FINANCIAL RESULTS PRESENTATION

First Half 2015 Speech

August 6, 2015

Herbert Hainer, Robin Stalker, Sebastian Steffen

Sebastian Steffen, VP Investor Relations

Good afternoon ladies and gentlemen and welcome to our first half 2015 financial results conference call. Our presenters today are Herbert Hainer, adidas Group CEO, and Robin Stalker, Group CFO.

To allow for ease of comparison, all sales and revenue-related growth rates will be discussed on a currency-neutral basis, unless otherwise specified. In addition, all figures will refer to the Group's continuing activities due to the divestiture of the Rockport business segment. Lastly, all figures will be discussed excluding goodwill impairment losses unless otherwise stated.

We have a lot of topics to cover today. So, without any further ado, over to you, Herbert.

Herbert Hainer, CEO

Thanks Sebastian and good afternoon ladies and gentlemen.

When we introduced our new strategy 'Creating the New' at the end of March we told you that it will take time to see all of our investments paying off and the full benefits coming through. But we also promised that this new approach together with our fresh organisational set-up will show first positive results already this year. And the second quarter is – without a doubt – proof positive for that.

I am really pleased to see how well adidas and Reebok are resonating with their respective consumers, which is clearly reflected in their second quarter performance. Reebok with its 6% top-line improvement now has nine consecutive quarters of growth in the books. And after a very successful start to the year in Q1, adidas grew a strong 8% in the second quarter – which is even more impressive considering the record World Cup related sales we were comparing against. This is also reflected in the praise key adidas products such as Boost, our new football silos 'Ace' and 'X', the Superstar or Kanye West's Yeezys have received from sneakerheads as well as vertical sports and lifestyle media around the world. I will come back to these success stories in more detail during today's presentation.

In addition, there were a lot of other areas where we made some major progress over the last couple of months:

- Last week, for example, we completed the divestiture of Rockport which will allow us to focus our resources on our core competency –

sport – and on the highest-potential opportunities for our Group to drive sustainable and profitable growth.

- Yesterday evening, after market close, we announced the acquisition of Runtastic, an Austrian-based health and fitness app company, helping us to further strengthen our digital activities.
- And in June, we finished the second tranche of our share buyback programme. Only nine months after launching our shareholder return programme we have already concluded 40% of the total 1.5 billion euro that we intend to distribute to our shareholders.

Unfortunately, there is also one area that is still not performing according to our expectations: Clearly, the business development at TaylorMade-adidas Golf has not lived up to our initial projections over the last couple of months. And while we are of course going to provide you with more details on the other topics that I mentioned before, let me start elaborating on the challenges we are facing with our golf business and what we are doing to change it for the better.

2014, as you will remember, was a very tough year for the golf industry in general. And this overall weakness hit us as market leader particularly hard. After we had taken some painful measures to resize our business and postponed most product launches to pave the way for a healthier retail environment, we expected the market and our business to return to growth this year. And while the number of rounds being played reversed their downwards trend recently, suggesting that the overall environment has indeed improved somewhat, the situation at the point of sale remains more challenging than we had initially projected.

At the same time, our two major product introductions – the R15 and the AeroBurner – didn't resonate as well with the golf consumer as we would have hoped. As a result of these developments, our sell-through rates were not as strong as expected, leading to earlier and more pronounced promotional activity, which is clearly reflected in the 26% top-line decline during the second quarter as well as significant margin pressure.

I know this development is disappointing for you. But rest assured that we as a management team are just as disappointed about these developments as you are. The current performance has shown that we need to go much deeper in order to bring TaylorMade-adidas Golf back on track. And this is exactly why we will make every effort to develop the right measures to drive the turnaround of our golf business. To support us in this, we have engaged with an investment bank for the purpose of analysing future options for our golf business, in particular the Adams and Ashworth brands.

But we are of course not going to wait for these results before starting to react to the challenges. In fact, over the last few weeks we have not only developed a major turnaround plan, we have also already started to implement it as we are fully aware that we don't have any time to lose.

