

FINANCIAL STATEMENTS OF ADIDAS AG

for the Year Ended December 31, 2014

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Combined Management Report

The Management Report of adidas AG has been combined with the Management Report of the adidas Group in accordance with § 315 section 3 together with § 298 section 3 of the German Commercial Code (Handelsgesetzbuch – HGB) and is published in the 2014 Annual Report of the adidas Group.

The Financial Statements and the combined Management Report for adidas AG and the adidas Group for the 2014 financial year are filed with and published in the Federal Gazette.

The Financial Statements of adidas AG as well as the Annual Report for the 2014 financial year are also available for download on the Internet at

<http://www.adidas-group.com/en/investors/financial-reports/>

Annual financial statements of adidas AG

Balance Sheet

EUR thousand

		Dec. 31, 2014	Dec. 31, 2013
ASSETS			
FIXED ASSETS (1)			
Intangible assets	(2)	129,307	147,804
Tangible assets	(2)	419,390	303,794
Financial assets	(3)	3,502,298	3,475,917
		4,050,995	3,927,515
CURRENT ASSETS			
Inventories	(4)	37,799	29,339
Receivables and other assets	(5)	2,312,063	1,928,325
Cash and cash equivalents	(6)	934,047	735,598
		3,289,909	2,693,262
PREPAID EXPENSES (7)			
		79,958	73,652
		7,414,862	6,694,429
EQUITY AND LIABILITIES			
EQUITY			
Subscribed capital ¹	(8)	209,216	209,216
Par value treasury shares	(8)	-4,889	0
Capital reserves	(8)	1,200,966	1,200,966
Revenue reserves		339,076	655,128
Retained earnings	(9)	307,118	424,076
		2,051,487	2,489,386
UNTAXED RESERVE (10)			
		4,398	4,719
PROVISIONS/ACCRUALS (11)			
		389,608	393,401
LIABILITIES (12)			
		4,968,885	3,806,719
DEFERRED INCOME			
		484	204
		7,414,862	6,694,429

¹ Contingent Capital I at Dec. 31, 2014 in the amount of EUR 36,000 thousand (previous year EUR 36,000 thousand).
Contingent Capital II at Dec. 31, 2014 in the amount of EUR 12,500 thousand (previous year EUR 12,500 thousand)

Annual financial statements of adidas AG

Income Statement

EUR thousand

		2014	2013
Sales	(14)	2,142,780	1,952,467
Change in inventory		-698	1,045
Total output		2,142,082	1,953,512
Other operating income	(15)	647,043	1,164,880
Cost of materials	(16)	-599,996	-532,143
Personnel expenses	(17)	-398,343	-357,026
Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	(19)	-91,192	-80,583
Other operating expenses	(19)	-1,580,837	-1,980,611
Income from operations		118,757	168,029
Income from investments in related companies	(20)	171,211	102,486
Profit received under a profit and loss transfer agreement	(21)	967	5,832
Write-downs of long-term financial assets	(22)	0	-2,841
Interest result	(23)	-44,196	-62,281
Income from ordinary activities		246,739	211,225
Taxes on income	(24)	-70,646	-111,138
Other taxes		-227	-64
NET INCOME		175,866	100,023
Retained earnings brought forward		110,252	324,053
Withdrawal from other revenue reserves		21,000	0
RETAINED EARNINGS		307,118	424,076

Notes to the annual financial statements of adidas AG for the year ended December 31, 2014

In the interest of providing a clearer overall picture, certain items in the balance sheet and income statement have been combined as permitted in **§ 265 (7) German Commercial Code** (Handelsgesetzbuch, "HGB"), and have been disclosed and explained separately under the numerical text reference indicated below. The names and domiciles of other companies in which adidas AG holds at least a one-fifth interest, either directly or indirectly, and the disclosures related to these companies can be found in Appendix 3 to these notes.

Due to rounding principles, numbers presented may not sum up exactly to totals provided or rounding differences can be included.

Accounting policies

Acquired intangible fixed assets are recognized at cost and subject to periodic straight-line amortization over their expected useful lives. Internally generated intangible assets are not capitalized.

Tangible fixed assets are recognized at (acquisition or production) cost. All recognizable direct and overhead costs are included in production costs. Items with a finite life are depreciated/amortized over their expected useful lives. Borrowing cost capitalization does not take place.

Buildings are subject to straight-line amortization at adidas AG. The estimated useful life of business premises is 50 years maximum and from two to ten years for technical equipment and machinery, other equipment, and operating and office equipment. Due to the accrual of GEV Grundstücksgesellschaft Herzogenaurach mbH & Co. KG into adidas AG during the 2014 fiscal year, all buildings previously owned by GEV Grundstücksgesellschaft Herzogenaurach mbH & Co. KG are now owned by adidas AG. The useful life of the existing buildings at the "World of Sports" headquarters is 20 years, the other buildings constructed on the "World of Sports" property are depreciated over a useful life of 33 years.

Chattel assets are depreciated on a straight-line basis.

Minor-value assets worth less than EUR 410 are written off in full in the year of their acquisition.

Write-downs to the lower fair value are also recognized if an impairment is anticipated to be other than temporary.

Long-term financial assets are recognized at cost. To the extent necessary, write-downs are made to their lower fair value. If the reasons for the write-down no longer apply, the write-down is reversed to no higher than the historical cost of the asset.

Inventories are measured at the lower of cost or market. Manufacturing costs comprise direct costs that must be capitalized and appropriate portions of overhead costs. Allowances are taken for discernible fashion and technical risks, age structure, and marketability.

Receivables and other assets are generally recognized at nominal values. Individual adjustments and allowances for doubtful accounts are taken to cover discernible risks.

Derivative financial transactions entered into with banks by Group Treasury (primarily forward currency, commodity futures and currency option transactions) are generally related to underlying transactions with Group companies. Hedge accounting is applied if there is a direct hedging relationship between these transactions. The net hedge presentation method is applied. The fair values of the hedges are matched and changes in value from the hedged risk which offset each other are not recognized. Unrealized losses are recognized in profit or loss only if they are not covered by unrealized gains in the hedge accounting. Financial transactions that are not recognized using hedge accounting are measured individually at fair value. Any resulting losses are recognized in profit or loss.

Prepaid expenses are recognized at nominal value.

Deferred taxes are recognized for temporary differences between the carrying amounts and tax bases for assets, liabilities, prepaid expenses and deferred income. Deferred taxes are calculated based on the combined income tax rate of adidas AG, which is currently 28%. The combined income tax rate comprises corporate income tax, municipal trade tax and the solidarity surcharge.

A net tax burden would be recognized on the balance sheet as a deferred tax liability. There is an option to recognize a deferred tax asset under **§ 274 (1) no. 2 HGB** in the event of a tax benefit granted. In the fiscal year, the Company had a net deferred tax asset, which it did not recognize on its balance sheet.

Subscribed capital is recognized at the nominal amount.

The Company exercised its option to maintain the special tax-allowable reserve as permitted upon the first-time adoption of the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz, "BilMoG"). Accounting policies relating to this reserve and its reversal remain the same as previously.

Pension obligations are calculated on the basis of actuarial biometric assumptions (2005 G mortality tables by Prof. Dr. Klaus Heubeck) in accordance with the projected unit credit (PUC) method. The defined benefit obligation (DBO) recognized under the PUC method is defined as the actuarial present value of the pension obligations earned by the employees by the balance sheet date according to the retirement benefit formula and the vested pension amount based on their service in the past. Expected future pension benefit increases are factored in using a 1.0% to 1.5% p.a. growth rate in benefits. The percentage rate for regular pension adjustments in accordance with § 16 (1) German Company Pensions Act (Betriebsrentengesetz, "BetrAVG") was reduced from 2.0% to 1.5% due to lower expectations for inflation. Fluctuation is assumed to range between 5% and 20%, depending on age. The rate used to discount the pension obligations in accordance with **§ 253 (2) sentence 2 HGB** amounts to 4.54% as of 12/31/2014 (previous year: 4.90%); this rate is the average market rate for the past seven fiscal years for an assumed term of 15 years. The plan assets created in 2014 through the funding of the pension trust association were measured at fair value in accordance with § 255 (4) HGB and offset against the pension obligations. Other provisions cover all discernible risks and uncertain obligations and are recognized in the settlement amount dictated by prudent business judgment in order to cover future payment obligations. Future price and cost increases are factored in to the extent that there is sufficient objective evidence that they will occur. Provisions with terms in excess of one year are discounted at the average market rate for their respective maturity over the past seven years, in accordance with **§ 253 (2) sentence 1 HGB**. Provisions with terms of less than one year are not discounted.

Provisions for partial and early retirement liabilities, reported under other provisions, are discounted at 3.08 % as of 12/31/2014 (previous year: 3.65 %). This rate is the average market rate for the past seven fiscal years for a residual term of 3 years.

Securities classified as current assets serve exclusively to satisfy liabilities from partial and early retirement obligations and are isolated from all other creditors. In accordance with the provisions of HGB, these assets must be offset against the liabilities for which they serve as hedges. Analogously to the offsetting of assets against liabilities, the associated income

from securities is offset against interest expenses. The assets to be offset are measured at fair value as determined by their current exchange or market price. Any difference arising between the fair value and historical cost of the assets to be offset is subject to a restriction on distribution.

The effect from the annual adjustment of the discount rate applied to the provisions in accordance with **§ 253 (2) HGB** is recognized immediately in profit and loss under other interest and similar income or interest and similar expenses. Liabilities are recognized at their settlement amount.

Revenues are recognized once the price risk has been transferred to the purchaser. This generally occurs upon delivery of the merchandise.

Licensing revenues are recognized in accordance with the underlying contractual agreements. Claims and revenues generally arise whenever the licensee generates sales revenue with adidas products.

Assets and liabilities denominated in a foreign currency are recorded at the mean spot rate as of the respective transaction date. Currency translation losses arising as of the balance sheet date due to the measurement of foreign-denominated assets and liabilities are reported. Currency translation gains from the measurement of current assets and liabilities falling due within less than one year are recorded in profit or loss in accordance with **§ 256a HGB**. Currency translation gains are reported under "other operating income" and currency translation losses are reported under "other operating expenses".

Income from profit and loss transfer agreements is recognized if the amount to be transferred or absorbed can be determined with reasonable certainty, even if the annual financial statements of the subsidiary have not yet been adopted.

Income from long-term equity investments is generally recognized during the period in which a claim to such income arises and it can be reasonably expected that the amounts due will be collected.

1. Fixed assets

Please see Appendix 1 to the notes on the financial statements for the statement of changes in fixed assets pursuant to 268 (2) HGB.

2. Intangible fixed assets and tangible fixed assets

Intangible fixed assets and tangible fixed assets

EUR thousand

	Dec. 31, 2014	Dec. 31, 2013
Balance as of Jan. 1	451,598	416,292
Additions	198,576	116,187
Disposals	10,285	298
Depreciation, amortization and write-downs	91,192	80,583
Reversals	0	0
Balance as of Dec. 31	548,697	451,598

The significant additions primarily concern land and buildings EUR 110,306 thousand. Property and buildings with a gross value of EUR 100,546 thousand and accumulated depreciation of EUR 3,533 thousand from the accretion of GEV Grundstücksgesellschaft Herzogenaurach mbH & Co. KG were recognized at a net value of EUR 96,993 thousand. Other additions concerned payments in advance for software assets EUR 26,793 thousand and assets under construction EUR 16,871 thousand. The disposals arise from the gross value of (EUR 17,899 thousand) and are reduced by accumulated depreciation up to the date of disposal of (EUR 7,614 thousand).

