTSTANDING SELL-THROUGH RATES
KANYE WEST AND ORIGINALS EXTEND AND EXPAND EXCLUSIVE PARTNERSHIP
NEW PRODUCT INTRODUCTIONS
FOSTER TOP-LINE MOMENTUM

NEO

CURRENCY-NEUTRAL SALES UP 31% IN Q2, WITH STRONG DOUBLE-DIGIT GROWTH IN ALL MARKETS EXCEPT JAPAN

DOUBLE-DIGIT INCREASES IN FOOTWEAR DRIVEN BY NEW PRODUCT INTRODUCTIONS

SUCCESSFUL LAUNCH OF THE CLOUDFOAM FRANCHISE

#CLOUDFOAM WITH ALMOST 10 MILLION IMPRESSIONS ON INSTAGRAM
13th Consecutive Quarter of Top-Line Growth

Reebok

Currency-neutral sales increase 7% in Q2

Double-digit sales growth in key markets such as Western Europe, Greater China, Russia/CIS and Japan

Classics records another quarter of strong double-digit sales growth

Reebok releases the highly anticipated JJ1 Training Shoe

Launch of the 2nd iteration of the ‘Be More Human’ campaign: 25,915 days
REVENUES AT TMAG UP 7% IN Q2, DRIVEN BY STRONG DOUBLE-DIGIT SALES INCREASES AT TAYLORMADE (+24%)

STRONG DOUBLE-DIGIT GROWTH IN METALWOODS, FUELLED BY THE M1 AND M2 PRODUCT FAMILIES

TMAG UNDISPUTED NO1 IN METALWOODS

TMAG TURNS PROFITABLE IN Q2, DUE TO SIGNIFICANT GROSS MARGIN IMPROVEMENTS AS WELL AS OPERATING LEVERAGE
BROAD-BASED TOP-LINE MOMENTUM CONTINUES
WITH STRONG DOUBLE-DIGIT SALES INCREASES IN MOST REGIONS

NORTH AMERICA +26%
LATIN AMERICA +8%
WESTERN EUROPE +29%
RUSSIA/CIS +7%
MEAA +14%
GREATER CHINA +30%
JAPAN +21%

CURRENCY-NEUTRAL.
FIGURES REFLECT COMBINED REVENUES OF THE ADIDAS AND REEBOK BUSINESSES.
ACCELERATING MOMENTUM AT ADIDAS AND REEBOK

WESTERN EUROPE

CURRENCY-NEUTRAL SALES GROW 29% IN Q2, WITH DOUBLE-DIGIT SALES GROWTH IN ALL MAJOR COUNTRIES

ADIDAS REVENUES UP 30%, FUELED BY DOUBLE-DIGIT SALES INCREASES IN KEY PERFORMANCE AND LIFESTYLE CATEGORIES

REEBOK SALES INCREASE 23%, DUE TO DOUBLE-DIGIT GROWTH IN THE TRAINING CATEGORY AND IN CLASSICS

GROSS MARGIN NEGATIVELY IMPACTED BY SEVERE FX HEADWINDS

RETAIL SALES GROW 23%, WITH COMP STORE SALES UP A STRONG 15%
MOMENTUM CONTINUES TO GAIN TRACTION

CURRENCY-NEUTRAL SALES GROW 26% IN Q2

ACCELERATING MOMENTUM AT ADIDAS (+32%), DRIVEN BY DOUBLE-DIGIT GROWTH IN KEY PERFORMANCE AND LIFESTYLE CATEGORIES

REEBOK SALES DECLINE 3%, REFLECTING ONGOING EFFORTS TO STREAMLINE US DISTRIBUTION

SIGNIFICANT GROSS MARGIN IMPROVEMENTS (+2.1PP) AS A RESULT OF A FURTHER INCREASE IN BRAND STRENGTH

OPERATING MARGIN UP STRONGLY (+6.8PP), REFLECTING GROSS MARGIN EXPANSION AND OPERATING LEVERAGE
BRAND HEAT AT ADIDAS AND REEBOK CONTINUES

CURRENCY-NEUTRAL SALES INCREASE 30% IN Q2

9TH CONSECUTIVE QUARTER OF DOUBLE-DIGIT GROWTH

SALES AT ADIDAS GROW 30%, FUELLED BY STRONG DOUBLE-DIGIT GROWTH IN KEY PERFORMANCE CATEGORIES AS WELL AS AT ADIDAS ORIGINALS AND ADIDAS NEO

REEBOK REVENUES UP 38%, DRIVEN BY DOUBLE-DIGIT SALES GROWTH IN RUNNING, TRAINING AS WELL AS AT CLASSICS

OPERATING MARGIN IMPROVES STRONGLY (+0.7PP), REFLECTING STRONG GROSS MARGIN IMPROVEMENTS

NEW STRATEGIC PARTNERSHIP WITH CHINESE REAL ESTATE AND SPORTS BUSINESS GIANT WANDA GROUP ANNOUNCED
GROUP GROSS MARGIN IMPROVES 0.5PP IN Q2

