



PUSHING BOUNDARIES

First Quarter 2013 Results

Analyst Presentation Herzogenaurach

May 3, 2013



ADAMSGOLF

TaylorMade

adidas



Reebok



ROCKPORT

CCM



INTRODUCTION

John-Paul O'Meara

Vice President Investor Relations



OPERATIONAL HIGHLIGHTS

Herbert Hainer

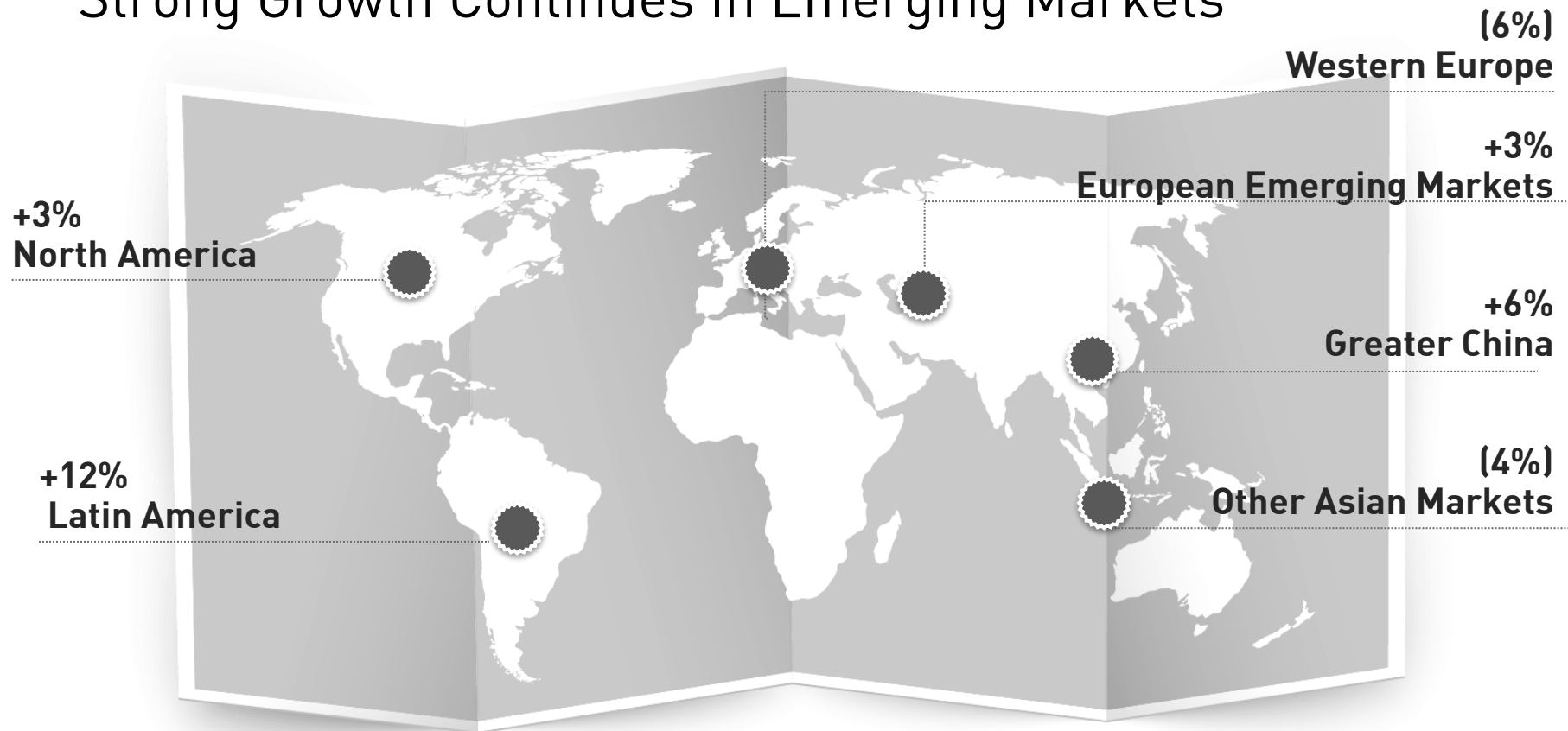
adidas Group CEO

adidas Group Delivers Solid Financial Performance



- Sales flat on a currency-neutral basis
- Growth across all key attack markets
- Record gross margin of 50.1%
- Operating margin improves 1.1pp to 11.8%
- Net income and EPS increase 6%
- Net borrowings decline 72% to € 180 million

Strong Growth Continues In Emerging Markets



Sales development on a currency-neutral basis.

