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Q4 2010 highlights:

- **Currency-neutral Group sales up 9%**
- **adidas and Reebok sales increase 10% and 15% respectively**
- **Growth in all regions**
- **Comparable Retail store sales grow 15% currency-neutral**
- **Gross margin improves 0.3 percentage points**

Full year 2010 highlights:

- **Currency-neutral Group sales up 9%**
- **adidas and Reebok sales increase 9% and 12% respectively**
- **Group gross margin improves 2.4 percentage points to 47.8%**
- **Net income more than doubles to € 567 million**
- **Net borrowings down 76% to € 221 million at year-end**

Outlook

- **adidas Group sales to increase at a mid- to high-single-digit rate**
- **Operating margin to improve to a level between 7.5% and 8.0%**
- **Earnings per share to be in the range of € 2.98 to € 3.12**
- **Management to propose a dividend of € 0.80 per share**

adidas Group currency-neutral sales increase 9% in the fourth quarter

During the fourth quarter of 2010, Group revenues increased 9% on a currency-neutral basis. Currency-neutral revenues in the **Wholesale** and **Retail** segments increased 8% and 23%, respectively. Sales for **Other Businesses** decreased 3%. By brand, adidas and Reebok sales increased 10% and 15% currency-neutral, respectively. Currency-neutral revenues in **Western Europe** increased 3% due to growth in the Wholesale and Retail segments as well as Other Businesses. Currency-neutral sales in **European Emerging Markets** rose 22%, driven by significant growth in the Retail segment. Group sales in **North America** grew 12% on a currency-neutral basis, driven by a 13% sales increase for adidas and a 24% sales increase for Reebok. Currency-neutral sales in **Greater China** grew 11%, driven by increases in both the Wholesale and Retail segments. Currency-neutral sales in **Other Asian Markets** grew 7% as a result of increases in all major markets. In **Latin America**, sales were up 8% on a currency-neutral basis, driven by both Wholesale and Retail. Currency translation effects had a positive impact on sales in euro terms. Group revenues grew 19% to € 2.931 billion in the fourth quarter from € 2.458 billion in 2009.

Fourth quarter gross margin improves 0.3 percentage points

The Group's gross margin increased 0.3 percentage points to 46.5% (2009: 46.2%) in the fourth quarter, mainly due to a larger share of higher-margin Retail sales and less clearance sales. Group gross profit increased 20% to € 1.362 billion (2009: € 1.136 billion). Other operating expenses as a percentage of sales increased 0.5 percentage points to 47.1% compared to the prior year (2009: 46.6%). This was mainly due to higher sales and marketing working budget expenses. As a result of the higher other operating expenses as a percentage of sales, the Group's operating margin decreased 0.8 percentage points to 1.0%. Operating profit declined 33% to € 28 million compared to € 42 million in 2009. In the fourth quarter of 2010, the Group's net income attributable to shareholders decreased 64% to reach € 7 million (2009: € 19 million). Diluted earnings per share went down to € 0.03 (2009: € 0.09).

"Our fourth quarter performance rounds off an excellent year for the adidas Group," commented Herbert Hainer, adidas Group CEO. "Not only did we meet, but we beat all our initial expectations for the year. All our brands scored with consumers in an improving worldwide economy. We outgrew our major competitors, achieving record sales of € 12 billion. Along the way, we generated an outstanding operating cash flow of € 1.2 billion. Therefore, I am proud to report that our Group is in fantastic shape."

adidas Group currency-neutral sales increase 9% in 2010

In 2010, Group revenues grew 9% on a currency-neutral basis, as a result of sales increases in Wholesale, Retail and Other Businesses. This development exceeded initial Management expectations of a low- to mid-single digit Group sales increase. Currency translation effects had a positive impact on sales in euro terms. Group revenues grew 15% to € 11.990 billion in 2010 from € 10.381 billion in 2009.

Wholesale and Retail segments drive strong sales growth in 2010

In 2010, currency-neutral sales grew in all segments. Currency-neutral **Wholesale** revenues increased 8% during the period due to sales growth at both adidas and Reebok. Currency-neutral **Retail** sales increased 18% versus the prior year as a result of adidas and Reebok sales growth. Comparable Retail store sales improved 11% with the total number of stores growing to 2,270 by the end of the year (2009: 2,212). Revenues in **Other Businesses** were up 2% on a currency-neutral basis. Sales grew at TaylorMade-adidas Golf, Rockport and Reebok-CCM Hockey.