The major cornerstones of the plan, that goes way beyond our initiatives from last year, are the following:

- Firstly, we will enhance TaylorMade's pricing, promotion and trade patterns. This includes maximising list prices on future launches. In the past our pricing has too often been driven by historical levels rather than robust consumer research and an in-depth analysis to test price point decisions. As a result of that, TaylorMade's core portfolio of drivers is priced below competitors' products – despite still being the clear market leader in metalwoods. In addition, we have to change our entire launch pattern, understand the optimal product life cycle and ensure that the organisation sticks to it. This way we will improve the overall conditions for subsequent product releases, reduce the risk of excess inventory and sharpen our perception in the eyes of both consumers and retail partners.
- Another area that we are going to tackle more aggressively is TaylorMade-adidas Golf's supply chain and product expenses, which have increased over the last couple of years as a result of increases in labour costs and supply chain overheads. By re-negotiating contract manufacturing rates and selectively adjusting the products – in terms of components, design and cosmetics – we will reduce input and conversion costs, which will drive a meaningful increase in the product margin across all categories. This, by the way, has immediate impact. For our next major metalwood launch alone, which is planned for September, we have already identified savings potential in the low-single-digit million euro range – and this is for one single product only.

Just imagine the potential we have when applying this approach to all future launches across all product categories. Other initiatives in this area will include measures to increase productivity in club assembly and ball manufacturing and the complete elimination of air freight to ship our product.

- Furthermore, we will re-prioritise the global marketing spend by significantly reducing investments in non-priority markets. In addition, we will reduce our marketing investments by limiting product launch frequency, focusing our media spend on top-tier products and sharpening our portfolio of players. In total, this will have an impact in a mid-double-digit million euro range per year when in full swing.
- And last but not least, we will generate significant operating overhead savings. These strict cost-saving efforts will include a reduction of personnel expenses by reshaping the organisation. In fact, we already began the process in July and rebalanced our workforce by 6% to immediately increase operational efficiency. This measure is a difficult yet necessary step in order to lead TaylorMade-adidas Golf into a successful future. Further initiatives aimed at reducing our cost base are a consolidation of warehouses around the globe, the optimisation of shipping policies with our retail partners as well as the creation of shared service centres.

The implementation of all of these measures continues as we speak. The outcome will and has to be a more nimble, more creative and profitable company.

When talking about our golf business, you should also keep one thing in mind: Even in this challenging market, our footwear and apparel business with adidas Golf grew in the first half and continues to deliver solid returns. To me, this is a clear testament to the strong position adidas enjoys in sport.

Robin will speak about our outlook for the full year in more detail a little later, but let me make one point very clear: the weaker-than-expected performance of TaylorMade-adidas Golf will not put the Group's top- and bottom-line guidance for 2015 at risk. TaylorMade-adidas Golf is a small part of our business and, as mentioned before, momentum at our core brands adidas and Reebok is exceeding our initial expectations. As a result, our commitment to achieving a mid-single-digit top-line improvement and to increasing the bottom line by between 7 and 10% stands firm and I have absolutely no doubt that we will achieve these goals that we had communicated at the beginning of the year.

As we will now take a more detailed look at the Group's overall performance during the second quarter, you will see why I am so optimistic going into the second half of the year.

The key financial results of the second quarter were as follows:

- Sales were up a robust 5%. In euro terms, sales were even up an impressive 15% and increased by more than 500 million euro to 3.9 billion euro.
- We recorded another quarter with strong growth at adidas and Reebok, as revenues increased 8% and 6%, respectively.
- The gross margin decreased 0.9 percentage points to 48.3%. While higher input costs and negative currency effects also played a role here, more than half of the decline is due to lower product margins at TaylorMade-adidas Golf.
- Operating margin was down 40 basis points to 6.0% - a direct consequence of the gross margin decline.
- Net income from continuing operations improved 2% to 146 million euro.

As always, while Robin will discuss the financials in more detail in a few minutes, let me have closer look at our brand performance during the second quarter and first half, respectively.

Overall, there is no doubt that the adidas and Reebok brands had an excellent second quarter. The strong Q2 performance is even more impressive, considering the difficult comparison the adidas brand faced due to the non-recurrence of the very strong FIFA 2014 World Cup related revenues generated in the second quarter of last year.

In this regard, of particular note is the double-digit sales increase we witnessed in Western Europe and Greater China, as these two markets had already seen double-digit growth rates in the prior year period.

Let me remind you that Western Europe was a key improvement area for us 18 months ago. The second quarter results now clearly show that our efforts in our home territory are paying off.

And one word on China as there was a lot of noise about the future economic development of this huge marketplace recently: for our sector, we clearly don't see an end of the China growth story. Instead, more and more Chinese consumers are attracted by sports and a sporting lifestyle and they are willing to spend on strong international brands such as ours.

Talking about strong growth rates, the performance in Latin America during the second quarter has also exceeded our initial expectations: Here as well, you have to take into account that the 2014 FIFA World Cup took place in Brazil, right in the heart of this region. In addition, we should not forget that Latin America is currently facing some bigger macroeconomic uncertainties.

