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First Quarter 2010 Results:

Group sales increase 4% on a currency-neutral basis
Net income attributable to shareholders reaches € 168 million
adidas Group increases 2010 financial outlook

- **Comparable Retail store sales increase 7% on a currency-neutral basis**
- **adidas and Reebok brand sales increase 4% and 1% respectively on a currency-neutral basis**
- **Group gross and operating margin increase 3.5 and 7.5 percentage points, respectively**
- **Group inventories decrease 20% on a currency-neutral basis**

adidas Group currency-neutral sales increase 4% in the first quarter of 2010
In the first quarter of 2010, Group revenues increased 4% on a currency-neutral basis as a result of growth in the Wholesale and Retail segments as well as sales increases in Other Businesses. Currency translation effects did not have a significant impact on sales in euro terms. Group revenues grew 4% to € 2.674 billion in the first quarter of 2010 from € 2.577 billion in 2009.

"We had a great start to the year, achieving record first quarter sales driven by growth in all segments," commented Herbert Hainer, adidas Group CEO. "Our Retail segment, record football sales and a strong performance for adidas and Reebok in North America were some of the main catalysts driving this development."

Group sales increase driven by Retail segment
The adidas Group's sales increase in the first quarter of 2010 was driven by double-digit growth in the Retail segment as well as higher sales in the Wholesale segment and Other Businesses. Currency-neutral **Wholesale** revenues increased 1% during the period due to higher adidas sales. Currency-neutral **Retail** sales increased 16% versus the prior year as a result of double-digit adidas and Reebok sales growth. Revenues in **Other Businesses** increased 8% on a currency-neutral basis as a result of double-digit sales growth at TaylorMade-adidas Golf.

Currency translation effects only had a minor impact on segmental sales in euro terms. **Wholesale** revenues increased 1% to € 1.898 billion in the first quarter of 2010 from € 1.874 billion in 2009. **Retail** sales increased 15% to € 459 million versus € 400 million in the prior year. Sales in **Other**

Businesses grew 7% to € 316 million in the first quarter of 2010 (2009: € 295 million).

	First quarter 2010	First quarter 2009	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Wholesale	**1,898**	1,874	1	1
Retail	**459**	400	15	16
Other Businesses	**316**	295	7	8
Total[1]	**2,674**	**2,577**	**4**	**4**

First quarter net sales growth by segment
1) Including HQ/Consolidation.

Currency-neutral sales increase in nearly all regions
In the first quarter of 2010, currency-neutral adidas Group sales increased in all regions except Greater China and Other Asian Markets. Revenues in **Western Europe** increased 4% primarily as a result of higher sales in the UK and Germany. In **European Emerging Markets**, Group sales increased 1% on a currency-neutral basis due to growth in most of the region's markets. Sales for the adidas Group in **North America** increased 14% on a currency-neutral basis due to increases in both the USA and Canada. Sales in **Greater China** decreased 15% on a currency-neutral basis. Revenues in **Other Asian Markets** declined 3% primarily as a result of decreases in Japan. In **Latin America**, sales grew 18% on a currency-neutral basis, with increases in most of the region's major markets.

Currency translation effects had a mixed impact on regional sales in euro terms. Group revenues in **Western Europe** increased 5% to € 945 million in the first quarter of 2010 from € 899 million in 2009. In **European Emerging Markets**, sales declined 1% to € 290 million in the first quarter of 2010 from € 293 million in 2009. Sales in **North America** increased 10% to € 585 million from € 532 million in 2009. Revenues in **Greater China** decreased 20% to € 198 million in the first quarter of 2010 from € 247 million in 2009. In **Other Asian Markets**, sales increased 1% to € 384 million versus € 381 million in the prior year. Revenues in **Latin America** grew 24% to € 271 million from € 218 million in the prior year.

	First quarter 2010	First quarter 2009	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Western Europe	**945**	899	5	4
European Emerging Markets	**290**	293	(1)	1
North America	**585**	532	10	14
Greater China	**198**	247	(20)	(15)
Other Asian Markets	**384**	381	1	(3)
Latin America	**271**	218	24	18
Total[1]	**2,674**	**2,577**	**4**	**4**

First quarter net sales growth by region
1) Including HQ/Consolidation.