3. Long-term financial assets

The change of EUR 26,381 thousand relates primarily to contributions in kind to adidas Beteiligungsgesellschaft mbH, Herzogenaurach, Germany EUR 37,887 thousand, the addition of adidas Peru S.A.C., Lima, Peru EUR 11,463 thousand and the disposal of the equity interest in GEV Grundstücksgesellschaft Herzogenaurach mbH & Co. KG, Herzogenaurach, Germany EUR 27,189 thousand, which was merged to adidas AG during the fiscal year.

4. Inventories

Inventories

EUR thousand

	Dec. 31, 2014	Dec. 31, 2013
Raw materials, consumables and supplies	5,140	3,650
Work in progress	90	50
Finished goods and merchandise	32,569	25,639
Inventories	37,799	29,339

Inventories relate to raw materials, consumables, and supplies for production purposes, work in progress in the production process, and merchandise at the Company's own adidas shops, the factory outlets, as well as merchandise of the Fashion Group, i.e., products from collections such as "NEO", "Y3" and "Porsche Design Sport".

5. Receivables and other assets

Receivables and other assets

EUR thousand

	Dec. 31, 2014	Dec. 31, 2013
Trade accounts receivable	57,464	63,568
of which with a residual maturity of more than one year	0	0
Receivables from affiliated companies	2,223,185	1,846,219
of which with a residual maturity of more than one year	0	0
Other assets	31,414	18,538
of which with a residual maturity of more than one year	343	202
Receivables and other assets	2,312,063	1,928,325

The receivables from affiliated companies primarily concern receivables in connection with Group Treasury activities. Group Treasury uses a netting process to balance out any fund surpluses or deficits at subsidiaries through adidas AG and settle payments between subsidiaries. Receivables from affiliated companies include EUR 4,407 thousand in trade receivables. A total of EUR 22,805 thousand in other receivables from affiliated companies was written up and EUR 71,640 thousand was written down.

The other assets essentially include receivables from tax authorities from value added tax, receivables from withholding taxes, capitalized option premiums, accounts payable with debit balances, receivables from credit card companies and the "World of Living" property, which is not considered to be part of the continuous operations of adidas AG and thus belongs to current assets. This resulted from the merger of the GEV Grundstücksgesellschaft Herzogenaurach mbH & Co. KG with adidas AG in fiscal year 2014.

6. Cash-in-hand, central bank balances, bank balances and checks

Cash and cash equivalents

EUR thousand

	Dec. 31, 2014	Dec. 31, 2013
Cash-in-hand, bank balances and checks	934,047	735,598

7. Prepaid expenses

Prepaid expenses

EUR thousand

	Dec. 31, 2014	Dec. 31, 2013
Advertising and promotion agreements	3,539	3,402
Discount on promissory note loan	1,098	1,570
Discount from valuation of conversion right attaching to convertible bond	26,191	36,861
Other	49,130	31,819
Prepaid expenses	79,958	73,652

In March 2012, adidas AG issued a convertible bond maturing in 2019 with a value of EUR 500,000 thousand. The convertible bond carries a 0.25 percent p.a. coupon and may be converted into shares in the Company. The value of the conversion right was determined to be EUR 55,891 thousand, which was recorded as a discount under prepaid expenses. The discount will be amortized as of the earliest date possible, i.e., as of the June 2017 redemption by bond holders. As of the balance sheet date, the discount amounted to EUR 26,191 thousand. Other prepaid expenses comprise mainly advance payments for rent, advertising and promotions, insurance premiums and maintenance.

8. Subscribed capital and capital reserves

The share capital of adidas AG ("the Company") did not change in the year under review compared to December 31, 2013. As of the balance sheet date and on February 13, 2015, it totaled EUR 209,216,186, divided into 209,216,186 registered no-par value shares ("registered shares"), and is fully paid in.

Each share grants one vote and carries dividend rights from the year in which it is issued. Pursuant to § 71b German Stock Corporation Act (Aktiengesetz, "AktG"), directly or indirectly held treasury shares do not carry dividend rights. As of the balance sheet date and on February 13, 2015 the Company held 4,889,142 treasury shares, which corresponds to an arithmetical interest of EUR 4,889,142 in the share capital, and consequently 2.34% of the share capital.

The table below provides an overview of the changes in equity:

Changes in equity

EUR thousand

	Jan. 1, 2014	Repurchase of treasury shares	Withdrawal from revenue reserves	Dividend	Net profit for the year	Dec. 31, 2014
Subscribed capital	209,216	0	0	0	0	209,216
Par value of treasury shares	0	-4,889	0	0	0	-4,889
Capital reserves	1,200,966	0	0	0	0	1,200,966
Revenue reserves	655,128	-295,052	-21,000	0	0	339,076
Retained earnings	424,076	0	21,000	-313,824	175,866	307,118
Equity	2,489,386	-299,941	0	-313,824	175,866	2,051,487

Authorized capital

The Executive Board of adidas AG did not use the existing authorized capital totaling EUR 95,000,000 in the 2014 fiscal year or after the balance sheet date up to February 13, 2015.

Pursuant to Article 4 paragraphs 2, 3, and 4 of the Articles of Association which, as of the balance sheet date governs the Company's authorized capital, the Executive Board is entitled, subject to Supervisory Board approval, to increase the share capital:

until June 30, 2018

— by issuing new shares against cash contributions, once or severally, by up to a maximum of EUR 50,000,000 and, subject to Supervisory Board approval, to exclude fractional shares from shareholders' subscription rights (Authorized Capital 2013/I);

until June 30, 2016

— by issuing new shares against contributions in kind, once or severally, up to a maximum of EUR 25,000,000 and, subject to Supervisory Board approval, to exclude shareholders' subscription rights (Authorized Capital 2013/II);

until June 30, 2018

— by issuing new shares against cash contributions, once or severally, by up to a maximum of EUR 20,000,000 and, subject to Supervisory Board approval, to exclude shareholders' subscription rights for fractional amounts and when issuing the new shares at an issue price that is not substantially below the market price of shares of the same class; subscription rights may also be excluded in connection with the listing of the Company's shares on a foreign stock exchange (Authorized Capital 2013/III). The authorization to exclude subscription rights pursuant to the last sentence, may, however, only be used to the extent that the pro rata amount of the new shares in the share capital together with the pro rata amount of other shares in the share capital which were issued by the Company after May 8, 2013, subject to the exclusion of subscription rights pursuant to § 186 (3) sentence 4 AktG on the basis of an authorized capital or following a repurchase, or for which conversion or subscription rights or conversion or subscription obligations were granted after May 8, 2013, through issuance of bonds with warrants and/or convertible bonds, with subscription rights excluded pursuant to § 186 (3) sentence 4 AktG, does not exceed 10% of the share capital existing on the date of entry of this authorization into the commercial register or – if this amount is lower – as at the respective date on which the authorization is used.

Contingent capital

The following discussion of contingent capital relates to Article 4 (5) and (6) of the Company's Articles of Association and the underlying resolutions of the Annual General Meetings on May 6, 2010 and May 8, 2014. There is no other contingent capital.

Contingent Capital 2010

As of the balance sheet date, the share capital is conditionally increased by up to EUR 36,000,000, divided into up to 36,000,000 registered shares (Contingent Capital 2010). The conditional capital increase will only be implemented to the extent that the holders/creditors of warrants and conversion rights and/or the persons obligated to exercise the warrant or conversion feature from bonds with warrants or convertible bonds issued or guaranteed by the Company or a subordinate Group company prior to May 5, 2015 pursuant to the authorization of the Executive Board by shareholder resolution dated May 6, 2010 exercise their warrant or conversion rights or, if they are obligated to exercise the warrant or conversion feature, fulfill their obligation to exercise the warrant or conversion feature or, if the Company avails itself an option to substitute payment of the monetary amount falling due, in part or in whole, by delivering shares in the Company, to the extent no cash settlement is granted, or own shares or the shares of another listed company may be used to service the obligation. The new shares will be issued at the relevant warrant or conversion price to be determined in accordance with the aforementioned authorization resolution. The new shares carry dividend rights from the beginning of the fiscal year in which they are created. The Executive Board is authorized, subject to Supervisory Board approval, to stipulate the further details concerning the implementation of the conditional capital increase.

The Executive Board of adidas AG has not issued any shares from Contingent Capital 2010 in the 2014 fiscal year or after the balance sheet date up until February 13, 2015.

Contingent Capital 2014

As of the balance sheet date, the share capital is conditionally increased by up to EUR 12,500,000, divided into up to 12,500,000 registered shares (Contingent Capital 2014). The conditional capital increase will only be implemented to the extent that the holders/creditors of warrants and conversion rights and/or the persons obligated to exercise the warrant or conversion feature from bonds with warrants or convertible bonds issued or guaranteed by the Company or a subordinate Group company prior to May 7, 2019 pursuant to the authorization of the Executive Board by shareholder resolution dated May 8, 2014 (agenda item 7) exercise their warrant or conversion rights or, if they are obligated to exercise the warrant or conversion feature, fulfill their obligation to exercise the warrant or conversion feature or, if the Company avails itself an option to substitute payment of the monetary

amount falling due, in part or in whole, by delivering shares in the Company, to the extent no cash settlement is granted, or own shares or the shares of another listed company may be used to service the obligation. The new shares will be issued at the relevant warrant or conversion price to be determined in accordance with the aforementioned authorization resolution. The new shares carry dividend rights from the beginning of the fiscal year in which they are created. The Executive Board is authorized, subject to Supervisory Board approval, to stipulate the further details concerning the implementation of the conditional capital increase.

The Executive Board of adidas AG has not issued any shares from Contingent Capital 2014 in the 2014 fiscal year or after the balance sheet date up until February 13, 2015.

Convertible bond

On March 14, 2012, the Executive Board, with the approval of the Supervisory Board, partially exercised the authorization of the Annual General Meeting dated May 6, 2010, and on March 21, 2012 issued a convertible bond with a nominal amount of EUR 500,000,000 in an offering to institutional investors outside the United States, due June 14, 2019, under exclusion of the shareholders' subscription rights. The conversion right may be exercised at any time in the period from May 21, 2012 to June 5, 2019 and (subject to any modification of the conversion ratio as a result of the anti-dilution protections set forth under § 10 of the bond terms or a change of control pursuant to § 13 of the bond terms) converted into 6,056,447 shares in the Company, subject to the expiration of the conversion right stipulated in § 6 section 3 of the bond terms and conditions or of the exclusion period stipulated in § 6 section 4. The exercise price is currently EUR 82.56 per share. The convertible bond has a 0.25% annual coupon. Convertible bond holders receive the right to call the bond on June 14, 2017. adidas AG will have the right to redeem the convertible bond early from July 14, 2017 if the share price of adidas AG exceeds the current conversion price of EUR 82.56 by no less than 30% on 20 out of 30 consecutive trading days. The convertible bond is traded on the Regulated Unofficial Market (*Freiverkehr*) of the Frankfurt Stock Exchange.