Turning to the categories, revenues in the running category increased 2% during the second quarter and 7% year-to-date, driven by double-digit sales growth in apparel and mid-single-digit increases in footwear. The latter was strongly supported by the successful launch of the Ultra Boost, the greatest running shoe of all time. The feedback we are receiving from both our consumers and our key retail partners is overwhelming. In particular, the all-white version of the Ultra Boost was named as the best all-white sneaker of 2015 in several sneaker blogs and sold out in just three days.

Overall, we sold more than five million pairs of Boost in the running category during the first six months and there is no doubt we remain fully on track to sell eleven million pairs of Boost running shoes by the end of 2015. We are very satisfied with the development of our Boost franchise and I definitely do believe that the best is yet to come.

In the football category, sales declined in both the second quarter and first half, mainly as a result of tough comparisons from the surge in World Cup related apparel sales last year.

On the football footwear side, however, sales during the second quarter increased a strong 17%, supported by the highly anticipated and very successful introduction of our new football footwear franchises 'Ace' and 'X', which are featured in the new 'Be the Difference' football reset campaign.

We unveiled 'Ace' and 'X' during the UEFA Champions League Final in Berlin where we have also opened the 'Berlin Base', our first urban football centre. The Base is set to become the next must-visit spot for our football consumers in Germany and we will utilise the venue as an 'open source' location for upcoming football players to get involved in projects such as the testing and development of unreleased products.

In training, sales increased 6% and 7% for the second quarter and the first half, respectively, driven by high-single-digit growth in the apparel business. In particular, our women's apparel business recorded solid growth during the first half of 2015, with our StellaSport collection resonating extremely well with female consumers and retailer partners alike.

At adidas Originals, the strong performance from the first quarter even accelerated in Q2, with revenues increasing 37% during the three-month period. During the first six months, revenues were up 33% versus the prior year period. The adidas Superstar in general and the Supercolor collection by Pharrell Williams in particular are resonating tremendously with the lifestyle consumer. Consequently, sell-through rates spiked across all channels across the globe, creating halo effects far beyond the product itself.

During the second quarter we also launched the 'Yeezy 350 Boost', our second shoe developed in collaboration with Kanye West. The hype around this launch exceeded even our own expectations, as sneakerheads around the globe formed long queues in front of our stores to be amongst the lucky ones to buy a pair of this outstanding franchise. The shoe, which literally sold out in minutes, went for as much as 10,000 US dollars on eBay.

And let's not forget the huge successes around the other Originals footwear franchises, such as the ZX Flux, the Stan Smith or the

Tubular, which continue to do extremely well. adidas Originals is a great success story that is set to continue. At the same time, you can rest assured that we will be very careful and make sure we limit availability of the product to prevent the sub-brand from overheating.

At adidas NEO, the momentum we are seeing is just as strong as at adidas Originals, with sales growth also accelerating compared to the first quarter. Revenues at adidas NEO grew 43% during the second quarter and 29% in the first half, driven by strong double-digit sales growth in most markets. Revenues in both footwear and apparel increased at strong double-digit rates, supported by the Selena Gomez Summer Collection, which again delivered huge engagement levels and activation amongst young fashion consumers.

Moving over to Reebok, where the positive trends from the previous quarters continued throughout the second quarter, with revenues up 6% for the quarter and 8% for the first six months. As mentioned before, the second quarter represents the ninth consecutive quarter of growth – a clear testimony that the brand is resonating well with the Fit Generation. With the exception of North America and Russia/CIS, sales increased strongly in all markets, especially in emerging markets such as Greater China, Latin America and MEAA, where sales grew at strong double-digit rates each.

In addition, from a category perspective, Reebok's growth is directly linked to key fitness categories, with strong growth in the important training, running and studio categories. Classics also continues to show robust momentum, supported by the launch of the Ventilator 'Day Glo' campaign featuring US hiphop superstar Kendrick Lamar.

And with that, let me now hand you over to Robin to take a closer look at the individual market performance and walk you through the financials.

Robin Stalker, CFO

Thank you, Herbert, and good afternoon ladies and gentlemen.

As Herbert has just mentioned, the adidas and Reebok brands continue to enjoy strong momentum across the globe. My comments today will therefore mainly focus on how our business developed from a market segment perspective and how this ultimately impacted our financial results throughout the various P&L items.

Let's turn to Western Europe first, where both adidas and Reebok were able to maintain the strong momentum from the beginning of the year. Despite challenging World Cup comparisons, sales grew by 12% in the second quarter on top of a 14% increase in Q2 last year. At adidas, strong double-digit increases at Originals and NEO were able to more than offset the non-recurrence of prior year World Cup related revenues, leading to an increase of 12%. At Reebok, where sales grew 9%, the increase was driven by growth in nearly all categories, with

Reebok's core categories training and studio being particularly strong during the second quarter, growing at double-digit rates each.