Currency translation effects had a positive impact on segmental sales in euro terms. **Wholesale** revenues increased 14% to € 8.181 billion in 2010 from €7.164 billion in 2009. **Retail** sales rose 25% to € 2.389 billion versus € 1.906 billion in the prior year. Sales in **Other Businesses** grew 10% to € 1.420 billion in 2010 (2009: € 1.293 billion).

	2010	2009	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Wholesale	**8,181**	7,164	14	8
Retail	**2,389**	1,906	25	18
Other Businesses	**1,420**	1,293	10	2
Total[1]	**11,990**	**10,381**	**15**	**9**

2010 net sales development by segment
1) Including HQ/Consolidation.

Currency-neutral sales increase in nearly all regions

In 2010, currency-neutral adidas Group sales grew in all regions except Greater China. Revenues in **Western Europe** increased 7% on a currency-neutral basis, primarily as a result of double-digit sales growth in the UK, Germany and Spain. In **European Emerging Markets**, Group sales increased 16% on a currency-neutral basis due to growth in most of the region's markets, in particular Russia. Sales for the adidas Group in **North America** grew 12% on a currency-neutral basis due to strong increases in both the USA and Canada. By brand, adidas and Reebok sales in this region grew by 14% and 22% respectively. Sales in **Greater China** decreased 2% on a currency-neutral basis. Currency-neutral revenues in **Other Asian Markets** grew 6% due to increases in most markets. In **Latin America**, sales grew 14% on a currency-neutral basis, with double-digit increases in most of the region's major markets. Currency translation effects had a positive impact on regional sales in euro terms.

	2010	2009	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	**€ in millions**	**in %**	**in %**
Western Europe	**3,543**	3,261	9	7
European Emerging Markets	**1,385**	1,122	23	16
North America	**2,805**	2,362	19	12
Greater China	**1,000**	967	3	(2)
Other Asian Markets	**1,972**	1,647	20	6
Latin America	**1,285**	1,006	28	14
Total[1]	**11,990**	**10,381**	**15**	**9**

2010 net sales development by region
1) Including HQ/Consolidation.

Group gross margin improves 2.4 percentage points

The gross margin of the adidas Group increased 2.4 percentage points to 47.8% in 2010 (2009: 45.4%). This development was mainly due to lower input costs, less clearance sales and a larger share of higher-margin Retail sales. As a result, gross profit for the adidas Group grew 22% in 2010 to € 5.730 billion versus € 4.712 billion in the prior year.

Operating margin improves 2.6 percentage points
Group operating profit increased 76% to € 894 million versus € 508 million in 2009. As a result, the operating margin of the adidas Group improved 2.6 percentage points to 7.5% in 2010 (2009: 4.9%). The operating margin improvement was primarily due to the higher gross margin as well as lower other operating expenses as a percentage of sales, which declined by 0.2 percentage points.

Financial income up 28%
Financial income increased 28% to € 25 million in 2010 from € 19 million in the prior year, mainly due to an increase in interest income as well as positive currency exchange rate effects.

Financial expenses decrease 34%
Financial expenses decreased 34% to € 113 million in 2010 (2009: € 169 million). The non-recurrence of prior year negative currency exchange rate effects as well as lower interest expenses contributed to the decline.

Group tax rate down to 29.5%
The Group's tax rate decreased 2.0 percentage points to 29.5% in 2010 (2009: 31.5%), mainly due to the non-recurrence of prior year charges related to the write-down of deferred tax assets.

Net income attributable to shareholders more than doubles
In 2010, the Group's net income attributable to shareholders increased to € 567 million from € 245 million in 2009. This represents an increase of 131% versus the prior year level. As a result, basic and diluted earnings per share amounted to € 2.71 in 2010. In the prior year period, basic earnings per share amounted to € 1.25 and diluted earnings per share to € 1.22. The weighted average number of shares used in the calculation was 209,216,186 in 2010. In the prior year period, the number amounted to 196,220,166 for the calculation of basic earnings per share and 209,238,099 for the calculation of diluted earnings per share.

Group inventories up 34% currency-neutral
Group inventories increased 44% to € 2.119 billion at the end of December 2010 versus € 1.471 billion in 2009. On a currency-neutral basis, inventories grew 34%, which reflects the Group's expectations for continued growth in the coming quarters.