Latin America Fastest-Growing Market In Q1



- Revenues up 12% currency-neutral in Q1
- Double-digit sales growth in most markets
- Sales at adidas up 19% currency-neutral

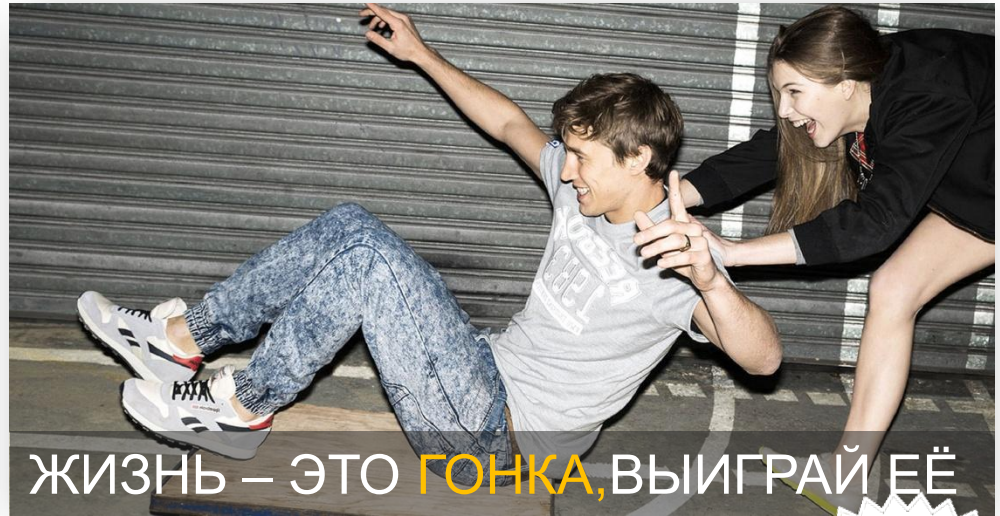
adidas Continues To Dominate Lifestyle Market In China



- Sales increase 6% currency-neutral
- Comp store sales up 8%
- adidas Originals and adidas NEO label post double-digit sales increases



Reebok Continues To Shine In Russia/CIS



- European Emerging Markets up 3% currency-neutral
- Both adidas and Reebok grow at a single-digit rate
- Retail trends improving after slow start to the year



Mixed Performance In Western Europe

- Sales decline 6% currency-neutral
- Growth in France and Poland offset by declines in Southern Europe and the UK
- Own Retail and Other Businesses up single digits









North America Returns To Growth In Q1



- Sales up 3% currency-neutral
- TMaG sales increase 19%
- adidas Basketball enjoys strong momentum with 27% growth in Q1



adidas And Reebok Gross Margins Up In Q1

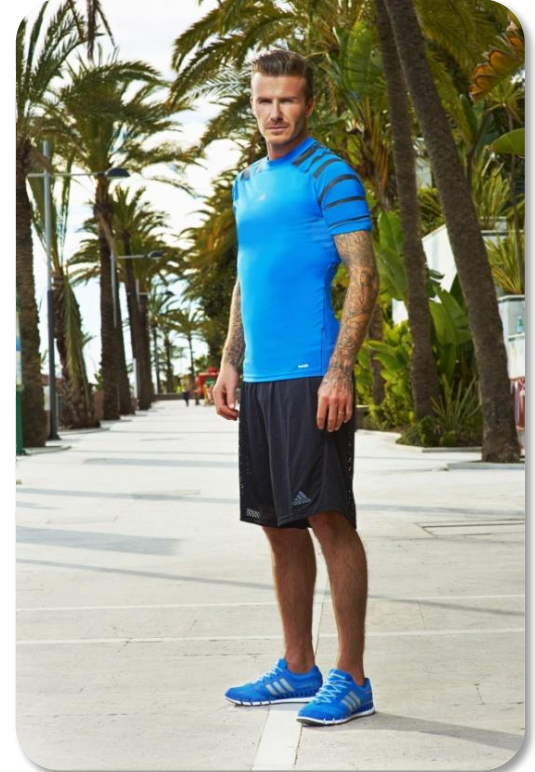
		Q1 2013	Change
	Net sales (€ in millions)	2,858	 1% ¹⁾
	Gross margin	48.1%	 1.8pp
	Net sales (€ in millions)	378	 (14%) ¹⁾
	Gross margin	39.1%	 1.5pp