From a market perspective, the main contributors to the sales increase were the UK, France, Italy and Spain with revenues growing at double-digit rates each.

The strong performance during the second quarter also lifted revenues for the first half, up 12% versus the prior year period with double-digit increases at both adidas and Reebok.

Sales in North America remained stable during the second quarter, as sales growth at adidas was offset by declines at Reebok.

adidas revenues increased 2%, driven by double-digit growth at Originals and significant increases at NEO, where revenues more than doubled. Excluding the World Cup effect in 2014, adidas sales grew at a mid-single-digit rate in the second quarter.

Reebok revenues were down 9% during the second quarter as high-single-digit growth in the training category was more than offset by sales declines in the walking category and in Classics. In addition, Reebok continues to be negatively impacted by the process of streamlining the brand's own-retail activities in North America.

Despite further increases in the segment's sales and marketing working budget in order to gain relevance in the marketplace and increase our visibility, we were able to achieve our goal of leading North America back into profitable territory. This development was supported by an 0.4 percentage points increase in gross margin, as we were able to offset a less favourable product mix, once again caused by the impact from last year's World Cup, by a more favourable pricing mix.

Moving over to Greater China, where trends in the sporting goods industry and for the adidas and Reebok brands in particular remain very healthy. And our second quarter performance is nothing but proof of that. Sales in the second quarter were up 19%, as a result of a 19% increase at adidas and 57% growth at Reebok.

Growth at adidas was mainly due to double-digit increases in the training and running categories as well as at Originals and NEO. The sales increase at Reebok was driven by significant growth in Classics, where revenues more than doubled.

As a consequence, revenues in Greater China were up a strong 20% during the first half of 2015 compared to the prior year period, with double-digit increases at both adidas and Reebok.

In Russia/CIS, in line with our expectations, the second quarter performance was significantly impacted by the low levels of consumer confidence and consumer spending, putting pressure on the market's overall economic activity. As a result, revenues in the second quarter decreased 14%, with sales declines at both adidas and Reebok.

While sales at adidas decreased 16% due to declines in most categories, revenues at Reebok were down 8%, mainly due to double-digit sales decreases in the running and walking categories as well as in Classics.

The top-line development during the second quarter was also negatively impacted by the further rationalisation of the segment's own-retail store network with 64 net store closures during the second quarter. Since the start of the year, we have closed a total of 92 stores net in the market, representing close to 10% of the Russia/CIS total store count.

This, in turn, has helped us bring operating expenses down by 27% during the second quarter, as we remain focused on further reducing operating overhead costs, predominantly in the form of sales expenditure and lease payments. Going into the second half of the year, there is no doubt that we will continue to do what it takes to safeguard the segment's profitability in 2015. The agile nature of our business model gives us exactly the operational flexibility we need to have in order to win this challenge.

Revenues in Latin America improved a strong 9% in the second quarter, on top of a 33% increase in the prior year period, as revenues at adidas were up 7% and Reebok sales increased 22%. Growth at adidas was supported by double-digit sales increases in the training category, at adidas Originals and at adidas NEO as well as a high-single-digit improvement in running. Sales increases at Reebok were driven by double-digit sales growth in the running, training and walking categories as well as in Classics. From a market perspective, the segment's top-line development was driven by double-digit sales growth in Argentina, Chile and Peru.

As a result of the strong second quarter performance, revenues in Latin America for the first six months grew 8%, with brand adidas up 6% and Reebok up 19%, respectively.

In Japan, sales in the second quarter decreased 6%. While revenues at Reebok grew 27% during the quarter, driven by significant growth in the running category as well as in Classics, sales at adidas were down 8%. The sales decline at adidas was mainly due to double-digit decreases in the training and football categories, with the latter once again reflecting the non-recurrence of World Cup related revenues. Excluding the positive World Cup effects in the prior year period, adidas brand revenues in Japan grew at a low-single-digit rate during the second quarter.

Looking at the first half performance, revenues in Japan were down 1%, as growth at Reebok was more than offset by sales declines at adidas.

In MEAA, we continue to see robust momentum with sales up 16% in the second quarter and 12% during the first half, as both adidas and Reebok grew at double-digit rates. While sales at adidas increased 14% in Q2 mainly as a result of double-digit sales increases in the training and running categories as well as at adidas Originals and adidas NEO, Reebok revenues grew 23% driven by double-digit sales increases in the training and running categories.