Accounts receivable increase 7% currency-neutral
At the end of December 2010, Group receivables increased 17% to € 1.667 billion (2009: € 1.429 billion) as a result of the Group sales growth. On a currency-neutral basis, receivables were up 7%. This growth is lower than the 9% currency-neutral Group sales increase in the fourth quarter of 2010

and mirrors strict discipline in the Group's trade terms management and concerted collection efforts in all segments.

Net borrowings decrease by € 696 million

Net borrowings at December 31, 2010 amounted to € 221 million, which represents a decrease of € 696 million, or 76%, versus € 917 million in the prior year. Strong operating cash flow and lower capital expenditure than originally planned positively influenced this development. Currency effects had a positive impact of € 43 million on net borrowings development. At the end of 2010, the ratio of net borrowings over EBITDA was 0.2 (ratio in 2009: 1.2) and thus well within the Group's medium-term guideline of less than two times.

adidas Group currency-neutral sales to increase at a mid- to high-single-digit rate in 2011

adidas Group sales are expected to increase at a mid- to high-single-digit rate on a currency-neutral basis in 2011. The positive sales development will be driven by rising consumer confidence as the global economy continues to improve. The positive impacts of the Group's high exposure to fast-growing emerging markets, the further expansion of Retail as well as continued momentum at the Reebok brand will more than offset the non-recurrence of sales related to the 2010 FIFA World Cup. As a result, the adidas Group expects to outperform global economic growth in 2011.

Earnings per share to increase to a level between € 2.98 and € 3.12

In 2011, the adidas Group gross margin is forecasted to be roughly in line with the prior year, at a level between 47.5% and 48.0% (2010: 47.8%). While gross margin in the Retail segment as well as Other Businesses is expected to improve, gross margin in the Wholesale segment is forecasted to decline. In 2011, Group gross margin will benefit from positive regional mix effects, as growth rates in emerging markets are projected to be above growth rates in more mature markets. In addition, improvements in the Retail segment as well as at the Reebok brand will positively influence Group gross margin development. However, these positive effects will be offset by several factors. In particular, sourcing costs will increase significantly compared to the prior year as a result of rising raw material costs and capacity constraints. In addition, hedging terms in 2011 will be slightly less favourable compared to the prior year.

In 2011, the Group's other operating expenses as a percentage of sales are expected to decrease modestly (2010: 42.1%). Sales and marketing working budget expenses as a percentage of sales are projected to decline modestly compared to the prior year. Marketing investments to support Reebok's growth strategy in the men's and women's fitness and training categories, as well as investments to support growth in the Group's key attack markets North America, Greater China and Russia/CIS will be offset by the non-recurrence of expenses in relation to adidas' presence at the 2010 FIFA World Cup. Operating overhead expenditures as a percentage of sales are forecasted to decline slightly in 2011. Higher administrative and personnel expenses in the Retail segment due to the planned expansion of the Group's store base will be offset by leverage and efficiency gains in the Group's non-allocated central costs.

In 2011, the operating margin for the adidas Group is projected to increase to a level between 7.5% and 8.0% (2010: 7.5%). Lower other operating expenses as a percentage of sales are expected to be the primary driver of the improvement. In addition, the Group expects lower interest rate expenses in 2011 due to a lower average level of net borrowings. The Group tax rate is expected to be at a similar level compared to the prior year level (2010: 29.5%). As a result of these developments, earnings per share are expected to increase at a rate of 10% to 15% to a level between € 2.98 and € 3.12 (2010: € 2.71).

Excess cash to be used to support growth initiatives

In 2011, the Group expects continued positive cash flows from operating activities. Cash will be used to finance working capital needs, investment activities, as well as dividend payments. Management intends to largely use excess cash to invest in the growth initiatives of the Group's strategic business plan "Route 2015" and to further reduce net borrowings. Over the long term, the Group aims to maintain a ratio of net borrowings over EBITDA of less than two times as measured at year-end (2010 ratio: 0.2).

Management to propose dividend of € 0.80

In light of the strong cash flow generation in 2010 and the significantly reduced level of net borrowings, Management will recommend paying a dividend of € 0.80 to shareholders at the Annual General Meeting (AGM) on May 12, 2011, representing an increase of 129% compared to 2009 (2009: € 0.35). Subject to shareholder approval, the dividend will be paid on May 13, 2011. The proposal represents a payout ratio of 30% of net income, as in the prior year, and complies with the Group's dividend policy, according to which Management intends to pay out between 20% and 40% of net income attributable to shareholders annually. Based on the number of shares outstanding at the end of 2010, the dividend payout will increase to € 167 million compared to € 73 million in the prior year.