Gross margin increases 3.5 percentage points
The gross margin of the adidas Group increased 3.5 percentage points to 48.6% in the first quarter of 2010 (2009: 45.2%). This development was mainly due to lower input costs, a larger share of higher-margin Retail sales, less clearance sales as well as positive currency effects related to the appreciation of the Russian rouble compared to the prior year. These positive effects more than offset negative impacts from the increase of import duties in Latin America. As a result, gross profit for the adidas Group grew 12% in the first quarter of 2010 to € 1.300 billion versus € 1.164 billion in the prior year.

Operating margin increases 7.5 percentage points
The operating margin of the adidas Group increased 7.5 percentage points to 9.7% in the first quarter of 2010 (2009: 2.2%). The operating margin increase was primarily due to the higher gross margin as well as lower other operating expenses as a percentage of sales. As a result, Group operating profit increased 349% to € 260 million versus € 58 million in 2009. Other operating expenses as a percentage of sales decreased 3.3 percentage points to 41.5% in the first quarter of 2010 from 44.7% in 2009. In absolute terms, other operating expenses decreased 4% to € 1.109 billion in the first quarter of 2010 (2009: € 1.153 billion). Thereof, sales and marketing working budget expenditures amounted to € 333 million, which represents an increase of 3% versus the prior year level (2009: € 324 million). The increase was primarily related to higher expenditures for the Reebok brand. As a result of the higher Group sales base, however, sales and marketing working budget expenditures as a percentage of sales decreased 0.1 percentage points to 12.4% from 12.6% in the prior year.

Financial income up 91%
Financial income increased 91% to € 12 million in the first quarter of 2010 from € 6 million in the prior year, mainly due to positive exchange rate effects.

Financial expenses decrease 48%
Financial expenses decreased 48% to € 29 million in the first quarter of 2010 (2009: € 56 million). The non-recurrence of prior year negative exchange rate effects as well as lower interest expenses contributed to the decline.

Income before taxes increases strongly
Income before taxes (IBT) as a percentage of sales increased 8.8 percentage points to 9.1% in the first quarter of 2010 from 0.3% in 2009. This was primarily a result of the Group's operating margin increase and lower financial expenses. IBT for the adidas Group increased to € 243 million from € 9 million in 2009.

Net income attributable to shareholders reaches € 168 million
The Group's net income attributable to shareholders increased to € 168 million in the first quarter of 2010 from € 5 million in 2009. Higher operating profit was the primary reason for this development. The Group's tax rate decreased 21.2 percentage points to 30.5% in the first quarter of 2010 (2009: 51.7%), mainly due to a more favourable regional earnings mix compared to the prior year. Net income attributable to non-controlling interests amounted to € 1 million in the first quarter of 2010 versus negative € 1 million in 2009.

Earnings per share reach € 0.80
Following the full conversion of the Group's convertible bond in the fourth quarter of 2009, the Group has no dilutive potential shares anymore. As a result, diluted earnings per share equal basic earnings per share. In the first quarter of 2010, basic and diluted earnings per share amounted to € 0.80. In the prior year period, basic earnings per share amounted to € 0.02 and diluted earnings per share to € 0.04. The weighted average number of shares used in the calculation was 209,216,186 in the first quarter of 2010. In the prior year period, the number amounted to 193,515,512 for the calculation of basic earnings per share and 209,260,662 for the calculation of diluted earnings per share.

Group inventories down 20% currency-neutral
Group inventories decreased 17% to € 1.680 billion at the end of March 2010 versus € 2.016 billion in 2009. On a currency-neutral basis, inventories declined 20%. This was mainly a result of clearance of excess inventories at all brands throughout the last twelve months.

Accounts receivable stable currency-neutral
At the end of March 2010, Group receivables increased 5% to € 1.987 billion (2009: € 1.884 billion). On a currency-neutral basis, receivables remained stable. This development compares to a currency-neutral Group sales increase of 4%, reflecting the strict discipline in implementing the Group's trade terms and improved collection of receivables as the economic situation in most markets continued to ease.