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<tr>
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<th>Q2 2016</th>
<th>H1 2016</th>
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<tbody>
<tr>
<td><strong>GROSS MARGIN</strong></td>
<td>+0.5pp</td>
<td>48.8%</td>
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<tr>
<td></td>
<td></td>
<td>+0.4pp</td>
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<tr>
<td><strong>OTHER OPERATING EXPENSES</strong></td>
<td>+12%</td>
<td>€ 1,935 MILLION</td>
</tr>
<tr>
<td><strong>OTHER OPERATING EXPENSES AS A PERCENTAGE OF SALES</strong></td>
<td>(0.3pp)</td>
<td>43.8%</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT</strong></td>
<td>+77%</td>
<td>€ 414 MILLION</td>
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<tr>
<td><strong>OPERATING MARGIN</strong></td>
<td>+3.4pp</td>
<td>9.4%</td>
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Excluding goodwill impairment losses in the first quarter of 2015. Figures reflect continuing operations as a result of the divestiture of the Rockport business.
UNDERLYING NET INCOME NEARLY DOUBLES TO € 291 MILLION

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<tr>
<td>FINANCIAL INCOME</td>
<td>+13%</td>
<td>+21%</td>
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<tr>
<td>FINANCIAL EXPENSES</td>
<td>(19%)</td>
<td>(17%)</td>
</tr>
<tr>
<td>INCOME BEFORE TAXES</td>
<td>+82%</td>
<td>+54%</td>
</tr>
<tr>
<td>NET INCOME FROM CONTINUING OPERATIONS</td>
<td>+99%</td>
<td>+60%</td>
</tr>
<tr>
<td>DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS</td>
<td>97%</td>
<td>+59%</td>
</tr>
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FINANCIAL INCOME
Q2 2016: € 9 MILLION, +13%
H1 2016: € 29 MILLION, +21%

FINANCIAL EXPENSES
Q2 2016: € 14 MILLION, (19%)
H1 2016: € 27 MILLION, (17%)

INCOME BEFORE TAXES
Q2 2016: € 410 MILLION, +82%
H1 2016: € 907 MILLION, +54%

NET INCOME FROM CONTINUING OPERATIONS
Q2 2016: € 291 MILLION, +99%
H1 2016: € 641 MILLION, +60%

DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS
Q2 2016: € 1.42
H1 2016: € 3.13, +59%

Excluding goodwill impairment losses in the first quarter of 2015.
Figures reflect continuing operations as a result of the divestiture of the Rockport business.
**AVERAGE OWC IN % OF SALES**

DOWN 1.2PP TO 20.4%

Average operating working capital in % of sales at quarter-end.

*2016, 2015 reflect continuing operations as a result of the divestiture of the Rockport business.*

**INVENTORIES GROW 24% (CN)**

**TO SUPPORT TOP-LINE MOMENTUM**

**RECEIVABLES UP 8% (CN)**

**PAYABLES GROW 10% (CN), REFLECTING THE INCREASE IN INVENTORIES**
NET DEBT POSITION OF € 1,028 MILLION

INCREASE IN NET DEBT DUE TO UTILISATION OF CASH FOR THE PURCHASE OF FIXED ASSETS AND THE ACQUISITION OF RUNTASTIC

RATIO OF NET DEBT/EBITDA AMOUNTS TO 0.6 (2015: 0.6)

EQUITY RATIO REMAINS AT STRONG LEVEL OF 41.3% (2015: 43.5%)

Net debt at quarter-end, € in millions.
OLYMPIC GAMES 2016
ILLUSTRATING THE BREADTH OF THE ADIDAS BRAND
SPORT 16 BURST 2

ADIDAS LAUNCHES NEXT CHAPTER OF ITS BRAND CAMPAIGN
SPEED OF LIGHT

ADIDAS UNVEILS SPEED OF LIGHT PACK AHEAD OF THE START OF THE 2016/17 SEASON
FIRST NEVER FOLLOWS

ADIDAS INTRODUCES THE NEXT CHAPTER OF ITS FOOTBALL CAMPAIGN
ACE 16+ PURECONTROL
ADIDAS FOOTBALL REINVENTS ON-PITCH SHOE FOR THE STREETS
COLORBOOST PROVIDES BOOST WITH A NEW LOOK
BASKETBALL

INTRODUCING CRAZY EXPLOSIVE
ORIGINALS
ICONIC FOOTWEAR FRANCHISE MEETS REAL-LIFE SUPERSTAR

PHARRELL WILLIAMS
NEO

STEPPING INTO COMFORT WITH CLOUDFOAM
REEBOK
PUTTING FURTHER EMPHASIS ON CROSSFIT AND COMBAT TRAINING
IMPROVED OUTLOOK
ADIDAS GROUP INCREASES FY 2016 GUIDANCE

GROUP SALES TO INCREASE
AT A RATE IN THE HIGH TEENS

GROSS MARGIN TO BE BETWEEN
48.0% AND 48.3%

OPERATING MARGIN TO INCREASE
TO A LEVEL UP TO 7.5%

UNDERLYING NET INCOME TO INCREASE
AT A RATE BETWEEN 35% AND 39% TO A LEVEL BETWEEN € 0.975 BILLION AND € 1.0 BILLION