Herbert Hainer stated: "2011 is shaping up to be another great year for the adidas Group, and we are off to a fast start. We have every possible advantage a company could wish for - strong brands, premium products, superior marketing, tremendous global reach and a very healthy balance sheet. I am confident this year will see us achieve important milestones as we embark on Route 2015."

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adidas AG Consolidated Income Statement (IFRS)

€ in millions	4th Quarter 2010	4th Quarter 2009	Change
Net sales	2,931	2,458	*19.2 %*
Cost of sales	1,569	1,322	*18.7 %*
Gross profit	**1,362**	**1,136**	*19.9 %*
(% of net sales)	46.5%	46.2%	*0.3 pp*
Royalty and commission income	28	23	*21.1 %*
Other operating income	19	28	*(32.0) %*
Other operating expenses	1,381	1,145	*20.6 %*
(% of net sales)	47.1%	46.6%	*0.5 pp*
Operating profit	**28**	**42**	*(33.1) %*
(% of net sales)	1.0%	1.7%	*(0.8) pp*
Financial income	4	5	*(13.8) %*
Financial expenses	25	31	*(20.1) %*
Income before taxes	**7**	**16**	*(52.9) %*
(% of net sales)	0.3%	0.6%	*(0.4) pp*
Income taxes	0	(4)	*111.7 %*
(% of income before taxes)	6.7%	(27.1)%	*33.9 pp*
Net income	**7**	**20**	*(65.4) %*
(% of net sales)	0.2%	0.8%	*(0.6) pp*
Net income attributable to shareholders	**7**	**19**	*(64.3) %*
(% of net sales)	0.2%	0.8%	*(0.6) pp*
Net income attributable to non-controlling interests	**(0)**	**1**	*(102.8) %*
Basic earnings per share (in €)	**0.03**	**0.10**	*(65.2) %*
Diluted earnings per share (in €)	**0.03**	**0.09**	*(64.8) %*

Net Sales

€ in millions	4th Quarter 2010	4th Quarter 2009	Change	Change (currency-neutral)
Wholesale	1,934	1,648	*17.3 %*	*7.6 %*
Retail	664	497	*33.7 %*	*22.6 %*
Other Businesses	333	310	*7.7 %*	*(3.2) %*
Western Europe	668	636	*5.0 %*	*3.1 %*
European Emerging Markets	351	263	*33.5 %*	*21.5 %*
North America	665	543	*22.4 %*	*11.5 %*
Greater China	280	224	*24.7 %*	*11.3 %*
Other Asian Markets	613	495	*23.9 %*	*7.5 %*
Latin America	354	293	*20.7 %*	*7.6 %*
adidas	2,090	1,742	*20.0 %*	*10.1 %*
Reebok	517	412	*25.6 %*	*15.3 %*
TaylorMade-adidas Golf	196	198	*(0.9) %*	*(11.8) %*
Rockport	66	53	*23.3 %*	*12.2 %*
Reebok-CCM Hockey	62	50	*23.9 %*	*12.8 %*

Rounding differences may arise in percentages and totals.

adidas GROUP

adidas AG Consolidated Income Statement (IFRS)

€ in millions	Full Year 2010	Full Year 2009	Change
Net sales	11,990	10,381	*15.5 %*
Cost of sales	6,260	5,669	*10.4 %*
Gross profit	**5,730**	**4,712**	*21.6 %*
(% of net sales)	47.8%	45.4%	*2.4 pp*
Royalty and commission income	100	86	*16.1 %*
Other operating income	110	100	*9.7 %*
Other operating expenses	5,046	4,390	*14.9 %*
(% of net sales)	42.1%	42.3%	*(0.2) pp*
Operating profit	**894**	**508**	*76.0 %*
(% of net sales)	7.5%	4.9%	*2.6 pp*
Financial income	25	19	*28.3 %*
Financial expenses	113	169	*(33.5) %*
Income before taxes	**806**	**358**	*125.0 %*
(% of net sales)	6.7%	3.5%	*3.3 pp*
Income taxes	238	113	*111.0 %*
(% of income before taxes)	29.5%	31.5%	*(2.0) pp*
Net income	**568**	**245**	*131.4 %*
(% of net sales)	4.7%	2.4%	*2.4 pp*
Net income attributable to shareholders	**567**	**245**	*131.1 %*
(% of net sales)	4.7%	2.4%	*2.4 pp*
Net income attributable to non-controlling interests	**1**	**0**	*794.7 %*
Basic earnings per share (in €)	**2.71**	**1.25**	*116.8 %*
Diluted earnings per share (in €)	**2.71**	**1.22**	*121.8 %*

