

FOR IMMEDIATE RELEASE

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Nine Months 2014 Results:

**Group sales increase 9% on a currency-neutral basis in Q3
adidas and Reebok sales up 12% and 7% in Q3**

Negative currency effects and weakness in golf continue to weigh on Group earnings

- **Group sales increase 6% currency-neutral in first nine months**
- **Strong momentum in Latin America, European Emerging Markets and Greater China, with currency-neutral revenues up 22%, 20% and 10%, respectively**
- **Operating margin decreases 2.2pp to 8.3%**
- **Basic and diluted earnings per share decrease 21% to € 3.01**
- **Inventories increase 7% currency-neutral**
- **Management confirms full year guidance**

adidas Group currency-neutral sales increase 9% in the third quarter of 2014

During the third quarter of 2014, the adidas Group continued to deliver robust top-line results. Group revenues increased 9% on a currency-neutral basis, driven by a double-digit sales increase in Retail and a high-single-digit revenue growth in Wholesale. All regions, except North America, contributed to the currency-neutral revenue growth. **Western Europe** increased 10%, mainly as a result of strong sales increases in Germany, France, Spain and the UK. In **European Emerging Markets**, currency-neutral revenues were up 19%, driven by double-digit growth in Russia/CIS. Group sales in **North America** decreased 1% on a currency-neutral basis, as mid-single-digit sales growth at adidas was more than offset by declines at TaylorMade-adidas Golf and Reebok. In **Greater China**, Group sales were up 13% on a currency-neutral basis, due to continued momentum across all channels. Currency-neutral revenues in **Other Asian Markets** grew 6% driven by double-digit sales increases in South Korea and India. In **Latin America**, currency-neutral sales grew 16%, with double-digit increases in most markets, in particular Argentina, Brazil and Mexico.

From a brand perspective, the strong top-line momentum at both adidas and Reebok continued during the quarter. Third quarter sales at **adidas** increased 12% on a currency-neutral basis, driven by double-digit sales growth in the Sport Performance football and running categories, as well as at adidas Originals & Sport Style. Sales at **Reebok** grew 7% on a currency-neutral basis, driven by sales momentum in the fitness training, walking and fitness running categories.

Revenues in the **TaylorMade-adidas Golf** segment declined 36% on a currency-neutral basis, as a result of the continued weakness in the golf market as well as TaylorMade-adidas Golf's ongoing efforts to clean retail inventories and the timing of new product introductions compared to the prior year period. Revenues at **Reebok-CCM Hockey** increased 15% on a currency-neutral basis mainly due to growth in key categories such as skates and protective equipment as well as in hockey apparel. **Rockport** sales increased 5% currency-neutral. Currency translation effects had a negative impact on sales in euro terms. Group revenues increased 6% to € 4.118 billion in the third quarter of 2014 from € 3.879 billion in 2013.

Third quarter gross margin declines 1.9 percentage points

The Group's gross margin decreased 1.9 percentage points to 47.4% (2013: 49.3%) in the third quarter, mainly due to higher input costs as well as negative currency effects. In addition, increased clearance activities, in particular in Russia/CIS, contributed to the gross margin decline. Group gross profit increased 2% to € 1.952 billion (2013: € 1.913 billion). Other operating expenses as a percentage of sales decreased 0.9 percentage points to 38.7% compared to 39.6% the prior year. In euro terms, other operating expenses increased 4% to € 1.594 billion, mainly as a result of higher marketing working budget expenditure. In addition, higher expenditure related to the expansion of the Group's own-retail activities contributed to the increase in other operating expenses. The Group's operating profit declined 13% to € 405 million (2013: € 463 million) in the third quarter. The operating margin decreased 2.1 percentage points to 9.8% from 11.9% in 2013. Basic and diluted earnings per share for the third quarter decreased 11% to € 1.35 (2013: € 1.51).

