OPERATIONAL HIGHLIGHTS 2016
CREATING THE NEW
FOCUS ON DRIVING BRAND DESIRABILITY
STRATEGIC CHOICES GAIN TRACTION

SIGNIFICANT PROGRESS ACROSS ALL THREE INITIATIVES

FULL-PRICE SHARE OF SALES
10% HIGHER

SPEED RANGE
GENERATING 25% OF SALES

MARKET ONBOARDING CONTINUES WITH NORTH AMERICA AND GREATER CHINA

MARKET SHARE GAINS AS REVENUES GROW MORE THAN 30%

ABSOLUTE AND RELATIVE NPS IMPROVEMENTS

DEVELOPMENT OF CITIES ORGANISATIONS LARGELY COMPLETED

PARTNERSHIP WITH KANYE WEST DRIVES COMMERCIAL SUCCESS AND BRAND HEAT

ADIDAS X PARLEY WITH COMMERCIAL LAUNCH

ADIDAS FUTURECRAFT SHOWS FIRST 100% BIODEGRADABLE UPPER IN FTW

SPEED
CITIES
OPEN SOURCE
STRENGTHS AND WEAKNESSES

IN 2016

BROAD-BASED
TOP-LINE MOMENTUM

MARKET SHARE AND NPS GAINS
IN KEY CATEGORIES AND MARKETS

MAJOR PROGRESS IN THE US,
THE LARGEST SPORTING GOODS MARKET

STRONG PROFITABILITY IMPROVEMENTS
DESPITE SEVERE FX HEADWINDS

NOT ALL PERFORMANCE CATEGORIES
EXPERIENCING SAME LEVEL OF GROWTH

REEBOK
STILL PERFORMING BELOW EXPECTATIONS

MARKET POSITION IN THE US
CONTINUES TO BE UNSATISFYING

MISSED OPPORTUNITIES DUE TO LIMITED
AVAILABILITY OF STRONG-SELLING PRODUCTS
REVENUES INCREASE 18% CURRENCY-NEUTRAL AND 14% IN EURO TERMS TO €19.3 BILLION

GROSS MARGIN GROWS 30 BASIS POINTS TO 48.6% REFLECTING IMPROVEMENTS IN THE PRICING, PRODUCT AND CHANNEL MIX DESPITE SEVERE NEGATIVE FX EFFECTS

OPERATING MARGIN IMPROVES 1.3PP TO 7.7% MAINLY DUE TO THE GROSS MARGIN INCREASE AND OPERATING LEVERAGE

UNDERLYING NET INCOME INCREASES 41% TO €1.019 BILLION
ADIDAS BRAND KEEPS UP MOMENTUM

PERFORMANCE AND LIFESTYLE BUSINESSES GROW AT DOUBLE-DIGIT RATES

+22%
STRONG GROWTH IN PERFORMANCE

DOUBLE-DIGIT INCREASES IN NEARLY ALL KEY SPORT PERFORMANCE CATEGORIES

+13%
WINNING IN LIFESTYLE
LIFESTYLE WITH 7 CONSECUTIVE QUARTERS OF +30% GROWTH
REEBOK SHARPENS BRAND IMAGE
REVENUE GROWTH IN NEARLY ALL MARKET SEGMENTS
OUTSTANDING ECOM GROWTH

ECOMMERCE REVENUES REACH €1 BILLION IN 2016

+59%
BROAD-BASED TOP-LINE GROWTH

DOUBLE-DIGIT SALES INCREASES ACROSS MOST REGIONS

NORTH AMERICA  +24%
LATIN AMERICA  +16%
WESTERN EUROPE +20%
MEAA            +16%
RUSSIA/CIS     +3%
GREAT CHINA    +28%
JAPAN          +16%

CURRENCY-NEUTRAL
Figures reflect combined revenues of the Adidas and Reebok brands.
ONGOING STRONG DEMAND FOR THE ADIDAS AND REEBOK BRANDS