Acquisition of treasury shares

In the Annual General Meeting on May 8, 2014, the Company's shareholders cancelled the Executive Board's unexercised authorization to acquire treasury shares dated May 6, 2010. At the same time, the Annual General Meeting resolved a new Authorization for the

Executive Board to acquire own shares of up to a total of 10% of the share capital by May 7, 2019. The authorization may be exercised by the Company, subordinated Group companies or by a third party engaged by the Company or a subordinated Group company to act on its or their account.

The Executive Board of adidas AG launched a share buyback program on November 7, 2014 based on the authorization to acquire treasury shares issued by the Annual General Meeting on May 8, 2014. The buyback is for retiring shares (capital decrease), and optionally, for satisfying obligations from the convertible bond issued by the Company in the amount of EUR 500,000,000 maturing by June 14, 2019.

In November 2014, 1,881,836 shares were acquired at an average price of EUR 62.89; this corresponds to an arithmetical share of EUR 1,881,836 or 0.90% of the share capital. In December 2014, 3,007,306 shares were acquired at an average price of EUR 60.41; this corresponds to an arithmetical share of EUR 3,007,306 or 1.44% of the share capital. In the period from November 7, 2014 up to and including December 12, 2014, under the authorization, adidas AG thus acquired a total of 4,889,142 shares in a first tranche at a total price of EUR 299,999,987 (excluding transaction costs), which gives an average purchase price of EUR 61.36 per share. The first tranche of the share buyback program was ended on December 12, 2014. The Company retains the right to continue the share buyback program in the future in connection with the announced key points. For details, see "Disclosures pursuant to § 315 (4) and § 289 (4) HGB".

Notifications of voting rights

§ 160 (1) no. 8 AktG requires the disclosure of the content of notifications to the Company pursuant to § 21 (1) or (1a) of the German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") regarding equity interests held in the Company.

The table below contains information regarding the notifications submitted to the Company as of February 13, 2015. The disclosures in the table were taken from the most recent notifications submitted to the Company. All publications by the Company with regard to notifications of equity interests during the year and as of February 13, 2015 are available on the adidas Group's website: (www.adidas-Group.com/s/stimmrechtsmitteilungen). Please note that disclosures in the table concerning equity interests in terms of percentage and voting rights may no longer be up-to-date.

Notifications submitted as of February 13, 2015

BlackRock Financial Management, Inc., New York, NY, USA ^a	January 28, 2015	Exceeded 3%	§ 22 (1) sentence 1 no. 1, § 22 (1) sentence 1 no. 2 in conjunction with § 22 (1) sentence 2, § 22 (1) sentence 1 no. 6, § 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2	3.21	6,709,315
O. Mason Hawkins, USA ^a	January 22, 2015	Exceeded 3 %	§ 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2	3.06	6,398,123
Southeastern Asset Management, Inc., Memphis, TN, USA ^a	January 22, 2015	Exceeded 3 %	§ 22 (1) sentence 1 no. 6	3.06	6,398,123
The Capital Group Companies, Inc., Los Angeles, CA, USA ^a	December 2, 2014	Fell below 3%	§ 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2 and 3	2.88	6,018,378
Capital Research and Management Company, Los Angeles, CA USA ^a	December 2, 2014	Fell below 3%	§ 22 (1) sentence 1 no. 6	2.88	6,018,378
BlackRock, Inc., New York, NY, USA ^a	November 20, 2014	Fell below 5 %	§§ 21, 22, 25, 25a ^a	4.99	10,432,583
BlackRock Holdco 2, Inc., Wilmington, DE, USA ^a	November 13, 2014	Fell below 5 %	§§ 21, 22, 25, 25a ^a	4.99	10,431,246
BlackRock Advisors Holdings, Inc., New York, NY, USA ^a	September 25, 2014	Fell below 3%	§ 22 (1) sentence 1 no. 1, § 22 (1) sentence 1 no. 2 in conjunction with § 22 (1) sentence 2, § 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2, § 22 (1) sentence 1 no. 1 and § 22 (1) sentence 1 no. 6. in conjunction with. § 22 (1) sentence 2	2.61	5,465,659

BlackRock International Holdings, Inc., New York, NY, USA ^a	September 25, 2014	Fell below 3%	§ 22 (1) sentence 1 no. 1, § 22 (1) sentence 1 no. 2 in conjunction with § 22 (1) sentence 2, § 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2, § 22 (1) sentence 1 no. 1 and § 22 (1) sentence 1 no. 6. in conjunction with. § 22 (1) sentence 2	2.61	5,465,659
BR Jersey International Holdings, L.P., St. Helier, Jersey, Channel Islands ^a	September 25, 2014	Fell below 3%	§ 22 (1) sentence 1 no. 1, § 22 (1) sentence 1 no. 2 in conjunction with § 22 (1) sentence 2, § 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2, § 22 (1) sentence 1 no. 1 and § 22 (1) sentence 1 no. 6. in conjunction with. § 22 (1) sentence 2	2.61	5,465,659
BlackRock Group Limited, London, United Kingdom ^a	September 25, 2014	Fell below 3%	§ 22 (1) sentence 1 no. 1, § 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2, § 22 (1) sentence 1 no. 1 and § 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2	2.46	5,138,626
Garrett Thornburg, USA ^a	August 4, 2014	Fell below 3%	§ 22 (1) sentence 1 no. 6 in conjunction with § 22 (1) sentence 2	2.73	5,714,818
Thornburg Investment Management, Inc., Santa Fe, NM, USA ^a	August 4, 2014	Fell below 3%	§ 22 (1) sentence 1 no. 6	2.73	5,714,818

- 1) See publication by the Company dated 2/3/2015.
- 2) See publication by the Company dated 1/26/2015.
- 3) See publication by the Company dated 12/8/2014.
- 4) See publication by the Company dated 11/26/2014.

5) Notification according to § 25a (1) WpHG: 0.01% (19,904) according to § 25a WpHG (of which 0.01% = 19,904 held indirectly); 0.22% (457,602) according to § 25 WpHG (of which 0.22% = 457,602 held indirectly); 4.76% (9,955,077) according to § 21, 22 WpHG.

6) See publication by the Company dated 11/20/2014.

7) Notification according to § 25a (1) WpHG: 0.01% (22,561) according to § 25a WpHG (of which 0.01% = 22,561 held indirectly); 0.17% (356,251) according to § 25 WpHG (of which 0.17% = 356,251 held indirectly); 4.80% (10,052,434) according to § 21, 22 WpHG.

8) See publication by Company dated 9/30/2014 and correction dated 10/6/2014.

9) See publication by the Company dated 8/14/2014.

9. Retained earnings

Retained earnings

EUR thousand

Retained earnings as of December 31, 2013	424,076
Distribution of a dividend of EUR 1.50 per ordinary share in the share capital for the 2013 fiscal year (209,216,186 shares)	313,824
Retained earnings brought forward	110,252
Net income of adidas AG for the 2014 fiscal year	175,866
Withdrawal from other revenue reserves	21,000
Retained earnings as of December 31, 2014	307,118

10. Special reserve

The special reserve established in 2003 in accordance with § 273 HGB (old version) and Section 35 Income Tax Regulations (Einkommensteuer-Richtlinien, "EStR") for write-downs relating to the construction of the factory outlet was reduced during the year under review by a EUR 322 thousand amortization charge.

11. Provisions/accruals

Provisions/accruals

EUR thousand

	Dec. 31, 2014	Dec. 31, 2013
Provisions for pensions and similar obligations	114,833	164,773
Provisions for taxes	36,659	40,743
Other provisions	238,116	187,885
Provisions/accruals	389,608	393,401

The pension obligations to three of the active members of the Executive Board and three former members of the Executive Board, who retired after December 31, 2005, are covered by a pension fund in combination with a reinsured pension trust fund. This results in indirect obligations for adidas AG to three active board members in the amount of EUR 14,554 thousand (previous year: EUR 15,238 thousand) and indirect obligations for adidas AG to three former board members in the amount of EUR 9,786 thousand (previous year: EUR 6,099 thousand) for which no provisions have been recognized due to their funding through the pension fund and pension trust fund. As of the balance sheet date, there are no shortfalls for the indirect obligations.

However, pension provisions have been established for the pension entitlements to two of the active members of the Executive Board, which amount to EUR 400 thousand (before offsetting). Similar to the pension obligations they are funded through the "adidas Pension Trust e.V.", founded in December 2013, which was appropriated a cash contribution of EUR 65 million. This created plan assets within the meaning of § 246 (2) HGB from which EUR 65.2 million was offset against obligations. Any difference arising between the fair value and historical cost of the netted assets is subject to a statutory restriction on distribution. No differences were recognized in 2014. There are also pension obligations for several active members of the Executive Board based on entitlements earned prior to their service on the Executive Board (in particular from the adidas management pension plan); these amounts are considered in provisions of EUR 1,919 thousand (previous year: EUR 1,733 thousand).

The provisions for the former members of the Executive Board and their survivors totaled EUR 45,016 thousand before offsetting as of December 31, 2014 (previous year: EUR 36,545 thousand).

The largest item in other provisions concerns provisions for personnel of EUR 90,041 thousand (previous year: EUR 90,799 thousand). This amount is primarily attributable to

provisions for performance-based remuneration components. Additional significant items in other provisions are provisions for marketing of EUR 53,370 thousand (previous year: EUR 41,463 thousand) and provisions for outstanding invoices of EUR 48,799 thousand (previous year: EUR 44,542 thousand). Provisions for forward contracts are recognized in profit or loss for unrealized losses on hedges.

Provisions for early and partial retirement obligations were reported under other provisions at a settlement amount of EUR 5,679 thousand as of December 31, 2014 (previous year: EUR 6,771 thousand). The fair value of the netted assets is EUR 5,142 thousand as of the reporting date (previous year: EUR 4,726 thousand) and historical costs amount to EUR 4,283 thousand (previous year: EUR 4,249 thousand). Any difference arising between the fair value and historical cost of the netted assets is subject to a statutory restriction on distribution.

12. Liabilities

Liabilities

EUR thousand

	Dec. 31, 2014				Dec. 31, 2013
	Total	Residual term up to 1 year	Residual term 1-5 years	Residual term more than 5 years	Prior year total
Bonds	1,500,000	0	500,000	1,000,000	500,000
(previous year)		(0)	(0)	(500,000)	
of which convertible			500,000		
Liabilities to banks	103,243	103,243	0	0	157,960
(previous year)		(55,521)	(102,439)	(0)	
Trade accounts payable	74,245	68,554	5,686	5	62,336
(previous year)		(61,410)	(895)	(31)	
Liabilities to affiliated companies	3,219,344	2,645,796	573,548	0	3,040,169
(previous year)		(2,931,402)	(108,767)	(0)	
Other liabilities	72,053	71,444	609	0	46,254
(previous year)		(45,503)	(596)	(155)	
of which from taxes		6,712			
of which relating to social security		2,403			
Dec. 31, 2014	4,968,885	2,889,037	1,079,843	1,000,005	3,806,719
Dec. 31, 2013		(3,093,836)	(212,697)	(500,186)	

The liabilities are unsecured.

