



**For Immediate Release**

**January 31, 2006**

### **adidas-Salomon AG and Reebok Close Acquisition**

Herzogenaurach – adidas-Salomon AG today announced that it has closed its acquisition of Reebok International Ltd. providing the new adidas Group with a footprint of around €9.5 billion (\$11.8 billion) in the global athletic footwear, apparel and hardware markets.

“We are delighted with the closing of the Reebok transaction, which marks a new chapter in the history of our Group,” said adidas-Salomon AG Chairman and CEO Herbert Hainer. “By combining two of the most respected and well-known brands in the worldwide sporting goods industry, the new Group will benefit from a more competitive worldwide platform, well-defined and complementary brand identities, a wider range of products, and a stronger presence across teams, athletes, events and leagues.”

#### **Leadership and Integration Update**

Herbert Hainer is Chairman and CEO of adidas-Salomon AG. With the close of the transaction, Paul Fireman is stepping down as CEO of Reebok International Ltd. and will serve as an advisor to Mr. Hainer.

“While Paul has chosen to step down as CEO of Reebok, I am very pleased that he has agreed to remain a personal advisor and consultant to me,” said Herbert Hainer. “Paul’s experience is invaluable to the organization at this time, and I look forward to continuing to work closely together.”

To ensure that the new adidas Group can quickly and seamlessly realize the benefits of this transaction, teams from adidas-Salomon AG and Reebok have worked over the past months to develop an integration plan that leverages the talents and expertise of both companies. As part of this planning, adidas-Salomon AG and Reebok each recently named new brand presidents. As announced on January 9, 2006, Erich Stamminger has been appointed President and CEO of the adidas brand, and Paul Harrington has been appointed President and CEO of the Reebok brand. Mark King will remain President and CEO of TaylorMade-adidas Golf. These roles are consistent with the adidas Group’s strategy to manage each brand separately so as to retain their unique identities.

The strategic direction and brand strategy for the new Group is expected to be announced in April.

The World of Sports, Herzogenaurach, will remain the global corporate headquarters of the new adidas Group. adidas North America Inc. will maintain its headquarters in Portland, Oregon, and Reebok will retain its headquarters in Canton, Massachusetts. TaylorMade-adidas Golf's headquarters will remain in Carlsbad, California.

### **Strategic and Financial Benefits of the Transaction**

The combination of adidas-Salomon AG and Reebok accelerates the adidas Group's strategic intent in the global athletic footwear, apparel and hardware markets. Together, adidas-Salomon AG and Reebok will offer an enhanced portfolio of global brands, including adidas, Reebok, TaylorMade, Rockport, Greg Norman Collection, MAXFLI, CCM, Jofa and Koho, that truly addresses the needs of today's and tomorrow's consumers. The Group will have more complete product offerings in key sporting categories, extended geographic reach, a more balanced sales profile, and enhanced research and development capabilities.

adidas-Salomon AG anticipates that the transaction will be accretive to earnings in the 2007 fiscal year. The Group expects to realize substantial operational synergies, including cost savings of approximately €125 million (U.S. \$150 million) by the third year after closing. In addition, the strong operating cash flow of the combined company will provide financial strength to reduce debt and continue funding established growth initiatives.

"Over the years, we at adidas have achieved success by building a consumer-oriented approach to the market, focusing on profit-driven performance metrics, and maintaining a strong commitment to continually generating free cash flow. With our transaction complete, these principles will continue to guide us. I am confident that with Reebok we can attain even higher performance levels for our company and our athletes around the world," Herbert Hainer continued.

### **Transaction Details**

Under the terms of the agreement announced on August 3, 2005, Reebok shareholders will receive U.S. \$59.00 per share in cash, representing a transaction value of approximately €3.1 billion (U.S. \$3.8 billion).

Effective today with the closing of the transaction, trading in Reebok's common stock has been halted.

### **About the adidas Group**

The adidas Group is one of the global leaders within the sporting goods industry and offers a broad range of products with brands such as adidas, Reebok and TaylorMade in its portfolio. Headquartered in Herzogenaurach, Germany, the new Group has more than 25,000 employees and sales of around € 9.5 billion.

### **Forward-Looking Statements**

The statements, analyses, and other information contained herein relating to the proposed merger and anticipated synergies, savings and financial and operating performance, including estimates for growth, trends in each of adidas-Salomon's and Reebok's operations and financial results, the markets for adidas's and Reebok's products, the future development of adidas's and Reebok's businesses, and the contingencies and uncertainties to which adidas and Reebok may be subject, as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "will," "should," "may," and other similar expressions, are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Such statements are made based upon management's current expectations and beliefs concerning future events and their potential effects on the company.

Future events and their effects on adidas and Reebok may not be those anticipated by management. Actual results may differ materially from the results anticipated in these forward-looking statements. Risks and uncertainties include, without limitation, the following: international, national and local general economic and market conditions; unanticipated shifts in consumer preferences in athletic footwear, apparel and hardware; competition; the ability to maintain advantageous licenses with our licensors; risks associated with our international sales, distribution and manufacturing; increases in raw material prices; our ability to manage and forecast our growth and inventories; the loss of significant customers and suppliers; the effect of currency fluctuations; responsiveness to existing and new products and distribution channels; the ability to achieve the cost savings and synergies contemplated by the proposed merger; the effect of regulatory conditions, if any, imposed by regulatory agencies; the reaction of Reebok's and adidas's customers and suppliers to the transaction; the ability to promptly and effectively integrate the businesses of Reebok and adidas; diversion of management time on merger-related issues; and increased exposure to exchange rate fluctuations.

Neither adidas nor Reebok undertakes, and each specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.

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Please visit our corporate website: [www.adidas-Group.com](http://www.adidas-Group.com)

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