"Our Group delivered a solid third quarter with accelerated growth rates in many of our key markets and categories. At the same time, we have been aggressively addressing our key challenges: restructuring and stabilising TaylorMade-adidas Golf, adjusting our business in Russia/CIS and intensifying our efforts to revive momentum and growth in the US," commented Herbert Hainer, adidas Group CEO.

adidas Group currency-neutral sales increase 6% in the first nine months of 2014

In the first nine months of 2014, Group revenues increased 6% on a currency-neutral basis, driven by sales increases in Wholesale and Retail. Currency translation effects had a negative impact on sales in euro terms. Group revenues grew 1% to € 11.116 billion in the first nine months of 2014 from € 11.013 billion in 2013.

Nine months Group sales increase driven by growth in Wholesale and Retail

In the first nine months of 2014, currency-neutral **Wholesale** revenues increased 6%, due to sales growth at both adidas and Reebok. Currency-neutral **Retail** sales were up 21% versus the prior year as a result of double-digit sales increases at adidas and Reebok. Revenues in **Other**

Businesses were down 17% on a currency-neutral basis, due to double-digit sales declines at TaylorMade-adidas Golf. Currency translation effects had a negative impact on segmental sales in euro terms.

By brand, revenues at **adidas** grew 11% on a currency-neutral basis, driven by double-digit sales growth in the Sport Performance football and running categories, as well as at adidas NEO. Sales at **Reebok** grew 6% on a currency-neutral basis, driven by double-digit increases in the fitness training, walking and studio categories as well as at Classics. Revenues in the **TaylorMade-adidas Golf** segment declined 29% on a currency-neutral basis.

	Nine Months 2014	Nine Months 2013	Change y-o-y in euro terms	Change y-o-y currency- neutral
	€ in millions	€ in millions	in %	in %
Wholesale	7,159	7,048	2	6
Retail	2,799	2,512	11	21
Other Businesses	1,158	1,453	(20)	(17)
Total¹⁾	11,116	11,013	1	6

Nine months net sales development by segment

1) Rounding differences may arise in totals.

Currency-neutral sales grow in nearly all regions

In the first nine months of 2014, currency-neutral adidas Group sales grew in all regions except North America. Revenues in **Western Europe** increased 7% on a currency-neutral basis, driven by sales increases in Germany, France, Spain, the UK and Poland. In **European Emerging Markets**, Group sales were up 20% on a currency-neutral basis, with double-digit sales increases in all of the region's major markets. Currency-neutral sales for the adidas Group in **North America** decreased 7%, mainly due to sales declines in the USA. Sales in **Greater China** increased 10% on a currency-neutral basis. Currency-neutral revenues in **Other Asian Markets** grew 2%, driven by sales increases in South Korea and India. In **Latin America**, sales grew 22% on a currency-neutral basis, with double-digit increases in most markets, in particular Argentina, Brazil, Mexico and Colombia. Currency translation effects had a mixed impact on regional sales in euro terms.

	Nine Months 2014	Nine Months 2013	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Western Europe	3,282	3,053	8	7
European Emerging Markets	1,510	1,432	5	20
North America	2,272	2,534	(10)	(7)
Greater China	1,323	1,244	6	10
Other Asian Markets	1,520	1,566	(3)	2
Latin America	1,209	1,184	2	22
Total¹⁾	11,116	11,013	1	6

Nine months net sales development by region

1) Rounding differences may arise in totals.

Group gross margin declines 1.3 percentage points

The gross margin of the adidas Group decreased 1.3 percentage points to 48.5% in the first nine months of 2014 (2013: 49.8%). This development was mainly due to negative currency effects as well as higher input costs. In addition, increased clearance activities, in particular in Russia/CIS, as well as lower margins at TaylorMade-adidas Golf contributed to the gross margin decline. Gross profit for the adidas Group decreased 2% in the first nine months of 2014 to € 5.392 billion versus € 5.488 billion in the prior year.