The liabilities to affiliated companies primarily concern liabilities from Group Treasury activities. Trade payables to affiliated companies amounted to EUR 4,824 thousand (previous year: EUR 14,357 thousand).

Other liabilities include leasing liabilities, tax and customs liabilities, liabilities relating to social security and similar obligations, accrued interest not yet payable, credit balances in accounts receivable, and salaries and commissions payable.

The convertible bond issue in the amount of EUR 500,000 thousand becomes due in 2019 and is divided into 2,500 bearer bonds with equal rights, each in the nominal amount of EUR 200 thousand. The bondholder has the right to convert each bond in full, but not partially, into registered common shares (no-par-value shares) during an exercise period. There is also the right to early settlement in 2017 in compliance with a notice period, which may not be exercised if adidas AG has exercised the right to early settlement.

In 2014 adidas AG issued bonds with a total value of EUR 1,000,000 thousand. The EUR 600,000 thousand Eurobond matures in 2021; the EUR 400,000 thousand Eurobond matures in 2026. Both bonds listed on the Luxembourg securities exchange in denominations of EUR 1 thousand each.

13. Contingent liabilities and other financial commitments

Contingent liabilities

EUR thousand

	Dec. 31, 2014	Dec. 31, 2013
Warranty obligations	831,328	1,376,875
of which for affiliated companies		
- Bank loans	123,548	608,767
- Letters of credit	19,022	23,465
- Guarantee Agreement	688,758	744,643

The guarantee obligations for bank loans to affiliated companies are from lines of credit drawn on by affiliated companies. adidas AG's letters of credit are mainly import letters of credit in connection with product purchases in the Far East. The guarantee agreements are

with adidas International Finance B.V., Amsterdam, the Netherlands, and secure a third-party loan.

Other liabilities relate to absolute guarantees of adidas AG with affiliated companies. Comfort letters in unlimited amounts for the benefit of eight affiliated companies passed by Dec. 31, 2014. The risk of a claim is deemed to be low. Since the liabilities assumed arising in the normal course of business and due to the adidas Group's current strong financial position, the risk that these will be called on is considered extremely slight.

Other financial commitments

Other financial commitments of EUR 610,515 thousand (previous year: EUR 678,040 thousand) for adidas AG include amounts for the entire foreseeable contractual period for promotion, advertising, rental and leasing agreements as of December 31, 2014.

Maturities

EUR thousand	
in 2015	195,237
2016-2019	361,700
after 2019	53,578
	610,515

The Group acquires more than 80% of its products in Asia. Since a major portion of the product costs concerns raw materials that the suppliers have to acquire in US dollars (USD), billings to the adidas Group are also made in USD. In contrast, sales by Group companies to customers are mainly in euros (EUR), pounds Sterling (GBP), Japanese yen (JPY), and in many other currencies. Currency hedges are entered into to reduce the risk of changes in fair value and in cash flows (currency risks). Most subsidiaries hedge their currency risks through adidas AG, except for those subsidiaries that are unable to hedge through adidas AG due to local currency restrictions, or for whom it is more sensible to hedge locally for economic reasons. Currency risks that are assumed by adidas AG from subsidiaries by entering into inter-Group currency transactions are strategically hedged with banks for a period of up to 24 months in advance using forward exchange transactions, currency swaps, currency options, or a combination of currency options, which provide protection and, at the same time, the opportunity to profit from future beneficial foreign exchange rate movements on financial markets. In 2014, the adidas Group purchased about USD 2.8 billion net to hedge its operating business.

Due to procurement of the majority of goods in the Far East and the adidas Group's global operations, the worldwide distribution of goods is an important component of the Group's business. A price adjustment to current oil prices is standard practice with supplier agreements. The resultant commodity price risks are hedged by adidas International Trading B.V. using commodity futures with adidas AG. adidas AG itself hedges this risk externally using commodities futures with banks.

Outstanding financial derivatives

EUR thousand

	Dec. 31, 2014	Dec. 31, 2013
Notional amounts		
Currency hedging contracts	10,061,965	9,065,872
Interest hedging contracts	0	0
commodities price hedges	15,626	12,342
	10,077,591	9,078,214

The notional volume of option structures is included only once in the notional amounts.

Outstanding financial derivatives

EUR thousand

	Dec. 31, 2014		Dec. 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets (Other assets)				
Currency hedging contracts	0	245,782	2,111	135,073
Interest hedging contracts	0	0	0	0
commodities price hedges	0	3,357	0	527
Liabilities (Other provisions)				
Currency hedging contracts	-35,200	-270,771	-3,872	-129,061
Interest hedging contracts	0	0	0	0
commodities price hedges	0	-3,357	0	-527
	-35,200	-24,989	-1,761	6,012

Notional amounts represent the gross total of all call and put contracts for derivative financial transactions. Fair values of forward exchange transactions are determined based on current ECB reference exchange rates or reference exchange rates of local central banks, together with forward premiums or discounts. The fair values (gains and losses) of the currency hedging contracts are presented as gross values.

Currency options are measured using market quotes or option pricing models (Garman-Kohlhagen model).

The fair value of the commodity futures is determined based on the current commodity price taking into account forward premiums or discounts.

The notional amounts of outstanding financial derivatives in foreign currency are translated into euros at year-end closing rates.

The carrying values are taken from the balance sheet.

The table below provides an overview of the risks hedged:

Hedged risk as of the balance sheet date

EUR thousand / Maturity

	Notional	Net change in fair value	Maturity
Currency risk			
Risk			
Forward exchange transactions and options with subsidiaries	4,243,316	-191,225	1 - 14 months
Hedging			
Forward exchange transactions and options with banks	3,384,539	190,690	1 - 14 months
Commodity risk			
Risk			
commodities futures with subsidiaries	7,813	3,357	3 months
Hedging			
commodities futures with banks	7,813	-3,357	3 months

14. Sales

adidas AG's business activities are primarily concentrated in one sector, specifically, the development, trading and marketing of sports and leisure articles. In addition, adidas AG generates a substantial portion of its revenues from licensing income, primarily from affiliated companies.

Sales

EUR thousand

	2014	2013
Breakdown by product group		
Shoes	403,841	382,463
Textiles	476,881	408,695
Sports equipment	65,165	54,487
	945,887	845,645
Other sales revenues	20,127	18,387
Licensing income	1,176,766	1,088,435
Sales	2,142,780	1,952,467

Of these revenues, EUR 830,796 thousand (previous year: EUR 741,392 thousand) were generated in Germany and EUR 1,311,984 thousand (previous year: EUR 1,211,075 thousand) outside Germany, mainly in Europe.

15. Other operating income

Other operating income consists mainly of EUR 243,004 thousand in foreign currency gains (previous year: EUR 847,175 thousand) and cost transfers to affiliated companies.

Other operating income includes income relating to other periods of EUR 86,790 thousand (previous year: EUR 27,782 thousand). This income consists primarily of income from the increase in real property in connection with the accrual of GEV Grundstücksgesellschaft Herzogenaurach mbH & Co. KG, Herzogenaurach, Germany in the amount of EUR 40,638 thousand and the reversal of provisions in the amount of EUR 21,385 thousand (previous year: EUR 18,513 thousand).

16. Cost of materials

Cost of materials

EUR thousand

	2014	2013
Cost of raw materials, consumables and supplies, and of purchased merchandise	599,996	532,143
Cost of materials	599,996	532,143

17. Personnel expenses

Personnel expenses

EUR thousand

	2014	2013
Wages and salaries	333,888	298,485
Social security, post-employment and other employee benefit costs	64,455	58,541
of which for old-age pensions	16,245	13,755
Personnel expenses	398,343	357,026

The increase in personnel expense was due to higher employee headcounts and higher salaries than in the previous year due to salary increases.

18. Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets

The amortization and write-downs of intangible assets of EUR 54,619 thousand (previous year: EUR 48,017 thousand) relates to brand rights as well as to computer software and licenses. Depreciation and write-downs of tangible fixed assets of EUR 36,573 thousand (previous year: EUR 32,566 thousand) relates primarily to write-downs of EUR 13,358 thousand (previous year: EUR 11,136 thousand) on buildings and write-downs on computer hardware of EUR 6,516 thousand (previous year: EUR 8,312 thousand).

19. Other operating expenses

Other operating expenses essentially comprise cost transfers, currency exchange losses, advertising and promotional expenses, legal and consulting fees, services, travel expenses, rental and lease charges, postal and telephone expenses, and outgoing freight. The EUR 339,774 thousand decline in these expenses essentially resulted from the reduction of currency exchange losses by EUR 582,122 thousand to EUR 243,608 thousand. By contrast, allowances on receivables increased by EUR 74,740 thousand, cost transfers rose by EUR 68,292 thousand and legal and consulting expenses increased by EUR 33,244 thousand.

20. Income from investments in related companies

Income from adidas AG's investments in related companies amounted to EUR 171,211 thousand (previous year: EUR 102,486 thousand) and essentially concerns dividend payments from subsidiaries in Korea, Hong Kong, Malaysia and Ukraine, contained therein remains the instant profit realization of EUR 72,000 thousand by the subsidiary in Korea by resolution date February 12, 2015.

21. Profits received/losses absorbed in accordance with a profit and loss transfer agreement

A profit and loss transfer agreement exists with adidas Insurance & Risk Consultants GmbH, Herzogenaurach, as well as with adidas Beteiligungsgesellschaft mbH, Herzogenaurach. The decrease was attributable to the transfer of the lower profit from adidas Beteiligungsgesellschaft mbH amounting to EUR 853 thousand (previous year: EUR 5,734 thousand).

22. Write-downs of long-term financial assets

No equity investments or loans to affiliated companies were written down in 2014. In the previous year, the equity investment in Sarragan AG (EUR 2,841 thousand) was written down.

23. Interest result

Interest result

EUR thousand

	2014	2013
Income from loans of long-term financial assets	2,032	2,589
of which from affiliated companies	2,032	2,589
Other interest and similar income	23,789	25,461
of which from affiliated companies	21,286	22,164
Interest and similar expenses	-70,018	-90,331
of which to affiliated companies	-35,784	-50,558
Interest result	-44,196	-62,281

Other interest and similar income includes EUR 319 thousand (previous year: EUR 241 thousand) from the compounding of provisions, while interest and similar expenses includes EUR 8,360 thousand (previous year: 8,087 thousand) from the discounting of provisions, of which EUR 8,074 thousand (previous year: EUR 7,694 thousand) relate to the interest expense in connection with the pension provisions.

The interest expense from the provision for early and partial retirement obligations of EUR 230 thousand (previous year: EUR 338 thousand) is offset against the income from fluctuations in the fair value of the assets to be offset in accordance with § 246 (2) sentence 2 HGB amounting to EUR 382 thousand (previous year: EUR 83 thousand).

24. Taxes on income

Taxes on income include corporate income tax, municipal trade tax and withholding tax on interest and licensing income resulting from the collection of licensing fees outside Germany.

Taxes on income does not include any gains or losses from deferred taxes. Overall, deferred tax liabilities were more than offset by deferred tax assets. In accordance with the option under **§ 274 (1) sentence 2 HGB**, the Company has opted to forgo recognizing the surplus deferred tax assets.