Net borrowings down € 1.525 billion
Net borrowings at March 31, 2010 amounted to € 1.359 billion, which represents a decrease of € 1.525 billion, or 53%, versus € 2.883 billion at the end of March 2009. Lower working capital requirements and the complete conversion of the € 400 million convertible bond in the fourth quarter of 2009 were the main reasons for the net debt decline. These positive effects more than offset negative currency translation effects in an amount of € 5 million. Consequently, the Group's ratio of net borrowings over 12-month rolling EBITDA decreased to 1.4 at the end of March 2010 versus 2.7 in the prior year.

adidas Group increases 2010 financial outlook
Following the stronger than expected first quarter performance and improved visibility into the second half of the year, Management decided to increase the financial outlook published in March. Management now forecasts **adidas Group** sales to increase at a mid-single-digit rate on a currency-neutral basis in 2010 (previously: low- to mid-single-digit). Positive impacts from the 2010 FIFA World Cup™, the Group's high exposure to fast-growing emerging markets as well as improvements at the Reebok brand are forecasted to support Group sales growth. Currency-neutral **Wholesale** segment revenues are now projected to increase at a low- to mid-single-digit rate compared to the prior year due to higher adidas and Reebok sales (previously: low-single-digit). adidas Group currency-neutral **Retail** segment sales are now projected to grow at a low-double-digit rate in 2010 (previously: high-single-digit), mainly driven by the expansion of the Group's own-retail store base. Revenues of **Other Businesses** are expected to increase at a low-single digit rate on a currency-neutral basis.

Earnings per share to increase to a level between € 2.05 and € 2.30
In 2010, the adidas Group gross margin is now forecasted to increase to a level between 46.5% and 47.5% versus 45.4% in 2009 (previously: increase to a level between 46.0% and 47.0%). Improvements are expected in all segments. Group gross margin will benefit from lower sourcing costs as a result of reduced material costs and lower capacity utilisation among suppliers. In addition, a higher share of sales from the Retail segment, which carry a higher gross margin, lower levels of clearance sales compared to the prior year as well as the appreciation of the Russian rouble are forecasted to

contribute to margin increases. However, these positive effects are expected to be partly offset by ongoing price pressures from a highly competitive retail environment, less favourable hedging terms and increased import duties in Latin America.

The Group's other operating expenses as a percentage of sales are expected to decrease modestly (2009: 42.3%). Sales and marketing working budget expenses as a percentage of sales are expected to increase versus the prior year to support adidas presence at the 2010 FIFA World Cup™ as well as to sustain Reebok's growth strategy in muscle toning and conditioning. However, this increase will be more than offset by lower operating overhead expenditures as a percentage of sales despite higher expenditures in the Retail segment.

As a result of gross margin improvements as well as lower other operating expenses as a percentage of sales, operating margin for the adidas Group is expected to be around 7.0% (2009: 4.9%; previously: around 6.5%). In addition, financial expenses are projected to decline as a result of a lower average level of net borrowings in 2010 compared to the prior year. The Group tax rate is expected to be slightly below the prior year level (2009: 31.5%). As a result of these developments, earnings per share are now expected to increase strongly to a level between € 2.05 and € 2.30 (2009 diluted earnings per share: € 1.22; previously: increase to a level between € 1.90 and € 2.15).

Herbert Hainer stated: "This quarter's accomplishments are a real testament to the strength of our brands and clearly demonstrate that our product and marketing strategies are really making a difference. With the Reebok turnaround gathering pace and the FIFA World Cup™ kicking off in a few weeks, we have a lot of reasons to be optimistic. Therefore we feel confident to raise the bar and increase our full-year guidance."

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

adidas AG Consolidated Income Statement (IFRS)

€ in millions	First Quarter 2010	First Quarter 2009	Change
Net sales	2,674	2,577	*3.7 %*
Cost of sales	1,374	1,414	*(2.8) %*
Gross profit	**1,300**	**1,164**	*11.7 %*
(% of net sales)	48.6%	45.2%	*3.5 pp*
Royalty and commission income	22	20	*6.6 %*
Other operating income	47	27	*75.2 %*
Other operating expenses	1,109	1,153	*(3.9) %*
(% of net sales)	41.5%	44.7%	*(3.3) pp*
Operating profit	**260**	**58**	*349.0 %*
(% of net sales)	9.7%	2.2%	*7.5 pp*
Financial income	12	6	*90.7 %*
Financial expenses	29	56	*(48.3) %*
Income before taxes	**243**	**9**	*2,734.9 %*
(% of net sales)	9.1%	0.3%	*8.8 pp*
Income taxes	74	4	*1,574.4 %*
(% of income before taxes)	30.5%	51.7%	*(21.2) pp*
Net income	**169**	**4**	*3,976.7 %*
(% of net sales)	6.3%	0.2%	*6.2 pp*
Net income attributable to shareholders	**168**	**5**	*3,385.1 %*
(% of net sales)	6.3%	0.2%	*6.1 pp*
Net income attributable to non-controlling interests	**1**	**(1)**	*224.6 %*
Basic earnings per share (in €)	**0.80**	**0.02**	*3,123.5 %*
Diluted earnings per share (in €)	**0.80**	**0.04**	*1,967.1 %*

