Strong First Half 2006 Operational Performance

• 2006 FIFA World Cup™ strengthens adidas position as the world’s leading football brand

• Strong financial results at adidas and TaylorMade-adidas Golf

• Important steps taken in Reebok integration
Regional Sales Growth of Combined Group

Currency-neutral adidas Group YTD Net Sales Growth in % of total Group sales

- **Europe**: +27% (+28%)
- **North America**: +99% (+110%)
- **Asia**: +34% (+36%)
- **Latin America**: +62% (+78%)
- **Total Group**: +49% (+53%)

(Growth rates in euros in brackets)
Numerous Factors Impact First Half Gross Margin

adidas Group gross margin 44.8% (-3.7pp)

- Product mix
- Own retail
- Clearance sales at better margins

Reebok
- US exposure
- PPA impact
- Markdown/product mix

TaylorMade
- Metalwood promotion impact
- Greg Norman

46.5% (+0.9pp)
33.6%
44.1% (-2.5pp)
### Positive Operating Expense Development

<table>
<thead>
<tr>
<th>Opex as % of sales</th>
<th>YTD 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>adidas</td>
<td>35.1%</td>
</tr>
<tr>
<td>Reebok</td>
<td>33.4%</td>
</tr>
<tr>
<td>TaylorMade</td>
<td>34.7%</td>
</tr>
<tr>
<td>adidas Group</td>
<td>37.0%</td>
</tr>
</tbody>
</table>

**Operating profit +18% to € 420 million**

**Operating margin 8.6% (-2.6pp)**
Strong IBT and Earnings Performance

- Net financial expenses increase to € 72 million
- Income before taxes grows 4% to € 348 million
- Group tax rate decreases to 32.9%
- Net income from continuing operations increases to € 234 million (+4%)

Net income attributable to shareholders reaches € 226 million

Basic earnings per share from continuing and discontinued operations increase 19% to € 1.11
Three Unique Performance-Oriented Brands

- Passion for sport and teamwork
- Enabling athletes to reach their highest performance levels

- Celebrating Individuality
- Redefining performance and lifestyle

- Defining golf excellence
- Best golf products for best players

Technology and innovation
Cutting-edge design
Customized products and distribution
Outstanding adidas Financial Performance

- Q2 currency-neutral sales up 18% (17% in euros)
- Double-digit growth in all divisions and in all regions
- Football sales grow nearly 50%
- Own-retail sales increase 39%, on track to surpass €1 billion in 2006
World Cup Sales Exceed All Expectations

- Football category generates sales of more than €1.2 billion in 2006
- On track to exceed all sales targets:
  - 15 million +Teamgeist™ balls
  - 3 million team jerseys
  - 1 million +Predator® boots
- Most recognized brand of the World Cup
Ground-breaking Brand Communication Initiatives
Football Partnership Portfolio Further Strengthened
UK: Europe’s Toughest Market

• The UK is the toughest sporting goods market in Europe

• New go-to-market strategy:
  • Creation of a new “Concept” range available to retailers who meet trade policy requirements
  • Segmentation supports long-term health of our brands
  • Positive initial responses from many retailers
  • Beneficial medium- and long-term effect on sales and market expected
Exciting New Running Initiatives

Porsche Design
adidas Backlog Strength Continues

<table>
<thead>
<tr>
<th></th>
<th>Change</th>
<th>Currency-neutral change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footwear</td>
<td>0%</td>
<td>+3%</td>
</tr>
<tr>
<td>Apparel</td>
<td>+10%</td>
<td>+13%</td>
</tr>
<tr>
<td>Total</td>
<td>+6%</td>
<td>+9%</td>
</tr>
</tbody>
</table>

- Asia delivers highest growth rates
- NBA and Liverpool transfer support apparel growth
Reebok Strengthens Partnership Portfolio
Reebok First Half Performance in Line with Expectations

- No surprises in Reebok’s performance
- Revenues decrease -12% on a currency-neutral basis
- Sequential improvement in sales and backlogs
## Strong Pipeline of Reebok Integration Initiatives

<table>
<thead>
<tr>
<th>Annual revenue synergies: € 500 million</th>
<th>Branded apparel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Licensed product</td>
</tr>
<tr>
<td></td>
<td>Regional initiatives</td>
</tr>
<tr>
<td></td>
<td>Distributor buyouts</td>
</tr>
<tr>
<td>Annual cost synergies: € 175 million</td>
<td>Sourcing</td>
</tr>
<tr>
<td></td>
<td>Marketing &amp; Sales</td>
</tr>
<tr>
<td></td>
<td>Distribution &amp; Warehousing</td>
</tr>
<tr>
<td></td>
<td>Administration &amp; IT</td>
</tr>
</tbody>
</table>
Numerous Initiatives at Reebok

• Distributor buy-outs announced
• Cost savings in sourcing confirmed
• Back-office functions combined
• Go-to-market strategy redesigned
• Co-locations underway
Numerous Initiatives at Reebok (cont.)

• Media buying activities combined

• New COO for North America named, responsible for all three brands

• New head for branded apparel activities named

• NBA business transferred to adidas
Reebok Backlogs Better Than in the First Quarter

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<td>-16%</td>
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<tr>
<td>Total</td>
<td>-16%</td>
<td>-13%</td>
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</tbody>
</table>

- Sequential currency-neutral improvement versus Q1
- First positive backlogs in Asia
TaylorMade-adidas Golf Growth Exceeds Expectations

- Currency-neutral sales up 28%
- Metalwoods promotion initiative to protect market share and maintain premium price points
- Initiative led to market share increases
- Short-term impact on gross margin

Double-digit growth now expected in 2006
Full Year Targets Reconfirmed

<table>
<thead>
<tr>
<th>adidas Group 2006</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth</td>
<td>double-digit</td>
</tr>
<tr>
<td>Gross margin</td>
<td>44 - 46%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>ca. 9%</td>
</tr>
<tr>
<td>Net income growth</td>
<td>double-digit</td>
</tr>
</tbody>
</table>
Setting an Even Stronger Pace

- Strong first half
- Ambitious targets
- Exciting operational initiatives

adidas Group Well on Track to Reach 2006 Targets
QUESTIONS & ANSWERS
Phasing of Revenue Synergies on the Fast-Track

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synergy</td>
<td>100</td>
<td>250</td>
<td>500</td>
</tr>
</tbody>
</table>

- Savings equally spread over Asia, North America and Europe
- One-time expenses to average €15 – 25 million per year
Phasing of Cost Synergies Leads to Full Impact in 2009

<table>
<thead>
<tr>
<th>€ in millions</th>
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<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synergy</td>
<td>35</td>
<td>87.5</td>
<td>175</td>
<td>175</td>
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<tr>
<td>One-time cost</td>
<td>35</td>
<td>70</td>
<td>70</td>
<td>-</td>
</tr>
<tr>
<td>Net effect</td>
<td>0</td>
<td>17.5</td>
<td>105</td>
<td>175</td>
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