As of December 31, 2014, adidas AG expects to realize a total of EUR 34,035 thousand in future tax benefits due to temporary accounting differences (previous year: EUR 41,719 thousand). This amount was calculated based on a combined income tax rate of 28%.

Deferred tax assets result primarily from Group receivables, intangible assets, forward exchange transactions and pension provisions. Deferred tax liabilities result essentially in relation to Group liabilities and land.

25. Other disclosures

No. of employees (annual average)

	2014			2013		
	Total	Salaried	Wage	Total	Salaried	Wage
Global Sales	310	310	0	250	250	0
Headquarters						
Corporate Services	1,541	1,415	126	1,380	1,253	127
Marketing	1,111	1,111	0	1,041	1,041	0
Operations	1,446	802	644	1,301	779	522
Market Central	1,001	844	157	1,202	907	295
	5,409			5,174		
As of December 31	5,472			5,235		

26. Remuneration of the Executive Board and the Supervisory Board

Remuneration of the Supervisory Board and the Executive Board of adidas AG

Executive Board

Total remuneration of members of the Executive Board in the 2014 fiscal year was EUR 14,233 thousand (previous year: EUR 5,558 thousand). Please refer to the condensed management report for disclosures pursuant to § 285 no. 9a sentence 5-9 HGB.

Former members of the Executive Board and their survivors received a total of EUR 3,458 thousand in retirement pay in fiscal year 2014 (previous year: EUR 3,421 thousand).

Executive Board members did not receive any loans from the Company in fiscal year 2014.

Supervisory Board

The annual remuneration for members of the Supervisory Board in accordance with the Articles of Association was EUR 920 thousand.

No loans were granted to members of the Supervisory Board in fiscal year 2014.

Recommendation on appropriation of the net unappropriated profits of adidas AG

The Executive Board of adidas AG recommends that the shareholders approve a dividend of EUR 1.50 per share for 2014.

It is therefore recommended that adidas AG's net unappropriated profits as of December 31, 2014 be appropriated as follows:

Appropriation of retained earnings

EUR thousand

Retained earnings as of December 31, 2014	307,118
Distribution of a dividend of EUR 1.50 per no-par value share on the share capital of EUR 209,216,186.00 entitled to dividends for the 2013 fiscal year (209,216,186 shares) reduced by held treasury shares (4,889,142 shares)	306,491
Amount carried forward	627

Declaration on the German Corporate Governance Code

On February 12, 2015, the Executive Board and Supervisory Board of adidas AG issued an updated Declaration of Conformity in accordance with **§ 161 AktG** and made it accessible to the shareholders on a permanent basis. The wording of the Declaration of Conformity may be found on the Company's website.

Disclosures pursuant to § 285 no. 10 HGB and § 285 no. 17 HGB

The disclosures pursuant to **§ 285 no. 10 HGB** are contained in Appendix 2 to the notes to the financial statements.

In accordance with **§ 285 no. 17 HGB**, the Company has opted not to include a disclosure of the total audit fee charged by the auditor in this report, since such disclosures are already contained in the consolidated financial statements of the adidas Group.

In its function as the ultimate parent, adidas AG, Herzogenaurach (Local Court of Fürth, HRB 3868), prepares consolidated financial statements, which are published on the electronic Federal Gazette.

Herzogenaurach, February 13, 2015

The Executive Board of adidas AG

adidas AG

Statement of changes in fixed assets

Amounts in EUR thousand (HGB)	Cost				As of Dec. 31, 2014
	Carried forward as of Jan. 1, 2014	Additions	Re- classifications	Dis- posals	
Intangible assets					
Industrial and similar rights and assets, and licenses in such rights and assets	419,040	15,400	10,227	17,447	427,220
Prepayments and assets under construction	13,512	26,793	-9,817	0	30,488
	432,552	42,193	410	17,447	457,708
Tangible assets					
Land, land rights and buildings, including buildings on third-party land	295,296	115,378	38,577	3	449,248
Technical equipment and machinery	30,056	2,070	375	251	32,250
Other equipment, operating and office equipment	205,161	22,064	341	198	227,368
Prepayments and assets under construction	46,514	16,871	-39,703	0	23,682
	577,027	156,383	-410	452	732,548
Financial assets					
Shares in affiliated companies	3,409,446	49,478	0	28,664	3,430,260
Loans to affiliated companies	7,762	7,045	0	1,628	13,179
Equity investments	79,249	0	0	0	79,249
Loans to non-affiliated companies	50	150	0	0	200
	3,496,507	56,673	0	30,292	3,522,888
Fixed assets	4,506,086	255,249	0	48,191	4,713,144

Appendix 1 to the Notes

Cumulative depreciation/ amortization and write-downs	Carrying amount			
As of Dec. 31, 2014	Net amount as of Dec. 31, 2014	Net amount as of Dec. 31, 2013	Reversals of write-downs during the year	Depreciation/ amortization and write-downs during the year
328,401	98,819	134,292	0	54,619
0	30,488	13,512	0	0
328,401	129,307	147,804	0	54,619
105,298	343,950	207,714	0	13,358
21,939	10,311	10,452	0	1,672
185,921	41,447	39,114	0	21,543
0	23,682	46,514	0	0
313,158	419,390	303,794	0	36,573
20,590	3,409,670	3,388,856	0	0
0	13,179	7,762	0	0
0	79,249	79,249	0	0
0	200	50	0	0
20,590	3,502,298	3,475,917	0	0
662,149	4,050,995	3,927,515	0	91,192

Supervisory Board

Igor Landau

Chairman¹⁾

residing in Lugano, Schweiz

Pensioner, Member of the Board of Directors, Sanofi-Aventis S.A., Paris, France

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- Member of the Supervisory Board, Allianz SE, Munich²⁾
- Member of the Board of Directors, Sanofi-Aventis S.A., Paris, France

Sabine Bauer*

Deputy Chairwoman¹⁾

residing in Erlangen

Chairwoman of the Central Works Council, adidas AG

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

Willi Schwerdtle

Deputy Chairman¹⁾

residing in Munich

Independent Management Consultant/Partner, WP Force Solutions GmbH, Bad Homburg v. d. Höhe, Germany

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- Member of the Supervisory Board, Eckes AG, Nieder-Olm

Dieter Hauenstein*

residing in Herzogenaurach

Full-time member of the Works Council Herzogenaurach, adidas AG³⁾

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

* Employee representative.

1) Re-elected at the constituent meeting of the Supervisory Board on May 8, 2014.

2) Until May 7, 2014.

3) Since April 4, 2014; formerly Deputy Chairman of the Works Council Herzogenaurach.

4) Since the end of the Annual General Meeting held on May 8, 2014.

Dr. Wolfgang Jäger*

residing in Bochum

Managing Director in charge of Public Relations and Scholarships, Hans-Böckler-Stiftung, Düsseldorf, Germany

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

Dr. Stefan Jentzsch

residing in London, Großbritannien

Corporate Finance Berater/Partner, Perella Weinberg Partners UK LLP, London, Great Britain

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- Member of the Supervisory Board, Sky Deutschland AG, Unterföhring
Deputy Chairman of the Supervisory Board, AIL Leasing München AG, Grünwald, Germany

Herbert Kauffmann

residing in Stuttgart

Independent Management Consultant, Stuttgart, Germany

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- Chairman of the Supervisory Board, Uniscon universal identity control GmbH, Munich
- Member of the Supervisory Board, DEUTZ AG, Cologne, Germany

Katja Kraus⁴⁾

residing in Hamburg

Managing Partner, Jung von Matt/sports GmbH, Hamburg, Germany

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

* Employee representative.

1) Re-elected at the constituent meeting of the Supervisory Board on May 8, 2014.

2) Until May 7, 2014.

3) Since April 4, 2014; formerly Deputy Chairman of the Works Council Herzogenaurach.

4) Since the end of the Annual General Meeting held on May 8, 2014.

Kathrin Menges⁴⁾

residing in Neuss

Executive Vice President Human Resources and Infrastructure Services, Henkel AG & Co. KGaA, Düsseldorf, Germany

Membership in control bodies pursuant § 285 Nr. 10 HGB:

Mandates within the Henkel Group

- Member of the Supervisory Board, Henkel Central Eastern Europe GmbH, Vienna, Austria
- Member of the Supervisory Board, Henkel Nederland B.V., Nieuwegein, The Netherlands
- Member of the Board of Directors, Henkel Norden AB, Stockholm, Sweden
- Member of the Board of Directors, Henkel Norden Oy, Vantaa, Finland
- Member of the Board of Directors, Henkel of America, Inc., Wilmington, USA

Roland Nosko*

residing in Wolnzach

Trade Union Official, IG BCE, Headquarter Nuremberg, Nuremberg

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- Deputy Chairman of the Supervisory Board, CeramTec GmbH, Plochingen, Germany

Hans Ruprecht*

residing in Herzogenaurach

Sales Director Customer Service Central Europe West, adidas AG

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

Heidi Thaler-Veh*

residing in Uffenheim

Member of the Central Works Council, adidas AG

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

* Employee representative.

1) Re-elected at the constituent meeting of the Supervisory Board on May 8, 2014.

2) Until May 7, 2014.

3) Since April 4, 2014; formerly Deputy Chairman of the Works Council Herzogenaurach.

4) Since the end of the Annual General Meeting held on May 8, 2014.

Supervisory Board Members incumbent until the end of the annual general meeting on May 8, 2014

Alexander Popow

residing in Moskau, Russland

Chairman, RFSO „Lokomotiv“, Moskau, Russia

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

Christian Tourres

residing in Lungern, Schweiz

Former Member of the Executive Board of adidas AG

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

Executive Board

Herbert Hainer, Herzogenaurach **Chief Executive Officer**

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- Deputy Chairman of the Supervisory Board, FC Bayern München AG, Munich
- Member of the Supervisory Board, Allianz Deutschland AG, Munich
- Member of the Supervisory Board, Deutsche Lufthansa AG, Cologne

Glenn Bennett, Boston/Massachusetts, USA

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

Robin J. Stalker, Oberreichenbach

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- Member of the Supervisory Board, Schaeffler AG, Herzogenaurach

Eric Liedtke¹⁾, Nuremberg

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

Roland Auschel, Erlangen

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

Erich Stamminger²⁾, Nuremberg

Membership in control bodies pursuant § 285 Nr. 10 HGB:

- none

1) Since March 6, 2014

2) Until March 5, 2014

Shareholdings of adidas AG, Herzogenaurach
at December 31, 2014

Company and Domicile	Company Code	Currency	Equity (currency units in thousands)	Share in capital held by 1)	in %	Profit / Loss (currency units in thousands)
Germany						
1 adidas Insurance & Risk Consultants GmbH 2)	200	EUR	26	directly	100	-
2 adidas Beteiligungsgesellschaft mbH 2)	400	EUR	391.990	directly	100	-
3 adidas CDC Immobilieninvest GmbH	370	EUR	11.806	12	100	-273
4 adidas Verwaltungsgesellschaft mbH 3)	R630	EUR	4.347	98	100	-5
Europe (incl. Middle East and Africa)						
5 adidas sport gmbh	3800	CHF	6.869	directly	100	2.355
6 adidas Austria GmbH	4000	EUR	6.271	directly	95,89 4,11	1.069
7 adidas France S.a.r.l.	1000	EUR	122.058	23	100	9.303
8 adidas International B.V.	510	EUR	6.689.379	directly	93,97 7	289.883
9 adidas International Trading B.V.	610	EUR	732.621	8	100	125.836
10 adidas International Marketing B.V.	520	EUR	48.335	8	100	-1.061
11 adidas International Finance B.V.	450	EUR	13.610	8	100	-568
12 adidas International Property Holding B.V.	470	EUR	60.126	109	100	1.051
13 adidas Infrastructure Holding B.V.	480	EUR	0	8	100	0
14 adidas Benelux B.V.	4200	EUR	2.104	directly	100	2.489
15 Rockport (Europe) B.V.	R110	USD	5.446	90	100	567
16 Hydra Ventures B.V.	460	EUR	-4.038	8	100	-1.577
17 adidas (UK) Limited 6)	2000	GBP	39.000	23	100	11.788
18 adidas (ILKLEY) Limited 6) 3)	as (ILKLEY) Limited	GBP	-	17	100	-
19 LARA SPORT (UK) Limited 6) 3)	-	GBP	-	17	100	-
20 Sarragan (UK) Limited 6) 3)	rgan (UK) Limited	GBP	-	17	100	-
21 adidas Trefol Trading (U.K.) Limited 6) 3)	-	GBP	-	20	100	-
22 Three Stripes Limited 6) 3)	-	GBP	-	17	50	-
23 Reebok International Limited 9)	R270 / R280	EUR	1.366.928.057	8	65,1 34,9	67.296.356
24 Trafford Park DC Limited	R580	GBP	351	13	100	225
25 RBK Holdings Limited 3) 9)	-	GBP	-	96 89	89 11	-
26 Reebok Sports Limited 3)	R190	USD	-	23	100	-1
27 J.W. Foster & Sons (Athletic Shoes) Limited 3) 9)	-	GBP	-	23	100	-
28 The Rockport Company Limited 3) 9)	-	GBP	-	23	100	-
29 Reebok Eastern Trading Limited 3)	R490	USD	-	23	100	-
30 Reebok Pensions Management Limited 3) 9)	-	GBP	-	23	100	-
31 Reebok Europe Holdings	R230	GBP	25.570	23	100	518
32 Lulia Limited 9)	-	GBP	-	23	100	-

Shareholdings of adidas AG, Herzogenaurach
at December 31, 2014

Company and Domicile	Company Code	Currency	Equity (currency units in thousands)	Share in capital held by 1)	in %	Profit / Loss (currency units in thousands)
33 Adams Golf, U.K. Ltd. 3) 11)	-	GBP	-	86	100	-
34 Taylor Made Golf Limited 4)	720	GBP	-599	8	100	-7,073
35 Ashworth U.K. Ltd. 3) 4)	-	GBP	-	34	100	-
36 adidas (Ireland) Limited	3400	EUR	2,485	8	100	441
37 adidas International Re Limited	3500	EUR	18,791	8	100	1,836
38 Reebok Ireland Limited 3)	R290	EUR	56	36	100	-
39 adidas Belgium NV	4400	EUR	2,763	14	100	654
40 Five Ten Europe NV 3)	4250	EUR	-36	99	100	-22
41 adidas Espana S.A.U.	2200	EUR	36,181	2	100	7,722
42 adidas Finance Spain S.A.U.	R600	EUR	35,579	96	100	1,031
43 Global Merchandising, S.L.	2250	EUR	1,102	8	100	1,126
44 adidas Italy S.p.A.	4700	EUR	42,942	8	100	1,705
45 adidas Portugal - Artigos de Desporto, S.A.	4600	EUR	7,217	8	100	910
46 adidas Business Services Ltd.	4620	EUR	551	8	98	276
47 adidas Norge AS	2400	NOK	24,782	directly directly	2 100	6,923
48 Reebok-CCM Hockey AS	R430	NOK	2,084	47	100	-297
49 adidas Sverige AB	2600	SEK	66,250	directly	100	-3,941
50 adidas Finance Sverige AB	R555	SEK	579,797	98	100	7,366
51 Reebok-CCM Hockey AB	R350	SEK	88,306	49	100	14,293
52 adidas Suomi Oy	2500	EUR	1,625	8	100	521
53 Reebok-CCM Hockey Oy	R560	EUR	8,386	8	100	-1,481
54 adidas Danmark A/S	2700	DKK	18,171	8	100	6,960
55 adidas CR s.r.o.	3200	CZK	78,982	directly	100	28,340
56 adidas Budapest Kit.	2800	HUF	361,141	directly	100	-37,993
57 adidas Bulgaria EAD	5210	BGN	12,279	directly	100	3,847
58 LLC "adidas, Ltd."	3600	RUB	31,470,546	6	100	-268,972
59 adidas Poland Spz o.o.	3000	PLN	37,727	directly	100	12,760
60 adidas Finance Poland S.A.	R330	PLN	96,022	96	100	1,438
61 adidas Romania S.R.L.	5700	RON	23,203	8	100	5,278
62 adidas Baltics SIA	2300	EUR	1,602	8	100	333
63 adidas Slovakia s.r.o.	5100	EUR	2,168	directly	100	445
64 adidas Trgovina d.o.o.	2900	EUR	375	directly	100	176
65 SC "adidas-Ukraine"	4900	UAH	618,389	directly	100	98,028

Shareholdings of adidas AG, Herzogenaurach
at December 31, 2014

Company and Domicile	Company Code	Currency	Equity (currency units in thousands)	Share in capital held by 1)	in %	Profit / Loss (currency units in thousands)
66 adidas LLP	3700	KZT	2.821.072	directly	100	-444.689
67 adidas Serbia d.o.o.	5950	RSD	104.173	8	100	-227.666
68 adidas Croatia d.o.o.	5900	HRK	26.844	8	100	2.400
69 adidas Hellas A.E.	4800	EUR	16.181	directly	100	5.457
70 adidas (Cyprus) Limited	5600	EUR	-37	directly	100	151
71 adidas Spor Malzemeleri Satış ve Pazarlama A.Ş.	5500	TRY	278.286	8	100	61.814
72 adidas Emerging Markets L.L.C. (formerly: adidas Emerging Market L.L.C)	5000	USD	57.928	indirectly	51	6.103
73 adidas Emerging Markets FZE	5050	USD	71.572	8	100	56.043
74 adidas Levant Limited	4650	JOD	2.839	73	55	2.103
75 adidas Levant Limited - Jordan	4750	JOD	2.443	74	100	2.342
76 adidas Imports & Exports Ltd.	4570	EGP	1.484	77	100	570
77 adidas Sporting Goods Ltd.	4550	EGP	88.914	8	90	24.119
78 adidas Egypt Ltd. 3)	4500	USD	-1.831	directly	100	-
79 Reebok Israel Ltd.	4300	ILS	8.379	directly	100	685
80 Life Sport Ltd.	4350	ILS	94.487	8	51	52.671
81 adidas (South Africa) (Pty) Ltd.	5800	ZAR	201.009	directly	100	31.290
North America						
82 adidas North America, Inc.	736	USD	4.683.668	8	100	9.231
83 adidas America, Inc.	6038	USD	107.760	82	100	21.123
84 adidas International, Inc.	6036	USD	65.054	82	100	6.309
85 adidas Team, Inc. 3)	6050	USD	-1.013	82	100	-
86 Taylor Made Golf Co., Inc. 11)	6300	USD	17.534	82	100	-75.150
87 Ashworth, LLC. 3) 11)	Ashworth, LLC. 11)	USD	-	86	100	-
88 The Reebok Worldwide Trading Company, LLC	R030	USD	14.980	96	100	542
89 Reebok Securities Holdings LLC 10)	R140	USD	-	96	100	-
90 The Rockport Company, LLC	R100	USD	34.586	96	100	4.138
91 Textronics, Inc.	6450	USD	11.025	84	100	469
92 Ashworth Acquisition Corp. 3) 11)	North Acquisition Corp. Wilmington, Delaware (USA)	USD	-	87	100	-
93 Putter, LLC 3) 11)	-	USD	-	92	100	-
94 Onfield Apparel Group, LLC 3) 7)	R070	USD	-	96	99	-
95 Reebok Onfield, LLC 3) 7)	Reebok Onfield, LLC 5) Dover, Delaware (USA)	USD	-	95	1	-
96 Reebok International Ltd. 10)	R010	USD	-1.102.053	82	100	1.034
97 Sports Licensed Division of the adidas Group, LLC 7)	R080	USD	93.344	96	99	-6.304
98 Reebok-CCM Hockey U.S., Inc. 8)	R620	USD	58.910	96	100	2.156

Shareholdings of adidas AG, Herzogenaurach
at December 31, 2014

Company and Domicile	Company Code	Currency	Equity (currency units in thousands)	Share in capital held by 1)	in %	Profit / Loss (currency units in thousands)
99 Stone Age Equipment, Inc.	6250	USD	16.117	83	100	-1.334
100 Spartanburg DC, Inc.	6160	USD	9.783	83	100	-217
101 adidas Canada Ltd.	6200	CAD	110.327	directly	100	-26.526
102 Sport Maska Inc.	R510 / R540	CAD	25.955	8	100	2.908
Asia						
103 adidas Sourcing Limited	8200	USD	369.462	9	100	35.775
104 adidas Services Limited	8260	USD	11.002	8	100	1.762
105 adidas Hong Kong Ltd.	8000	HKD	266.648	directly	100	165.811
106 Smedley Industries (Hong Kong) Limited (3) 8)	smedley hk	HKD	-	98	100	-
107 Reebok Trading (Far East) Limited	R210	USD	31.063	96	100	-71.4
108 adidas (Suzhou) Co. Ltd.	9800	CNY	222.947	2	100	802
109 adidas Sports (China) Co. Ltd.	9500	CNY	6.639.121	2	100	1.932.861
110 adidas (China) Ltd.	9850	CNY	304.063	8	100	113.966
111 Zhuhai adidas Technical Services Limited	R590	CNY	18.288	103	100	1.195
112 adidas Logistics (Tianjin) Co., Ltd.	9570	CNY	125.569	12	100	-21.618
113 adidas Business Services (Dalian) Limited	9820	CNY	1.182	8	100	6.021
114 adidas Japan K.K.	7900	JPY	9.523.984	23	100	1.530.351
115 Taylor Made Golf Co., Ltd.	7920	JPY	6.231.088	23	100	-2.362.973
116 Adams Golf Japan, Inc. (3) 1)	-	JPY	-	86	100	-
117 adidas Korea Ltd.	7800	KRW	196.194.050	directly	100	101.139.832
118 Taylor Made Korea Ltd.	752	KRW	11.882.870	directly	100	-17.363.599
119 adidas Korea Technical Services Limited	8291	KRW	3.500.265	103	100	227.177
120 adidas India Private Ltd. 5)	8700	INR	4.703.178	directly	10,68 89,32	819.128
121 adidas India Marketing Pvt. Ltd. 5)	-	INR	-	120 8	98,99 1,01	-
122 adidas Technical Services Pvt. Ltd.	R060	USD	3.313	103	100	2.163
123 Reebok India Company	R470	INR	-4.934.579	133	93,15	-1.415.147
124 PT adidas Indonesia	8350	IDR	142.016.983	8	99	17.396.707
125 adidas (Malaysia) Sdn. Bhd.	8500	MYR	43.190	directly	60	30.574
126 adidas Philippines Inc.	8900	PHP	419.539	directly	8 40	142.721
127 adidas Singapore Pte. Ltd.	8400	SGD	14.722	directly	100	4.911
128 adidas Taiwan Limited	7700	TWD	1.000.074	8	100	671.446
129 adidas (Thailand) Co., Ltd.	8800	THB	725.949	directly	100	252.860
130 adidas Australia Pty. Limited	6600	AUD	68.586	8	100	-258