From a market perspective, the main contributors to the segment's sales increase were the United Arab Emirates, South Korea, Turkey and India.

To finish on the segments, let me spend a minute on Other Businesses. Herbert has talked a lot about the current challenges TaylorMade-adidas Golf is facing and it should not come as a surprise that those challenges have also had a meaningful impact on the overall performance of Other Businesses in both the second quarter as well as the first half.

Revenues of Other Businesses were down 14% in the second quarter or 8% in the first half, as double-digit sales growth at Reebok-CCM

Hockey and Other centrally managed businesses was more than offset by the significant declines at TaylorMade-adidas Golf.

The gross margin of Other Businesses decreased 5.9 percentage points in the second quarter to 30.8% or 3.2 percentage points in the first half to 34.2%, due to significantly lower product margins at TaylorMade-adidas Golf.

Consequently, Other Businesses recorded an operating loss of 40 million euro during the second quarter compared to an operating profit of 2 million euro in the prior year period. As a result, the operating margin for Other Businesses decreased from 0.6% in the previous year to a negative 10.9% in the second quarter of 2015. For the first half, Other Businesses recorded a negative operating margin of 6.1% compared to a negative operating margin of 2.7% in the first six months of last year.

Turning now to our Group performance and starting with the P&L.

Our Group gross margin decreased 90 basis points in the second quarter to 48.3% or 40 basis points in the first six months to 48.8%.

The gross margin development during the second quarter was primarily impacted by lower product margins at TaylorMade-adidas Golf caused by ongoing promotional activity in the marketplace. In addition, the devaluation of several emerging market currencies year-over-year, in particular the Russian rouble, as well as the unfavourable development in input costs, as a result of the increase in labour costs, weighed on the Group's gross margin, more than offsetting the positive effects from a more favourable pricing and channel mix.

Moving over to operating expenses, which increased 13% in the second quarter or 14% in the first six months, partly due to negative currency effects. The increase in operating expenses mainly reflects higher sales and marketing working budget investments, which grew 9% and 17% for the second quarter and the first half, respectively. On that note, let me make it very clear that we remain fully committed to further invest into our brands, targeting even stronger brand visibility and desirability towards our consumers. As a percentage of sales, other operating expenses were down 0.6 percentage points and 0.7 percentage points, respectively. Sales and marketing working budget investments as a percentage of sales decreased 70 basis points to 14.0% for the second quarter and were up 10 basis points to 13.8% for the first half.

Reflecting the Group's top-line expansion and the operating leverage we achieved, the Group's operating profit increased 14% to 596 million euro in the first six months of 2015. This translates into an operating margin of 7.5%, down 0.2 percentage points versus the prior year.

Turning to the non-operating items of the P&L: In the first half of 2015, net financial expenses decreased to 9 million euro versus 28 million euro in the prior year. This development was due to positive exchange rate variances as well as the non-recurrence of negative exchange rate effects from the prior year.

The first half tax rate increased 290 basis points to 31.8%, mainly due to the non-recognition of deferred tax assets related to TaylorMade-adidas Golf for which the realisation of the related tax benefit is not considered probable.

Net income from continuing operations excluding goodwill impairment losses increased 14% to 401 million euro in the first half of 2015. This translates into basic and diluted earnings per share of 1 euro 96 cents, up 17% compared to the prior year.

Looking specifically at the retail part of our business, revenues grew 8% in the second quarter and 11% for the first half. The strong performance during the first six months was mainly due to double-digit growth at adidas. Reebok revenues grew at a low-single-digit rate.

Comparable store sales were down 2% during the second quarter due to the difficult trading environment in Russia/CIS given the overall weakness in traffic and consumer sentiment. For the first half, comparable store sales were up 1%, with growth across all regions except Russia/CIS. By brand, adidas comp store sales grew 2%, while Reebok comp store sales were down 6%.

Our eCommerce business continues to do extremely well, with sales up 56% in the second quarter and also for the first half.

Retail gross margin increased a strong 2.9 percentage points to 63.4% for the second quarter and 1.5 percentage points to 61.8% in the first six months. While the devaluation of the Russian rouble negatively impacted these results, the positive effects from a more favourable product and pricing mix provided significant tailwinds to the overall retail gross margin development. As a result, the operating margin for our own-retail operations was up 450 basis points to 23.3% during the second quarter and 370 basis points to 20.0% for the first half, benefiting from the increase in gross margins and leveraging lower operating expenses as a percentage of sales.