WESTERN EUROPE

- CURRENCY-NEUTRAL SALES INCREASE 20% IN 2016
- DOUBLE-DIGIT GROWTH ACROSS ALL KEY MARKETS

- ADIDAS BRAND REVENUES UP 20%
  ON TOP OF AN 18% INCREASE IN THE PRIOR YEAR

- REEBOK SALES INCREASE 18%
  DOUBLE-DIGIT GROWTH IN TRAINING AND CLASSICS

- GROSS MARGIN DECLINES (-3.1PP)
  DUE TO SEVERE FX HEADWINDS

- OPERATING MARGIN DOWN (-2.1PP)
  REFLECTING LOWER GROSS MARGIN
ACCELERATING MOMENTUM FOR THE ADIDAS BRAND

NORTH AMERICA

CURRENCY-NEUTRAL SALES INCREASE 24% IN 2016
STRONG DOUBLE-DIGIT GROWTH IN EVERY QUARTER

ACCELERATING MOMENTUM AT BRAND ADIDAS (+30%)
DOUBLE-DIGIT GROWTH IN PERFORMANCE AND STYLE

REEBOK SALES DOWN 1%
REFLECTING CHALLENGES IN US MARKET

GROSS MARGIN EXPANDS (+1.1PP)
DRIVEN BY AN INCREASE IN BRAND DESIRABILITY

OPERATING MARGIN IMPROVES (+3.8PP)
SUPPORTED BY OPERATING LEVERAGE
BRAND PRESENCE FUELS TOP- AND BOTTOM-LINE GROWTH

GREATER CHINA

CURRENCY-NEUTRAL SALES GROW 28% IN 2016

SALES AT BRAND ADIDAS UP 28%
DOUBLE-DIGIT GROWTH IN KEY PERFORMANCE AND LIFESTYLE CATEGORIES

REEBOK REVENUES UP 17%
DRIVEN BY TRAINING, RUNNING AND CLASSICS

GROSS MARGIN IMPROVES FURTHER (+0.4PP)
REFLECTING BETTER MIX EFFECTS

OPERATING MARGIN GROWS (+0.1PP)
DUE TO GROSS MARGIN AND OPEX IMPROVEMENTS
DOUBLE-DIGIT GROWTH DESPITE MACROECONOMIC CHALLENGES

LATIN AMERICA

CURRENCY-NEUTRAL SALES INCREASE 16% IN 2016
DOUBLE-DIGIT GROWTH IN NEARLY ALL MARKETS

REVENUES AT BRAND ADIDAS UP 19%
DOUBLE-DIGIT GROWTH IN KEY PERFORMANCE AND LIFESTYLE CATEGORIES

REEBOK REVENUES UP 1%
REFLECTING THE CHANGE IN BUSINESS MODEL

GROSS MARGIN REMAINS STABLE
DESpite SEVERE FX HEADWINDS

OPERATING MARGIN SLIGHTLY DOWN (-0.1PP)
PROFITABILITY REMAINS UNDER PRESSURE

CURRENCY-NEUTRAL SALES INCREASE 1% IN 2016

SALES AT TMAG DECLINE 1%
GROWTH AT TAYLORMADE AND ADIDAS GOLF OFFSET BY DECLINES AT ASHWORTH AND ADAMS GOLF

CCM HOCKEY SALES DOWN 13%
REFLECTING THE CHALLENGING US HOCKEY MARKET

GROSS MARGIN UP 3.6PP
DRIVEN BY HIGHER PRODUCT MARGINS AT TMAG

OPERATING MARGIN REMAINS NEGATIVE
REFLECTING CHALLENGING MARKET ENVIRONMENT AND ONGOING RESTRUCTURING MEASURES
GROSS MARGIN INCREASES

DESPITE SEVERE FX HEADWINDS

INCREASE OF 30 BPS

-390 BPS

+420 BPS

GROSS MARGIN INCREASES DESPITE SEVERE FX HEADWINDS

GROSS MARGIN FY2015

FX HEADWINDS

UNDERLYING IMPROVEMENT

GROSS MARGIN FY2016
OPERATING MARGIN IMPROVES
REFLECTING IMPROVEMENTS IN GROSS MARGIN AND LOWER OPEX IN % OF SALES

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROSS MARGIN</td>
<td>+1.6PP 48.8%</td>
<td>+0.3PP 48.6%</td>
</tr>
<tr>
<td>OTHER OPERATING EXPENSES</td>
<td>+16% €2,346M</td>
<td>+13% €8,263M</td>
</tr>
<tr>
<td>OTHER OPERATING EXPENSES AS A PERCENTAGE OF SALES</td>
<td>+1.5PP 50.1%</td>
<td>(0.3PP) 42.8%</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>N/A €23M</td>
<td>+36% €1,491M</td>
</tr>
<tr>
<td>OPERATING MARGIN</td>
<td>+0.7PP 0.5%</td>
<td>+1.3PP 7.7%</td>
</tr>
</tbody>
</table>