Shareholdings of adidas AG, Herzogenaurach
at December 31, 2014

Company and Domicile	Company Code	Currency	Equity (currency units in thousands)	Share in capital held by 1)	in %	Profit / Loss (currency units in thousands)
131 adidas New Zealand Limited	6800	Auckland (New Zealand)	11.358	directly	100	1.115
132 adidas Vietnam Company Limited	8850	Ho Chi Minh City (Vietnam)	-42.025.995	8	100	6.895.995
133 Reebok (Mauritius) Company Limited	R740	Port Louis (Mauritius)	2.194	96 88	99 1	-
Latin America						
134 adidas Argentina S.A.	7300	Buenos Aires (Argentina)	777.325	2	51,22	-2.710
135 Reebok Argentina S.A.	R680	Buenos Aires (Argentina)	41.239	9	73,86	24.603
136 ASPA do Brasil Ltda. 3)	8205	São Paulo (Brazil)	169	103	26,13	-40
137 adidas do Brasil Ltda.	7000	São Paulo (Brazil)	304.533	2	100	-85.489
138 adidas Franchise Brasil Serviços Ltda.	7100	São Paulo (Brazil)	2.488	137	100	2.348
139 Reebok Produtos Esportivos Brasil Ltda.	R660	Jundiaí (Brazil)	-57.530	8	99,99	-13.283
140 adidas Chile Limitada	7500	Santiago de Chile (Chile)	79.524.717	directly	99	15.146.908
141 adidas Colombia Ltda.	6510	Bogotá (Colombia)	108.912	1	100	-52.251.017
142 adidas Peru S.A.C.	6720	Lima (Peru)	46.835	directly	99,21	11.689
143 adidas de Mexico, S.A. de C.V.	6400	Mexico City (Mexico)	-86.781	140 directly	0,79	79.753
144 adidas Industrial, S.A. de C.V.	6430	Mexico City (Mexico)	235.507	directly	100	23.369
145 Reebok de Mexico, S.A. de C.V. 3)	R480	Mexico City (Mexico)	-428.451	directly	100	-36.715
146 adidas Latin America, S.A.	7200	Panama City (Panama)	-21.319	directly	100	-22.230
147 Concept Sport, S.A.	7260	Panama City (Panama)	789	8	100	432
148 adidas Market LAM, S.A. 3)	-	Panama City (Panama)	0	8	100	0
149 3 Stripes S.A. (adidas Uruguay) 3)	7400	Montevideo (Uruguay)	-436	directly	100	-
150 Talibál S.A.	7450	Montevideo (Uruguay)	6.559	directly	100	8.452
151 Raelit S.A.	7420	Montevideo (Uruguay)	8.726	directly	100	10.002
152 Reebok Central America S.A. 10)	-	San Pedro Sula (Honduras)	-	96 88	99,6 0,4	-
153 adidas Corporation de Venezuela, S.A. 3)	7600	Caracas (Venezuela)	-17	directly	100	-
154 adisport Corporation	7270	San Juan (Puerto Rico)	-1.536	8	100	466

- 1) The number refers to the number of the company
- 2) Profit and loss transfer agreement
- 3) Companies with no active business
- 4) Sub-group Taylor Made Golf Limited
- 5) Sub-group adidas India Private Ltd.
- 6) Sub-group adidas (UK) Limited
- 7) Sub-group Sports Licensed Division of the adidas Group, LLC
- 8) Sub-group Reebok-CCM Hockey U.S., Inc.
- 9) Sub-group Reebok International Limited
- 10) Sub-group Reebok International Ltd.
- 11) Sub-group Taylor Made Golf Co., Inc.

Auditors' Report

We have audited the annual financial statements – comprising the balance sheet, the income statement, and the notes to the annual financial statements – together with the bookkeeping system of adidas AG, Herzogenaurach, and its report on the position of the Company and the Group for the fiscal year from January 1 to December 31, 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (Institute of Public Auditors in Germany, "IDW"). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the statutory regulations and give a true and fair view of the net assets, financial position and results of operations of adidas AG in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements, and on the whole, provides a suitable understanding of the Company's position and suitably presents the risks and opportunities of future development.

München, February 18, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

[original German version signed by:]

Braun
Wirtschaftsprüfer

(German Public Auditor)

Wolper
Wirtschaftsprüfer

(German Public Auditor)

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the Management Report, which has been combined with the Group Management Report, includes a fair review of the development and performance of the business and the position of the company, together with a description of the material opportunities and risks associated with the expected development of the company.

Herzogenaurach, February 13, 2015

The Executive Board

Supervisory Board Report

IGOR LANDAU

Chairman of the Supervisory Board

Dear Shareholders,

We look back on 2014 as a challenging year. Thanks to strong brands and partnerships in the world of sport, as well as first-class innovations, the adidas Group was again able to achieve strong sales growth. However, the ongoing weakness in the golf market, negative economic developments in Russia/CIS and continuing unfavourable currency developments, in particular the considerable devaluation of the Russian rouble, significantly impacted the Group's results. Nevertheless, these issues have been resolutely managed, and we have taken the appropriate steps not only to safeguard the financial results in the short term but also to sustainably improve the Group's profitability in the long term. Our company is now well positioned to again achieve sales growth at all brands as well as an overproportionate improvement in the Group's profitability in 2015.

Supervision and advice in dialogue with the Executive Board

In the year under review, we again performed all our tasks laid down by law, the Articles of Association and the Rules of Procedure carefully and conscientiously. We regularly advised the Executive Board on the management of the company and diligently and continuously supervised its management activities, assuring ourselves of the legality, expediency and regularity thereof.

The Executive Board involved us directly in all of the Group's fundamental decisions. After in-depth consultation and examination of the detailed information submitted to us by the Executive Board, we approved individual transactions where required by law.

The Executive Board informed us extensively and in a timely manner through written and oral reports at our Supervisory Board meetings. This information covered all relevant aspects of the Group's business strategy business planning, including finance, investment and personnel planning, the course of business and the Group's financial position and profitability. We were also kept up to date on matters relating to the risk situation, risk

management and compliance as well as all major decisions and business transactions.

The Executive Board always explained immediately and in a detailed manner any deviations in business performance from the established plans, and the Supervisory Board as a whole discussed these matters in depth.

The Executive Board regularly provided us with comprehensive reports for the preparation of our meetings. We thus always had the opportunity to critically analyse the Executive Board's reports and resolution proposals within the committees and within the Supervisory Board as a whole and to put forward suggestions before resolving upon the Executive Board's proposals after in-depth examination and consultation. In the periods between our meetings, the Executive Board kept us informed on a monthly basis, and if necessary more frequently, regarding the current business situation.

In addition to the constituent meeting and five regular meetings of the Supervisory Board, we held two extraordinary meetings in the year under review. Apart from one regular meeting, which two members were prevented from attending due to other business appointments that could not be postponed, all Supervisory Board members attended all meetings in the year under review. The average attendance rate at meetings of the entire Supervisory Board was therefore just under 97%. All the committee meetings, with the exception of two Audit Committee meetings at which one member was absent, were fully attended. The external auditor, KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), attended all regular meetings of the Supervisory Board, insofar as they did not deal with Executive Board matters. KPMG also attended all meetings of the Audit Committee. The employee representatives held separate meetings to prepare and discuss agenda items for all meetings of the entire Supervisory Board.

In the periods between meetings, the Supervisory Board Chairman and the Audit Committee Chairman maintained regular contact with the Chief Executive Officer and the Chief Financial Officer, conferring on matters such as corporate strategy, business development and planning, the risk situation and risk management as well as compliance. In addition, the Supervisory Board Chairman was immediately informed about any significant events of fundamental importance for evaluating the situation and development of the company and management activities.

Topics for the entire Supervisory Board

Our consultations and examinations focused on the following topics:

Situation and business development

The development of sales and earnings, the employment situation as well as the financial position of the Group and the business development of the Group's individual segments and regions were presented to us in detail by the Executive Board following the close of the respective quarter and were discussed regularly. Further ongoing topics for discussion were the possible impact of global economic developments and negative currency translation effects as well as the development of our individual brands.

In March 2014, we reviewed and dealt intensively with the KPMG-certified 2013 annual financial statements and consolidated financial statements, including the combined management report for adidas AG and the Group, as well as the Executive Board's proposal regarding the appropriation of retained earnings.

At the meetings held in February and August, the Executive Board provided us with comprehensive information on the continuing weakness of the golf market worldwide and the resulting unsatisfactory business development for the TaylorMade-adidas Golf segment in the year under review, and furthermore provided us with a first outlook on this segment's future sales development. At two other meetings we dealt in depth with the Group's goals laid out in the mid-term business plan 'Route 2015', which the Executive Board adjusted in July in light of increasingly negative currency effects, the significantly lower profit contribution expected from TaylorMade-adidas Golf as well as the increased investment into marketing. At the May and August meetings, we also dealt comprehensively with the Executive Board's planned sale of the brown-shoe business segment Rockport. The Executive Board outlined to us the strategic reasons as well as the opportunities and risks of a potential divestiture. In order to advise the Executive Board on the contract negotiations efficiently and in a timely manner, we transferred the authority to approve conclusion of the contract to the ad hoc committee 'Relay' which we established for this purpose. In November, the Executive Board provided us with information on the growth potential of the adidas and Reebok brands in the North American market and presented the corresponding three-year plan 2015/2017, which we discussed intensively.

Transactions requiring Supervisory Board approval

In accordance with statutory regulations and the Rules of Procedure of the Supervisory Board, certain transactions and measures require a formal resolution or the prior approval of the Supervisory Board.

In the context of this requirement, at our meetings in January and February, we discussed in detail the Group's warehouse infrastructure and the development of logistics and warehouse costs. In the interest of optimising profitability, we approved the purchase of the strategically important distribution centre in Spartanburg/South Carolina, USA, which had previously been leased. At our meeting in March, following detailed discussions, we resolved upon the resolutions to be proposed to the 2014 Annual General Meeting, including the proposal regarding the appropriation of retained earnings for the 2013 financial year and the candidates for election as shareholder representatives on the Supervisory Board. Another topic of this meeting was the resolution on the 2014 Budget and Investment Plan presented by the Executive Board.