In terms of our store development, at the end of the second quarter, we operated 2,846 stores, a net decrease of 67 stores versus 2,913 at the end of 2014. Of the total number of stores, 1,582 were adidas and 422 were Reebok branded. In addition, we operated 842 factory outlets. During the first half, we opened 112 new stores and closed 179 stores, while 39 stores were remodelled.

Looking at the remainder of the year, we will continue to carefully manage our store base. We currently anticipate a net decrease of our store base of around 40 adidas and Reebok stores in 2015. While we plan to open around 270 new stores, depending on the availability of desired locations, approximately 310 stores will be closed over the course of the year, primarily in Russia/CIS. Around 100 stores will be remodelled.

Finally, let me talk about our balance sheet and cash flow development. At quarter end, operating working capital increased 8%, as both inventories and accounts receivable grew on a currency-neutral basis reflecting our expectations for growth in the coming quarters. As a percentage of sales, however, operating working capital decreased by 0.4 percentage points to 21.6%, as operating working capital grew at a slower pace than the Group's top line.

As you know, on March 5, we announced the commencement of the second tranche of our share buyback programme. Within the second tranche until June 15, 2015, we bought back 4,129,627 shares, corresponding to 1.97% of the company's nominal capital. The average purchase price per share for this second tranche was 72.65 euro.

The total number of shares bought back so far within the framework of the share buyback programme amounts to 9,018,769 shares. This corresponds to 4.31% of the company's nominal capital.

As a result of the utilisation of cash for the share buyback programme, we ended the quarter with net borrowings of 957 million euro, compared to net borrowings of 454 million euro a year ago, an increase of 503 million euro year-over-year.

Consequently, the ratio of net borrowings to EBITDA increased to 0.6 versus 0.4 in 2014.

To wrap up, ladies and gentlemen, based on our robust financial performance during the first half of 2015, and considering the various initiatives that are upcoming in the second half of 2015, we are optimistic about our outlook for the remainder of the year and we reconfirm our full year guidance for 2015.

We continue to expect sales to increase at a mid-single-digit rate on a currency-neutral basis in 2015. The Group's top-line development will be driven by the ongoing robust momentum at both adidas and Reebok, in particular in markets such as Western Europe, Greater China and MEAA, where revenues are now expected to grow at a double-digit rate each. This, as well as the further expansion and improvement of the Group's controlled space initiatives, will more than offset the non-recurrence of sales related to the 2014 FIFA World Cup as well as the continued weakness at TaylorMade-adidas Golf, where currency-neutral revenues are now forecasted to decrease versus the prior year level.

We continue to forecast gross margin to be at a level between 47.5% and 48.5%, as we expect improvements during the second half of the year, as a result of a more favourable pricing and product mix at both adidas and Reebok together with the more favourable channel mix.

Last but certainly not least, we continue to anticipate net income from continuing operations to increase at a rate of 7% to 10%, thus outpacing the Group's expected top-line development

With this in mind, let me hand back to Herbert who will give you more details on what to expect from the next quarters.

Herbert Hainer, CEO

Thank you, Robin.

Ladies and gentlemen, with the strong momentum at adidas and Reebok in mind, let me now share with you some of the initiatives we are planning for the remainder of the year.

There is no question at all that our product and marketing pipeline is just as loaded as it was during the first six months.

I have already highlighted the introduction of our two new football franchises 'Ace' and 'X'. Since these new boots hit retail at the beginning of the third quarter, the reaction from both consumers and retailers is simply outstanding.

As already communicated during our first IR tutorial workshop, we are seeing a double-digit increase in demand in our football footwear business, based on exactly those franchises. This is a clear proof point that the game of football is changing – and that we are driving this change with the adidas football revolution. This proves once again – the adidas brand is and will always be ahead of the game in football.

While I am absolutely confident we will see 'Ace' and 'X' perform well on the pitch and bring our visibility to new heights, I am equally excited to see Manchester United and Juventus Turin finally playing in 3-Stripes starting with the 2015/16 football season! Last Saturday, we re-united with Manchester United, one of the most popular and successful football teams in the world and unveiled their new home jerseys. The initial response has really blown us away as it has exceeded all expectations in both the club's and our own brand channels:

- The Old Trafford megastore saw record demand for a non-matchday – almost 50% up on the previous record.
- The ManU e-commerce platform 'United Direct' saw equally high demand – four times up on the previous record kit launch.
- The adidas brand is experiencing unprecedented demand in both our own stores and ecom channels, and our wholesale partners experienced their biggest-ever launch day on Saturday.

This success confirms again that Manchester United is not just a football club. With its more than 650 million fans globally, it is without doubt one of the world's most-supported sport symbols. This special club has not only a rich history but also a reputation for success and the unexpected. We are immensely proud to be part of that history and to be returning once again as partners.

