Investor Day 2006

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Financial Implications Highlight Transaction Opportunities

Financial Highlights

Synergy Phasing

2006 Financial Guidance

Core Financial Principles

Medium-term Financial Guidance

Substantive Revenue Synergies Expected

Branded apparel
Licensed product
Regional initiatives
Distributor buyouts
Annual revenue synergies: € 500 million

Phasing of Revenue Synergies on the Fast-Track

€ in millions	**2007**	**2008**	**2009**
Synergy	100	250	500

- Savings equally spread over Asia, North America and Europe
- One-time expenses to average € 15 – 25 million per year
- Potential for added speed in distributor buybacks

Cost Synergies Significantly Above Original Expectations

Sourcing

Marketing & Sales

Distribution & Warehousing

Administration & IT

Annual cost synergies (net) by 2009: € 175 million

Phasing of Cost Synergies Leads to Full Impact in 2009

€ in millions	**2006**	**2007**	**2008**	**2009**
Synergy	35	87.5	175	175
One-time cost	35	70	70	-
Net effect	**0**	**17.5**	**105**	**175**

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2006 Financial Guidance Confirmed

	Group	Group (excl. Reebok)
Currency-neutral revenue growth	Double-digit	High-single-digit
Gross margin	44-46%	47-48%
Operating margin	ca. 9%	ca. 10-10.5%
Net income growth	Double-digit	Double-digit

Purchase Price Allocation Impacts Highest in 2006

- IFRS accounting requires specific valuation of acquired assets and related depreciation
- € 80 million impact in 2006, at least € 50 million non-recurring
- 6 year impact

Comparability of year on year Results

- Reporting primarily based on combined Group figures
- 2005 Reebok comparables limited to sales
- Purchase price accounting impacts to be the strongest in first half
- Q2 effected by higher World Cup spending

Net income to approach € 500 million

adidas GROUP

adidas Group Financial Principles

1. Revenues	Group revenues should grow faster than adidas/TaylorMade or Reebok revenue growth on a stand-alone basis
2. Operating margin	Operating margin is the most important financial metric
3. Profitability	Bottom line should grow faster than top line
4. Capital expenditure	The Group's capital expenditure should not exceed stand-alone activity

adidas Group Financial Principles

5. Working capital	We strive to deliver industry-leading working capital performance
6. Financial leverage	Financial leverage should be below 50%
7. Dividends	Dividends consistent with adidas' existing payout policy

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Medium-term Guidance Increased

	Target
Annual sales growth	High-single-digit
Gross margin	46 - 48%
Operating margin	ca. 11%
Annual growth of net income	Double-digit growth over next 3 years, at least 20% in 2007