Figures reflect continuing operations as a result of the divestiture of the Rockport business. Excluding goodwill impairment losses in 2015.
NON-RECURRING ITEMS
LARGELY OFFSET ONE ANOTHER IN 2016

- CHELSEA F.C.: MID- TO HIGH-DIGIT MILLION EUROS
- MITCHELL & NESS: LOW- TO MID-DIGIT MILLION EUROS
- REEBOK RESTRUCTURING: AROUND € 30 MILLION
- TMAG ONE-OFFS: LOW- TO MID-DIGIT MILLION EUROS
- ‘CTN’ INVESTMENTS: LOW- TO MID-DIGIT MILLION EUROS

POSITIVE EFFECTS
NEGATIVE EFFECTS

NON-RECURRING ITEMS
LARGELY OFFSET ONE ANOTHER IN 2016

- CHELSEA F.C.: MID- TO HIGH-DIGIT MILLION EUROS
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- ‘CTN’ INVESTMENTS: LOW- TO MID-DIGIT MILLION EUROS

POSITIVE EFFECTS
NEGATIVE EFFECTS
### Underlying Net Income Up 41% To €1,019 Million in 2016

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Income</td>
<td>(42%) €8 Million</td>
<td>(40%) €28 Million</td>
</tr>
<tr>
<td>Financial Expenses</td>
<td>+145% €39 Million</td>
<td>+11% €74 Million</td>
</tr>
<tr>
<td>Income Before Taxes</td>
<td>+18% (€8 Million)</td>
<td>+35% €1,444 Million</td>
</tr>
<tr>
<td>Net Income from</td>
<td>+48% (€9 Million)</td>
<td>+41% €1,019 Million</td>
</tr>
<tr>
<td>Continuing Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted EPS from</td>
<td>+74% (€0.02)</td>
<td>+41% €4.99</td>
</tr>
<tr>
<td>Continuing Operations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Excluding goodwill impairment losses in 2015.

Figures reflect continuing operations as a result of the divestiture of the Rockport business.
AVERAGE OWC IN % OF SALES
DOWN 0.3PP TO 20.2%

INVENTORIES GROW 19% (CURRENCY-NEUTRAL) TO SUPPORT TOP-LINE MOMENTUM

RECEIVABLES UP 7% (CURRENCY-NEUTRAL)

PAYABLES GROW 23% (CURRENCY-NEUTRAL), REFLECTING THE INCREASE IN INVENTORIES

Average operating working capital in % of sales at year-end.
*Figures reflect continuing operations as a result of the divestiture of the Rockport business.
NET DEBT POSITION

IMPROVES SIGNIFICANTLY TO € 103 MILLION

DECREASE MAINLY DUE TO FIRST CONVERSIONS OF CONVERTIBLE BONDS INTO SHARES AS WELL AS AN INCREASE IN CASH GENERATED FROM OPERATING ACTIVITIES

RATIO OF NET DEBT/EBITDA AMOUNTS TO 0.1 (2015: 0.3)

EQUITY RATIO REMAINS AT A STRONG LEVEL OF 42.6% (2015: 42.5%)
DIVIDEND PROPOSAL
OF € 2.00 PER SHARE

PROPOSED DIVIDEND OF € 2.00 PER SHARE, UP 25% VERSUS THE PRIOR YEAR

PAYOUT RATIO OF 39.6% (2015: 47.9 %)

PAYOUT RATIO WITHIN TARGET RANGE OF BETWEEN 30% AND 50%

Dividend per share (in €), 2016 subject to Annual General Meeting approval.
OUTLOOK 2017
BRAND MOMENTUM TO CONTINUE IN 2017