To finish on football, earlier this morning we introduced 'Create Your Own Game' to support our newly launched products and partnerships, featuring some of the world's most admired football players such as Lionel Messi, James Rodriguez, Gareth Bale and Thomas Müller. This third chapter of the adidas 'Sport 15' campaign, which underlines the brand's leadership and passion for sport, with a clear focus on football, will see a second part of the story being told in a separate spot that launches at the end of this month. I am absolutely convinced that this campaign is going to resonate just as well with the football consumer as the ones before and will help us to further elevate the brand.

And while I am not able to share any details with you yet, just as a reminder: We are just ten months away from the UEFA EURO 2016, so be prepared to see some major product launches towards the end of this year.

As you know, North America is and remains THE focus area for us and our firm goal is to win the US consumer by increasing credibility in US sports. In this regard, winning the locker rooms is crucial for our future success. Therefore, I am happy that just recently, we integrated our Primeknit technology into American football as we have launched the new official uniforms with several universities, amongst others Arizona State, Nebraska, Miami and UCLA. This is part of our overall efforts to lift our relevance towards the US consumer, which is already paying off. Over the last couple of months we have increased our market share in American football by 4 percentage points.

And American football is just one example. We have also brought back the adidas brand to other US sports. In baseball, we recently launched a completely new bat, featuring the RocketBallz technology, which has already revolutionised performance in golf clubs and hockey sticks. The bat, which delivers the perfect mix of power, speed and accuracy, has created quite a buzz for us since its launch in June.

Further adding to our visibility in baseball is our improved roster of players. adidas athletes Kris Bryant, Dellin Betances, Mike Moustakas and Justin Upton were named for this year's MLB All-Star Game. In particular, Kris Bryant, who took part in the MLB All-Star Game after having started his professional career just three months ago, is becoming THE rockstar in baseball. At the age of 23, Bryant ties Chicago Cubs legend Ron Santo as the youngest All-Star in the franchise history. Currently, Kris ranks #2 in the MLB in overall jerseys sales and #1 on fanatics.com in retail sales for the month of July.

Last week, adidas and the Pac-12 Conference announced a three-year partnership that makes adidas the Official Athletic Apparel and Footwear Partner of the Conference and all Pac-12 Championship events. The Pac-12, which consists of 12 colleges, including Arizona State and UCLA, hosts championship events in American football, basketball, cross-country, swimming and diving, wrestling, golf and other important college sports activities. This new partnership continues to highlight our commitment to U.S. college sports and our focus on aligning with schools, teams and student athletes. Pac-12's rich athletic and academic tradition and consistent success on and off the field make them a perfect fit for the adidas family and we look forward to our brand appearing on field and on court starting this season.

Now, allow me to switch to our game-changing Boost technology. Since its introduction back in 2013, the Boost technology has redefined the footwear industry. We started in running and the success we are seeing is just as visible as the 53 major marathon wins with the adios Boost. We have also integrated this great technology into other key categories such as basketball, training, baseball, golf and tennis.

To bring this great innovation even closer to our consumers, we will start creating interactive mobile experiences at premier U.S. running events by introducing the 'Boost Experience by adidas'. It is an interactive showroom celebrating adidas products and technologies with an objective to build awareness through education for the Boost technology. Taking runners beyond the traditional consumer journey a store experience offers, this space provides several unique touchpoints, including an interactive Kinetic Wall with Boost capsules that move in response to foot traffic, or a try-on area, where consumers can try on the latest adidas Boost footwear, such as the Ultra Boost.

As you know, controlling our own destiny is absolutely crucial for our point-of-sale activation and we are fully committed to further increasing consumer experiences across the markets. Therefore, our team in China has just opened the first 'Sportswear Collective' store, located in Chengdu. This newly opened 700 square metres of retail space is designed to bring consumers the most up-to-date sports trends that can easily be turned into everyday lifestyle wear. Following our goal to further develop sports in China and encourage a passion for an active lifestyle, we are bringing the latest product innovations closer to sports lifestyle, thus transcending from the court, pitch and field to the street, campus and mall.

Coming to lifestyle, where we are enjoying fantastic momentum with adidas Originals driven by great product introductions such as the customised ZX Flux Star Wars collection or the second launch of our collaboration with Kanye West, the Yeezy Boost 350.

Our biggest footwear franchise at Originals in 2015 however can only be the iconic Superstar, hyped by various creative drops such as the Supercolor collection by Pharrell Williams. Building on the success of the Supercolor, where we have sold out each and every one of the 50 different colourways, we recently introduced the next exciting collaboration with Pharrell, the 'Supershell'. For this special product line, Pharrell has collaborated with creatives from around the world to bring a new chapter of the Superstar to life by changing the styles of the front part of the Superstar with various graphics or pictures.