Net Sales

€ in millions	First quarter 2010	First quarter 2009	Change	Change (currency-neutral)
Wholesale	1,898	1,874	*1.3 %*	*1.0 %*
Retail	459	400	*14.9 %*	*16.2 %*
Other Businesses	316	295	*7.0 %*	*7.8 %*
Western Europe	945	899	*5.2 %*	*3.7 %*
European Emerging Markets	290	293	*(1.0) %*	*1.0 %*
North America	585	532	*10.0 %*	*14.3 %*
Greater China	198	247	*(19.6) %*	*(14.9) %*
Other Asian Markets	384	381	*0.7 %*	*(2.9) %*
Latin America	271	218	*24.5 %*	*18.1 %*
adidas	1,998	1,917	*4.2 %*	*4.0 %*
Reebok	376	374	*0.5 %*	*1.5 %*
TaylorMade-adidas Golf	223	194	*14.9 %*	*15.9 %*
Rockport	56	60	*(6.9) %*	*(5.2) %*
Reebok-CCM Hockey	21	24	*(14.4) %*	*(16.9) %*

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Balance Sheet (IFRS)

€ in millions	Mar. 31 2010	Mar. 31 2009	Change	Dec. 31 2009
Cash and cash equivalents	388	236	64.6%	775
Short-term financial assets	92	121	(23.5)%	75
Accounts receivable	1,987	1,884	5.4%	1,429
Other current financial assets	210	263	(20.1)%	160
Inventories	1,680	2,016	(16.7)%	1,471
Income tax receivables	76	78	(1.9)%	89
Other current assets	401	508	(21.3)%	360
Assets classified as held for sale	77	23	236.3%	126
Total current assets	**4,911**	**5,129**	**(4.3)%**	**4,485**
Property, plant and equipment	782	907	(13.8)%	723
Goodwill	1,530	1,540	(0.6)%	1,478
Trademarks	1,434	1,452	(1.2)%	1,342
Other intangible assets	158	198	(20.6)%	160
Long-term financial assets	91	97	(5.5)%	91
Other non-current financial assets	75	65	16.1%	58
Deferred tax assets	428	387	10.7%	412
Other non-current assets	122	129	(5.8)%	126
Total non-current assets	**4,620**	**4,775**	**(3.2)%**	**4,390**
Total assets	**9,531**	**9,904**	**(3.8)%**	**8,875**
Short-term borrowings	307	729	(57.9)%	198
Accounts payable	1,133	880	28.7%	1,166
Other current financial liabilities	78	44	78.5%	101
Income taxes	220	305	(27.9)%	194
Provisions	338	319	5.7%	320
Accrued liabilities	672	634	6.1%	625
Other current liabilities	265	241	10.5%	232
Liabilities classified as held for sale	1	0	n.a.	0
Total current liabilities	**3,014**	**3,152**	**(4.4)%**	**2,836**
Long-term borrowings	1,533	2,511	(39.0)%	1,569
Other non-current financial liabilities	13	17	(20.2)%	25
Pensions and similar obligations	161	133	21.4%	157
Deferred tax liabilities	461	475	(3.0)%	433
Non-current provisions	23	30	(24.7)%	29
Non-current accrued liabilities	35	24	44.8%	22
Other non-current liabilities	30	32	(4.1)%	28
Total non-current liabilities	**2,256**	**3,222**	**(30.0)%**	**2,263**
Share capital	209	194	8.1%	209
Reserves	527	126	315.0%	212
Retained earnings	3,518	3,205	9.8%	3,350
Shareholders' equity	4,254	3,525	20.7%	3,771
Non-controlling interests	7	5	49.2%	5
Total equity	**4,261**	**3,530**	**20.7%**	**3,776**
Total liabilities and equity	**9,531**	**9,904**	**(3.8)%**	**8,875**
Additional balance sheet information				
Operating working capital	2,534	3,020	(16.1)%	1,734
Working capital	1,896	1,977	(4.1)%	1,649
Net total borrowings	1,359	2,883	(52.9)%	917
Financial leverage	31.9%	81.8%	(49.8) pp	*24.3%*

Rounding differences may arise in percentages and totals.