Composition of the Executive Board

In the year under review, we took important decisions concerning changes on the Executive Board. At our extraordinary meeting held in January, we dealt with the request of our long-standing Executive Board member Erich Stamminger to release him from his duties as Executive Board member effective March 5, 2014. After due consideration within the Supervisory Board as a whole, we approved the termination of his appointment by mutual consent and the termination agreement pertaining to his Executive Board service contract. As his successor, we appointed Eric Liedtke as member of the Executive Board responsible for Global Brands effective March 6, 2014 and resolved on the terms of his Executive Board service contract. At our meetings in March and May, we extensively discussed and resolved to extend the Executive Board mandates and service contracts of Herbert Hainer, Glenn Bennett and Robin J. Stalker.

With these personnel decisions, the Supervisory Board acknowledges the Executive Board's performance and strives for continuity. Notwithstanding the above, in November the members of the General Committee discussed, inter alia, the matter of long-term succession planning for the Executive Board.

Executive Board compensation

In addition to the financial conditions of the Executive Board service contracts, we dealt at our January meeting with waiving the competition prohibition that had been agreed with Erich Stamminger and approved the respective contracts. Key topics of our meeting in February were the approval of the contractual conditions concerning Erich Stamminger's departure as well as the in-depth discussion of the performance of the Executive Board members in the year under review, and we resolved upon the 2013 Performance Bonuses to be granted to them. As required by the German Corporate Governance Code (the 'Code'), we examined the appropriateness of Executive Board compensation and, in this context, considered Executive Board target compensation in relation to the compensation of senior management and employees overall. In consideration of this aspect, at our meeting in March we comprehensively discussed the targets and key criteria for the 2014 Performance Bonus together with the individual Performance Bonus target amount determined for each Executive Board member, as well as the adjustment of Herbert Hainer's Executive Board service contract, and resolved thereon.

In line with the Code, we commissioned an independent external compensation expert to review the Executive Board compensation system and the appropriateness of Executive Board compensation. The review found that the compensation structure is oriented towards sustainable development of the company and that it meets statutory requirements as well as those of the Code. A comparison with other companies regarding the compensation of individual Executive Board members' target compensation, however, found that there is a need for action especially concerning the pension benefits granted to Executive Board members, and that there is room for a moderate increase in the future in order to ensure competitive compensation. At the meetings of the General Committee and of the Supervisory Board as a whole in May and August, the members of the Supervisory Board considered in detail the results of the review of Executive Board compensation and agreed with the assessment of the compensation expert. The Supervisory Board already took the findings of the review into consideration in its resolutions in August relating to the extension of Glenn Bennett's and Robin J. Stalker's Executive Board service contracts and their pension benefits.

At our meeting in February 2015, we considered in-depth the performance of each Executive Board member in the year under review as well as during the three-year period 2012/2014, and then resolved upon the 2014 Performance Bonuses and the LTIP Bonuses 2012/2014 to

be granted to them.

Further information on compensation for the 2014 financial year can be found in the Compensation Report.

Corporate governance

The Supervisory Board regularly monitors the application and further development of the corporate governance regulations within the company, in particular the implementation of the recommendations of the Code. At our February meetings, matters of corporate governance are usually the focal point. In February 2014, we discussed and resolved to introduce compensation caps, also covering any potential special bonus, for new or extended Executive Board service contracts. In preparation for the upcoming issuance of the 2015 Declaration of Compliance, our meeting in February 2015 focused on reviewing and resolving upon the key objectives for the composition of the Supervisory Board as a whole and the introduction of a severance payment cap for Executive Board service contracts. Thus, in this matter as well, we follow the recommendations of the Code for all newly concluded and extended Executive Board service contracts. After comprehensive discussion, we resolved upon the 2015 Declaration of Compliance. The Declaration of Compliance was then made permanently available to our shareholders on the corporate website at: www.adidas-group.com/s/corporate-governance.

In the year under review, no conflicts of interest arose with regard to the Executive Board members. With the exception of the following matter, there were also no conflicts of interest in the Supervisory Board.

At the beginning of the 2015 financial year, a consulting contract and a service contract, in each case project-specific, fixed-term and independent of one another, were entered into with two companies in which in each case one Supervisory Board member has an interest. Approval of these contracts was finally granted after being discussed in detail by the Supervisory Board at its meetings in November 2014 and January 2015 and at its meeting in February 2015. In order to avoid conflicts of interest, the two Supervisory Board members concerned participated neither in the respective discussions nor in the resolutions.

Further information on corporate governance at the adidas Group can be found in the Corporate Governance Report including the Declaration on Corporate Governance.

Efficient committee work

In order to perform our tasks in an efficient manner, in addition to the six Supervisory Board standing committees we have also established the project-related ad hoc committee 'Relay'. The committees prepare resolutions of the Supervisory Board as well as topics for Supervisory Board meetings. Within the legally permissible framework and in appropriate cases, we have furthermore delegated the Supervisory Board's authority to pass certain resolutions to individual committees. With the exception of the Audit Committee, the Supervisory Board Chairman also chairs all the standing committees. The committee chairpersons inform the Supervisory Board about the content and results of the committee meetings at the subsequent meeting of the entire Supervisory Board.

/ The **Steering Committee** did not meet in the year under review.

/ The **General Committee** held six meetings in 2014, one of them by way of a conference call. Two additional meetings, dealing with topics of the year under review, took place in February 2015.

The main focus of the meetings of the General Committee was the preparation of the resolutions of the Supervisory Board as a whole, detailed individually above, concerning the termination agreement with Erich Stamminger, the conclusion of new or extended Executive Board service contracts as well as the concrete assessment of the Executive Board members' variable compensation such as the Performance Bonus for the 2013 and 2014 financial years and the LTIP Bonus 2012/2014. It furthermore dealt in depth with the results of the review of the appropriateness of Executive Board compensation overall.

/ The **Audit Committee** held five meetings in the year under review and also one meeting in March 2015, dealing with topics of the year under review. The Chief Financial Officer and the auditor were present at all meetings and reported to the committee members in detail.

The committee's work focused on the comprehensive review of the quarterly reports and the first half year report together with the Chief Financial Officer and the auditor before the respective dates of publication, also the preliminary examination of the annual financial statements and the consolidated financial statements for 2013, including the combined management report of adidas AG and the Group, as well as the Executive Board's proposal regarding the appropriation of retained earnings. Following an in-depth review of the audit reports with the auditor, the committee decided to recommend that the Supervisory Board approve the 2013 annual financial statements and consolidated financial statements. In

addition, after obtaining the auditor's declaration of independence, the Audit Committee prepared the Supervisory Board's proposal to the Annual General Meeting concerning the selection of the auditor of the annual financial statements and the consolidated financial statements for 2014. Following extensive discussion by the committee, the priority topics for the audit of the 2014 annual financial statements and consolidated financial statements were determined and the audit assignment was granted together with the according audit fee. The committee furthermore dealt in depth with the 2013 Risk Report and with establishing best-practice requirements for the internal control systems.

The committee meeting in September focused on examining the efficiency of the internal audit system, the internal control system and the risk and compliance management system. In the context of this examination, the committee members reviewed in depth the main risk factors for the Group, the applied control methods and reporting systems and the efficiency thereof with the aid of written and oral reports. In the course of the following comprehensive discussions, inter alia with the auditor, the committee members assured themselves of the effectiveness of the systems and discussed possibilities for improvement. Furthermore, the 2014 report and the draft of the 2015 audit plan of Internal Audit were discussed in detail.

The reporting of the Chief Compliance Officer was a topic at every meeting of the Audit Committee. No material compliance issues were noted in the year under review.

/ The **Mediation Committee**, established in accordance with the German Co-Determination Act (Mitbestimmungsgesetz - MitbestG), had no reason to convene in 2014.

/ The **Nomination Committee** did not meet in the year under review.

/ The **Finance and Investment Committee**, which was established in September, held three meetings in the year under review and two meetings in the current year – in each case by way of a conference call. In November, following extensive consideration, it granted approval on behalf of the Supervisory Board for the issuance of two bonds with an overall volume of € 1 billion and a term of seven years and twelve years, respectively. It furthermore discussed the parameters of a share buyback programme based on the authorisation granted by the Annual General Meeting on May 8, 2014, and resolved upon a first tranche with a volume of up to € 300 million.

/ The **'Relay' Committee** convened once in the year under review and, following an in-depth discussion, approved on behalf of the Supervisory Board the sale of the Rockport brand to a new entity formed by Berkshire Partners and New Balance.

Examination of the 2014 annual financial statements and consolidated financial statements

KPMG audited the 2014 consolidated financial statements prepared by the Executive Board in accordance with § 315a German Commercial Code (Handelsgesetzbuch – HGB) in compliance with IFRS and issued an unqualified opinion thereon. The auditor also approved without qualification the 2014 annual financial statements of adidas AG, prepared in accordance with HGB requirements, and the combined management report for adidas AG and the Group. The financial statements, the proposal put forward by the Executive Board regarding the appropriation of retained earnings and the auditor's reports were distributed by the Executive Board to all Supervisory Board members in a timely manner. We examined the documents in depth, with a particular focus on legality and regularity, in the presence of the auditor at the Audit Committee meeting held on March 2, 2015 and at the Supervisory Board's March 4, 2015 financial statements meeting, during which the Executive Board explained the financial statements in detail. Further topics at these meetings were the Executive Board's commentaries concerning the impairment of goodwill and the Rockport disposal group necessary for the 2014 financial year. At both meetings, the auditor reported the material results of the audit with a focus on the priority topics of the year under review as agreed with the Audit Committee and was available for questions and the provision of additional information. The auditor did not report any significant weaknesses with respect to the internal control and risk management system relating to the accounting process. We also discussed in depth with the Executive Board the proposal concerning the appropriation of retained earnings, which provides for a dividend of € 1.50 per dividend-entitled share and adopted the proposal under consideration of the share buyback programme, the Group's financial situation and future prospects as well as the expectations of our shareholders. Based on our own examinations of the annual and consolidated financial statements, we came to the conclusion that there are no objections to be raised. At our financial statements meeting, therefore, following the recommendation of the Audit Committee, we approved the audit results and the financial statements prepared by the Executive Board. The annual financial statements of adidas AG were thus approved.

Changes on the Supervisory Board

The term of office of all members of the Supervisory Board expired at the end of the Annual General Meeting on May 8, 2014. On the shareholder representatives' side, Alexander Popov and Christian Tourres are no longer members of the Supervisory Board that was elected that day for a term of five years. We expressed our thanks to the departing members for their many years of dedicated and loyal collaboration. As new shareholder representatives on the Supervisory Board, the Annual General Meeting – in line with the nominations submitted by the Supervisory Board based on the suggestions of the Nomination Committee – elected Katja Kraus and Kathrin Menges. Furthermore, the Supervisory Board members seeking re-election either on the shareholder representatives' or the employee representatives' side were confirmed in their respective elections.

At the constituent meeting of the Supervisory Board directly following the Annual General Meeting, we again confirmed the Chairman, the Deputy Chairwoman and the Deputy Chairman in their respective offices, and also all the members of the co-determined committees. Besides the re-election of Willi Schwerdtle and myself, we also elected Kathrin Menges to join the Nomination Committee.

Expression of thanks

On behalf of the Supervisory Board, I wish to thank the Executive Board and all adidas Group employees around the world for their tremendous personal dedication and their ongoing commitment, and I also thank the employee representatives for their good collaboration.

For the Supervisory Board

IGOR LANDAU

Chairman of the Supervisory Board

March 2015



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