Operating margin decreases to 8.3%

Group operating profit declined 20% to € 927 million in the first nine months of 2014 versus € 1.157 billion in 2013. The operating margin of the adidas Group decreased 2.2 percentage points to 8.3% (2013: 10.5%). This development was primarily due to the negative effects from the lower gross margin as well as higher other operating expenses as a percentage of sales. In euro terms, other operating expenses increased 3% to € 4.647 billion (2013: € 4.515 billion), as a result of higher expenditure related to the expansion of the Group's own-retail activities as well as an increase in sales and marketing working budget expenditure. Sales and marketing working budget expenditure increased 8% to € 1.441 billion (2013: € 1.336 billion), driven by increased marketing expenditure at brand adidas related to the 2014 FIFA World Cup™.

Financial income down 5%

Financial income declined 5% to € 14 million in the first nine months of 2014 from € 15 million in the prior year, due to a decrease in interest income.

Financial expenses down 25%

Financial expenses decreased 25% to € 50 million in the first nine months of 2014 (2013: € 67 million). This development was the result of a decrease in both negative exchange rate effects as well as interest expenses.

Income before taxes declines 19%

In the first nine months of 2014, income before taxes (IBT) for the adidas Group decreased 19% to € 892 million from € 1.105 billion in 2013. IBT as a percentage of sales declined 2.0 percentage points to 8.0% in the first nine months of 2014 (2013: 10.0%), as a result of the Group's lower operating margin.

Net income attributable to shareholders down 21%

The Group's net income attributable to shareholders decreased to € 630 million in the first nine months of 2014 from € 796 million in 2013. This represents a decline of 21% versus the prior year level. The Group's tax rate increased 1.1 percentage points to 28.8% in the first nine months of 2014 (2013: 27.7%), mainly due to a less favourable earnings mix.

Basic and diluted earnings per share decrease to € 3.01

In the first nine months of 2014, basic and diluted earnings per share decreased 21% to € 3.01 versus € 3.81 in the prior year. The weighted average number of shares used in the calculation of both basic and diluted earnings per share was 209,216,186 (2013 average: 209,216,186) as there were no potential dilutive shares at the end of the first nine months.

Group inventories increase 7% currency-neutral

Group inventories increased 5% to € 2.647 billion at the end of September 2014 versus € 2.513 billion in 2013. On a currency-neutral basis, inventories were up 7%, as a result of the Group's expectations for growth in the coming quarters as well as higher inventories at TaylorMade-adidas Golf.

Accounts receivable up 7% currency-neutral

Group receivables increased 8% to € 2.322 billion at the end of September 2014 (2013: € 2.156 billion). On a currency-neutral basis, receivables were up 7%.

Net borrowings increase to € 543 million

Net borrowings at September 30, 2014 amounted to € 543 million, compared to net borrowings of € 180 million in 2013, representing an increase of € 363 million. This increase is mainly a result of higher capital expenditure during the first nine months of 2014. Currency translation had a positive effect of € 12 million on net borrowings. The Group's ratio of net borrowings over EBITDA amounted to 0.4 at the end of September 2014 (2013: 0.1).

adidas Group confirms guidance for the full year 2014

Management expects adidas Group sales to increase at a mid- to high-single-digit rate on a currency-neutral basis in 2014. In particular the adidas brand will benefit from the 2014 FIFA World Cup™, where Management expects record sales of € 2 billion in the football category. Group sales development will also be favourably impacted by the Group's high exposure to fast-growing emerging markets as well as the further expansion of Retail. Currency translation is expected to negatively impact the Group's top-line development in reported terms.

In 2014, the adidas Group gross margin is forecasted to decrease to a level between 48.0% and 48.5% (previously: between 48.5% and 49.0%) compared to 49.3% in 2013. Management expects the operating margin for the adidas Group to be at a level between 6.5% and 7.0% compared to 8.7% in 2013 excluding goodwill impairment losses. Net income attributable to shareholders is expected to be at a level of around € 650 million compared to the 2013 net income attributable to shareholders, excluding goodwill impairment losses, of € 839 million. This represents basic earnings per share of around € 3.10.