Net Sales

€ in millions	Full Year 2010	Full Year 2009	Change	Change (currency-neutral)
Wholesale	8,181	7,164	*14.2 %*	*7.5 %*
Retail	2,389	1,906	*25.4 %*	*17.8 %*
Other Businesses	1,420	1,293	*9.7 %*	*1.6 %*
Western Europe	3,543	3,261	*8.6 %*	*6.9 %*
European Emerging Markets	1,385	1,122	*23.4 %*	*15.9 %*
North America	2,805	2,362	*18.8 %*	*11.7 %*
Greater China	1,000	967	*3.5 %*	*(2.3) %*
Other Asian Markets	1,972	1,647	*19.7 %*	*5.8 %*
Latin America	1,285	1,006	*27.7 %*	*14.1 %*
adidas	8,714	7,520	*15.9 %*	*9.2 %*
Reebok	1,913	1,603	*19.3 %*	*12.2 %*
TaylorMade-adidas Golf	909	831	*9.4 %*	*0.9 %*
Rockport	252	232	*9.0 %*	*1.9 %*
Reebok-CCM Hockey	200	177	*13.0 %*	*2.9 %*

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Statement of Financial Position (IFRS)

€ in millions	Dec. 31 2010	Dec. 31 2009	Change
Cash and cash equivalents	1,156	775	49.2%
Short-term financial assets	233	75	209.5%
Accounts receivable	1,667	1,429	16.6%
Other current financial assets	197	160	22.9%
Inventories	2,119	1,471	44.1%
Income tax receivables	71	89	(20.3)%
Other current assets	390	360	8.2%
Assets classified as held for sale	47	126	(62.6)%
Total current assets	**5,880**	**4,485**	**31.1%**
Property, plant and equipment	855	723	18.3%
Goodwill	1,539	1,478	4.1%
Trademarks	1,447	1,342	7.8%
Other intangible assets	142	160	(11.2)%
Long-term financial assets	93	91	2.4%
Other non-current financial assets	54	58	(6.5)%
Deferred tax assets	508	412	23.2%
Other non-current assets	100	126	(20.3)%
Total non-current assets	**4,738**	**4,390**	**7.9%**
Total assets	**10,618**	**8,875**	**19.6%**
Short-term borrowings	273	198	37.8%
Accounts payable	1,694	1,166	45.3%
Other current financial liabilities	123	101	21.2%
Income taxes	265	194	36.1%
Other current provisions	470	320	46.8%
Current accrued liabilities	842	625	34.7%
Other current liabilities	241	232	4.2%
Liabilities classified as held for sale	0	0	n.a.
Total current liabilities	**3,908**	**2,836**	**37.8%**
Long-term borrowings	1,337	1,569	(14.8)%
Other non-current financial liabilities	15	25	(41.1)%
Pensions and similar obligations	180	157	14.9%
Deferred tax liabilities	451	433	4.0%
Other non-current provisions	29	29	(0.3)%
Non-current accrued liabilities	39	22	79.8%
Other non-current liabilities	36	28	31.8%
Total non-current liabilities	**2,087**	**2,263**	**(7.7)%**
Share capital	209	209	-
Reserves	563	212	167.1%
Retained earnings	3,844	3,350	14.7%
Shareholders' equity	4,616	3,771	22.4%
Non-controlling interests	7	5	29.9%
Total equity	**4,623**	**3,776**	**22.4%**
Total liabilities and equity	**10,618**	**8,875**	**19.6%**
Additional balance sheet information			
Operating working capital	2,093	1,734	20.6%
Working capital	1,972	1,649	19.6%
Net total borrowings	221	917	(75.9)%
Financial leverage	4.8%	24.3%	(19.5) pp

Rounding differences may arise in percentages and totals.