STRATEGIC GROWTH AREAS EXPECTED TO SPUR STRONG REVENUE IMPROVEMENT

KEY PERFORMANCE AND LIFESTYLE CATEGORIES TO DRIVE TOP-LINE EXPANSION

DOUBLE-DIGIT SALES INCREASES IN KEY MARKETS
BROAD-BASED CATEGORY STRENGTH
PRODUCT LINE-UP, MARKETING INITIATIVES AND SPORTING EVENTS TO DRIVE GROWTH

**FOOTBALL**
- Cementing market leadership
- Benefit from build-up towards 2018 FIFA World Cup
- Amplify from stadium to street

**RUNNING**
- Further market share gains
- Strong product franchises across all price points
- Expanding our women’s business

**TRAINING**
- Focus on apparel franchises
- Gaining further traction with female athletes
- Leveraging collaborations (e.g. Karlie Kloss, James Harden)

**ORIGINALS**
- Brand heat to continue
- Further roll-out of franchise portfolio
- Next chapter of nostalgia-driven boost running shoes: INIKI
## MOMENTUM ACROSS THE GLOBE

**DOUBLE-DIGIT GROWTH EXPECTED FOR THREE LARGEST MARKETS**

<table>
<thead>
<tr>
<th>Western Europe</th>
<th>North America</th>
<th>Greater China</th>
<th>Latin America</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STRENGTHEN MARKET-LEADING POSITION</strong></td>
<td><strong>ENSURE CONTINUED MOMENTUM</strong></td>
<td><strong>FOCUS ON FOOTWEAR TO COMPLEMENT LEADERSHIP IN APPAREL</strong></td>
<td><strong>ONGOING MACROECONOMIC UNCERTAINTIES</strong></td>
</tr>
<tr>
<td><strong>FURTHER PROCESS HARMONISATION THROUGHOUT THE REGION</strong></td>
<td><strong>FOCUS ON OPERATIONAL EFFICIENCY</strong></td>
<td><strong>EXPAND BRAND-LED RETAIL</strong></td>
<td><strong>RESTRUCTURING THE BUSINESS IN BRAZIL</strong></td>
</tr>
<tr>
<td><strong>DOUBLE-DIGIT SALES GROWTH</strong></td>
<td><strong>DOUBLE-DIGIT SALES GROWTH</strong></td>
<td><strong>DOUBLE-DIGIT SALES GROWTH</strong></td>
<td><strong>HIGH-SINGLE-DIGIT SALES GROWTH</strong></td>
</tr>
</tbody>
</table>
OUTLOOK
STRONG TOP- AND BOTTOM-LINE IMPROVEMENTS EXPECTED

SALES TO INCREASE
AT A RATE BETWEEN 11% AND 13%

GROSS MARGIN TO IMPROVE
UP TO 0.5PP TO A LEVEL OF UP TO 49.1%

OPERATING MARGIN TO GROW
BY BETWEEN 0.6PP AND 0.8PP TO A LEVEL BETWEEN 8.3% AND 8.5%

NET INCOME FROM CONTINUING OPERATIONS TO INCREASE
AT A RATE BETWEEN 18% AND 20% TO A LEVEL BETWEEN € 1.200 BILLION AND € 1.225 BILLION
STRATEGY ACCELERATION
CREATING THE NEW IS OUR STRATEGY

- Culture
- Open Source
- Cities
- Focus
- Speed
- Brand
- Desire

- Top Line & Market Share Growth
- Gross Margin Expansion
- Operating Leverage
OUR CORE BELIEF