Herbert Hainer stated: "In any sport, to reach your goals, tactics and desire are critical to compete and win. We are here to do both. In 2015, Group sales are forecasted to increase at a mid-single-digit rate. Net income will grow at a higher rate than Group sales. At the same time, we will use 2015 to prepare the ground for our next strategic plan, where we will take the powerful capabilities we have built over Route 2015 and apply them with more vigour and intent to unlock the potential of our brands. We will present our vision for the future in March 2015."

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Please visit our corporate website: www.adidas-Group.com

adidas AG Consolidated Income Statement (IFRS)

€ in millions	Third quarter 2014	Third quarter 2013	Change
Net sales	4,118	3,879	6.2 %
Cost of sales	2,166	1,966	10.2 %
Gross profit	1,952	1,913	2.0 %
<i>(% of net sales)</i>	47.4%	49.3%	(1.9pp)
Royalty and commission income	27	27	1.5 %
Other operating income	19	59	(67.5%)
Other operating expenses	1,594	1,536	3.8 %
<i>(% of net sales)</i>	38.7%	39.6%	(0.9pp)
Operating profit	405	463	(12.7%)
<i>(% of net sales)</i>	9.8%	11.9%	(2.1pp)
Financial income	5	5	(15.0%)
Financial expenses	12	26	(55.3%)
Income before taxes	397	442	(10.1%)
<i>(% of net sales)</i>	9.7%	11.4%	(1.7pp)
Income taxes	113	124	(8.4%)
<i>(% of income before taxes)</i>	28.6%	28.0%	0.6 pp
Net income	284	318	(10.8%)
<i>(% of net sales)</i>	6.9%	8.2%	(1.3pp)
Net income attributable to shareholders	282	316	(11.0%)
<i>(% of net sales)</i>	6.8%	8.2%	(1.3pp)
Net income attributable to non-controlling interests	2	2	22.0 %
Basic earnings per share (in €)	1.35	1.51	(11.0%)
Diluted earnings per share (in €)	1.35	1.51	(11.0%)

Net Sales

€ in millions	Third quarter 2014	Third quarter 2013	Change	Change (currency-neutral)
Wholesale	2,717	2,553	6.4 %	8.5 %
Retail	1,047	923	13.4 %	19.8 %
Other Businesses	354	403	(12.2%)	(12.1%)
Western Europe	1,265	1,145	10.5 %	9.6 %
European Emerging Markets	572	531	7.6 %	18.6 %
North America	801	819	(2.1%)	(1.4%)
Greater China	517	464	11.5 %	12.7 %
Other Asian Markets	534	502	6.4 %	6.0 %
Latin America	429	418	2.4 %	15.8 %
adidas	3,364	3,072	9.5 %	12.4 %
Reebok	447	439	1.7 %	6.6 %
TaylorMade-adidas Golf	138	210	(34.3%)	(35.6%)
Rockport	74	71	3.4 %	4.9 %
Reebok-CCM Hockey	95	87	10.4 %	14.9 %

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Income Statement (IFRS)

€ in millions	Nine months 2014	Nine months 2013	Change
Net sales	11,116	11,013	0.9 %
Cost of sales	5,724	5,525	3.6 %
Gross profit	5,392	5,488	(1.7%)
<i>(% of net sales)</i>	48.5%	49.8%	(1.3pp)
Royalty and commission income	77	78	(0.3%)
Other operating income	105	106	(1.7%)
Other operating expenses	4,647	4,515	2.9 %
<i>(% of net sales)</i>	41.8%	41.0%	0.8 pp
Operating profit	927	1,157	(19.8%)
<i>(% of net sales)</i>	8.3%	10.5%	(2.2pp)
Financial income	14	15	(4.8%)
Financial expenses	50	67	(25.0%)
Income before taxes	892	1,105	(19.3%)
<i>(% of net sales)</i>	8.0%	10.0%	(2.0pp)
Income taxes	257	306	(16.1%)
<i>(% of income before taxes)</i>	28.8%	27.7%	1.1 pp
Net income	635	799	(20.5%)
<i>(% of net sales)</i>	5.7%	7.3%	(1.5pp)
Net income attributable to shareholders	630	796	(20.9%)
<i>(% of net sales)</i>	5.7%	7.2%	(1.6pp)
Net income attributable to non-controlling interests	5	3	81.3 %
Basic earnings per share (in €)	3.01	3.81	(20.9%)
Diluted earnings per share (in €)	3.01	3.81	(20.9%)