At Reebok, we have just launched the Reebok CrossFit Nano 5.0 – a training shoe that features Kevlar material for protection and durability. The best platform to showcase and celebrate this and all of our other new CrossFit products is no doubt the official Reebok CrossFit Games, as we are outfitting every athlete with apparel, footwear and accessories during the course of the Finals. The 2015 Reebok CrossFit Games marked the fifth year of our partnership and evolution with CrossFit. Year after year we are getting more inspired and excited by the limitless potential that CrossFit offers and we look forward to continuing to evolve our products to service the ever-growing CrossFit community.

Another partnership at Reebok which I am equally excited about is the UFC. Recently, UFC and Reebok unveiled the first-ever UFC Fight Kit, which will be worn by every athlete that steps into the Octagon. UFC athletes represent some of the toughest and most dedicated humans in the world and Reebok is proud to develop the first-ever dedicated kit to support and enable their greatness. This launch is truly a landmark moment for Reebok's partnership with the UFC as well as the sport as a whole.

Turning back to TaylorMade-adidas Golf. As I mentioned before, we are carefully and diligently reviewing the current situation at TaylorMade-adidas Golf and need to find answers to some very important questions over the next couple of weeks. At the same time, however, one thing is already clear: TaylorMade-adidas Golf has always been at the forefront of the game from an innovation point of view. And while the most recent product introduction might have lacked major innovations in the eye of the consumer, I can promise you that we have one of the most promising innovations in the last few years in our pipeline, which we will introduce to the market in a very meaningful way in the course of the third quarter. This product will definitely make a difference.

Before I come to the end, let me quickly refer back to yesterday's announcement with regard to the acquisition of Runtastic. In line with our strategic business plan 'Creating The New', this acquisition is a clear reinforcement of our commitment to inspire and enable athletes of all levels to harness the power of sport in their lives.

As you know, at the adidas Group, we aim to create the future of sport and, as such, we are absolutely convinced that digital technologies provide new capabilities and insights to help athletes take control of their sporting destiny – whether improving their performance, sharing their experiences or creating their own great social moments of sport.

The acquisition, which closed yesterday at an enterprise value of 220 million euro, will add considerable value on our journey to deliver new world-class digital sports experiences. In addition, it offers the opportunity to grow a highly engaged athlete user base, and leverage the power of our broad product portfolio.

Let me share some facts and details around Runtastic with you. Runtastic is a leading health and fitness app company. Founded in 2009 and headquartered in Austria, Runtastic has shown tremendous growth in a short period of time. The company has already amassed 70 million registered users and more than 140 million app downloads worldwide, and is growing at a pace of over 140 thousand new downloads each day. As such, Runtastic has a strong and industry-leading market position.

Offering 20 apps across endurance, health and fitness activities, and available in 18 languages, Runtastic has extensive global reach. To accelerate growth, the company has been aggressive in rolling out customised language versions, which is proving to be a major competitive and first mover advantage. In the US alone, Runtastic is already counting close to 10 million registered users.

So why did we decide to further strengthen our digital activities with this acquisition?

The adidas brand was the first in the industry to comprehensively bring data analytics to the athlete. With decades of continuous investment in sports science, sensor technology, wearables and digital communication platforms, there is no other sports company that has done more to innovate sports and change the game through technology. adidas' variety of digitally enabled products such as balls, wrist devices, apparel, shoes, web and phone apps goes unmatched. No other sports company has the diversity of sports and fitness activity coverage and understanding of data related to athletes' physiology and motion in play.

On the other side, as one of only two global leaders in our industry, we are also at the forefront when it comes to digital brand commerce. We create the most exciting products and stories, we have a wide CRM base as well as leading content creation and activation platforms such as our global newsrooms. So simply speaking: we are listening to our athletes and consumers and we have built the skills and ability to understand their needs.

And now, with the cutting-edge digital experience of Runtastic, we are delivering best-in-class digital sports experience to our consumers. Runtastic's fast pace and high energy will speed up the adidas Group's ability to reach both partners' combined vision to make sport inspiring and part of everyone's lives – creating unexpected sports experiences that will resonate and clearly stand out in a crowded and constantly changing landscape.

I am very excited to welcome Runtastic as I am absolutely convinced that the company, its management and all employees will contribute greatly to our multi-faceted vision for a digitally powered future of sport.

And with that, let me thank you for your attention. Now, Robin and I are happy to take your questions.