THROUGH SPORT, WE HAVE THE POWER TO CHANGE LIVES
BUILDING ON OUR PEOPLE’S UNIQUE PASSION FOR SPORTS AND FOR OUR BRANDS

DRIVE DIVERSITY WITHIN THE COMPANY

IMPROVE TALENT MANAGEMENT

FOSTER PERFORMANCE CULTURE

IMPLEMENT EQUITY-BASED COMPENSATION

REFINE LEADERSHIP STRUCTURE
# ACCELERATION PLAN

## FOUR PILLARS TO DRIVE FASTER GROWTH

<table>
<thead>
<tr>
<th>PORTFOLIO</th>
<th>ADIDAS NORTH AMERICA</th>
<th>ONE ADIDAS</th>
<th>DIGITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREAMLINE THE PORTFOLIO</td>
<td>STRONGLY DEVELOP BUSINESS IN NORTH AMERICA</td>
<td>IMPROVE EFFECTIVENESS AND INCREASE EFFICIENCY</td>
<td>DRIVE DIGITAL TRANSFORMATION ALONG ENTIRE VALUE CHAIN</td>
</tr>
<tr>
<td>ACTIVELY MANAGE BRANDS, COUNTRIES AND CATEGORIES</td>
<td>INVEST IN PEOPLE, INFRASTRUCTURE AND MARKETING</td>
<td>STANDARDISATION AND HARMONISATION OF PROCESSES</td>
<td>3-D CREATION AND PRODUCTION</td>
</tr>
<tr>
<td>NAM, WESTERN EUROPE AND CHINA TO CONTRIBUTE ABOVE AVERAGE TO NEW AMBITION</td>
<td>STEP UP BRAND REPRESENTATION IN DIGITAL AND KEY ACCOUNTS</td>
<td>FOCUS ON EXECUTION</td>
<td>AGGRESSIVELY DRIVE E-COM CAPABILITIES AND SALES</td>
</tr>
</tbody>
</table>
STREAMLINING THE PORTFOLIO
FOCUS ON CORE COMPETENCIES IN FOOTWEAR AND APPAREL

DIVESTITURE DUE TO
• LIMITED GROWTH OF GOLF MARKET
• EQUIPMENT NON-CORE

DIVESTITURE DUE TO
• LIMITED GROWTH OF HOCKEY MARKET
• EQUIPMENT NON-CORE

INTEGRATION INTO ADIDAS OUTDOOR TO
• USE BRAND TO AUTHENTICATE OUTDOOR
• GAIN EFFICIENCY

REINTEGRATION INTO ADIDAS TO
• INCREASE OVERALL FOCUS ON ADIDAS BRAND

TURNAROUND PLAN TO
• ACCELERATE GROWTH
• DRIVE SUBSTANTIAL PROFITABILITY IMPROVEMENTS

EXIT
EXIT
INTEGRATION
REINTEGRATION
RESTRUCTURING
# Updated Financial Ambition 2020

**Reflecting Acceleration Plan**

<table>
<thead>
<tr>
<th>Target KPIs</th>
<th>Initial Ambition 2020</th>
<th>Updated Ambition 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Growth</strong></td>
<td>High-Single-Digit</td>
<td>10%-12%</td>
</tr>
<tr>
<td>CAGR 2015-2020; currency-neutral</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>~15%</td>
<td>20%-22%</td>
</tr>
<tr>
<td>CAGR 2015-2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>~22</td>
<td>25-27</td>
</tr>
<tr>
<td>€ in billions</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ecommerce</strong></td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>€ in billions</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>~9.9%</td>
<td>11%</td>
</tr>
</tbody>
</table>

- CAGR: Compound Annual Growth Rate
- €: Euros
- High-Single-Digit: Growth rate in the single-digit range
- Currency-neutral: Adjusted for currency fluctuations
- Ecommerce: Online sales
- Operating Margin: Profitability of the operations
**‘CTN’ OFF TO A STRONG START**

AT THE SAME TIME THERE IS STILL A LONG WAY TO GO

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>AMBITION 2020</th>
<th>REMAINING 2017-2020</th>
<th>TARGET ACHIEVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td>16.9</td>
<td>19.3</td>
<td>25.0-27.0</td>
<td>5.7-7.7</td>
<td>26%</td>
</tr>
<tr>
<td>EUR BN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING MARGIN</strong></td>
<td>6.5</td>
<td>7.7</td>
<td>11.0</td>
<td>3.3PP</td>
<td>27%</td>
</tr>
<tr>
<td>% OF NET SALES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ECOMMERCE</strong></td>
<td>0.6</td>
<td>1.0</td>
<td>4.0</td>
<td>3.0</td>
<td>12%</td>
</tr>
<tr>
<td>EUR BN</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
SUMMARY

WE ARE IN A HIGHLY ATTRACTIVE INDUSTRY

CREATING THE NEW IS THE RIGHT STRATEGY

EXCEPTIONAL RESULTS ACHIEVED IN 2016

STRONG TOP- AND BOTTOM-LINE GROWTH EXPECTED IN 2017

ACCELERATION PLAN TO GROW REVENUES AND PROFITS EVEN FASTER THAN INITIALLY PROJECTED