Net Sales

€ in millions	Nine months 2014	Nine months 2013	Change	Change (currency-neutral)
Wholesale	7,159	7,048	1.6 %	6.2 %
Retail	2,799	2,512	11.4 %	21.1 %
Other Businesses	1,158	1,453	(20.3%)	(17.3%)
Western Europe	3,282	3,053	7.5 %	7.1 %
European Emerging Markets	1,510	1,432	5.4 %	19.9 %
North America	2,272	2,534	(10.3%)	(6.9%)
Greater China	1,323	1,244	6.3 %	9.5 %
Other Asian Markets	1,520	1,566	(2.9%)	2.2 %
Latin America	1,209	1,184	2.2 %	21.8 %
adidas	8,904	8,478	5.0 %	10.6 %
Reebok	1,158	1,172	(1.2%)	6.3 %
TaylorMade - adidas Golf	673	981	(31.4%)	(28.9%)
Rockport	192	201	(4.5%)	(0.7%)
Reebok - CCM Hockey	188	181	3.7 %	9.6 %

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Statement of Financial Position (IFRS)

€ in millions	September 30, 2014	September 30, 2013	Change in %	December 31, 2013
Cash and cash equivalents	632	1,119	(43.6)	1,587
Short-term financial assets	5	42	(88.1)	41
Accounts receivable	2,322	2,156	7.7	1,809
Other current financial assets	337	173	95.3	183
Inventories	2,647	2,513	5.4	2,634
Income tax receivables	78	97	(19.0)	86
Other current assets	465	530	(12.3)	506
Assets classified as held for sale	11	11	0.7	11
Total current assets	6,498	6,641	(2.2)	6,857
Property, plant and equipment	1,417	1,149	23.3	1,238
Goodwill	1,259	1,267	(0.7)	1,204
Trademarks	1,555	1,449	7.3	1,419
Other intangible assets	156	151	3.4	164
Long-term financial assets	128	119	7.6	120
Other non-current financial assets	29	24	21.6	30
Deferred tax assets	601	497	20.8	486
Other non-current assets	108	92	18.1	81
Total non-current assets	5,253	4,748	10.6	4,742
Total assets	11,750	11,389	3.2	11,599
Short-term borrowings	593	687	(13.7)	681
Accounts payable	1,281	1,396	(8.2)	1,825
Other current financial liabilities	91	90	0.9	113
Income taxes	347	297	17.0	240
Other current provisions	436	405	7.4	450
Current accrued liabilities	1,252	1,170	7.1	1,147
Other current liabilities	310	334	(7.4)	276
Total current liabilities	4,309	4,379	(1.6)	4,732
Long-term borrowings	588	654	(10.2)	653
Other non-current financial liabilities	10	14	(28.2)	22
Pensions and similar obligations	205	261	(21.7)	255
Deferred tax liabilities	420	347	20.9	338
Other non-current provisions	17	48	(64.6)	25
Non-current accrued liabilities	54	48	13.1	64
Other non-current liabilities	35	28	35.1	29
Total non-current liabilities	1,329	1,400	(5.1)	1,386
Share capital	209	209	-	209
Reserves	636	442	44.0	321
Retained earnings	5,274	4,968	6.2	4,959
Shareholders' equity	6,119	5,619	8.9	5,489
Non-controlling interests	(7)	(9)	18.8	(8)
Total equity	6,112	5,610	8.9	5,481
Total liabilities and equity	11,750	11,389	3.2	11,599
Additional balance sheet information				
Operating working capital	3,689	3,273	12.7	2,618
Working capital	2,188	2,262	(3.3)	2,125
Net total borrowings	543	180	201.9	(295)
Financial leverage	8.9%	3.2%	5.7 pp	(5.4%)

Rounding differences may arise in percentages and totals.