¹⁾ Currency-neutral

Energy Boost Overwhelming Success For adidas Running

- Sales up 12% currency-neutral in Q1
- Strong growth in Climacool and Boost franchises
- Award-winning and market-leading innovation driving success



Strong Momentum At adidas Basketball Continues



- Sales grow 18% currency-neutral
- Footwear and apparel up double digits
- Footwear momentum driven by D Rose 3.5 and Crazy Light 2
- Strong social media buzz from NBA All-Star Weekend and March Madness

New Crazyquick Platform Introduced At Retail



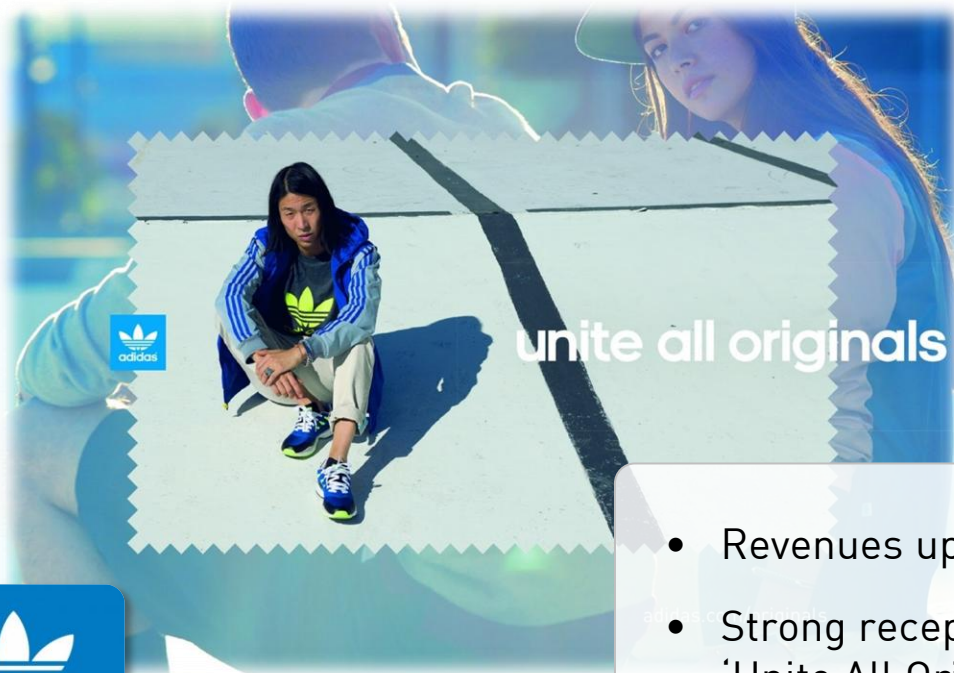
adidas Outdoor Sales Accelerate To 21% In Q1



- Sales up 21% currency-neutral on top of 45% in the prior year
- New introductions drive footwear growth of over 30%



adidas Originals Sees Strong Trajectory In Emerging Markets



- Revenues up 3% currency-neutral in Q1
- Strong reception to marketing campaign 'Unite All Originals' with over 20 million fans on facebook



adidas NEO Label Continues To Win The Young Consumer



- adidas NEO sales increase 9% currency-neutral
- NEO footwear sales up double digits in Q1
- Increasing brand visibility with Justin Bieber, Selena Gomez, Angelababy and Eddie Peng



Reebok Maintains Momentum In Apparel And Classics

- Sales down 14% currency-neutral with half of the decline related to NFL
- Fitness Training up 13% driven by strong growth in Delta apparel and CrossFit
- Reebok Classics grows 33% supported by Retro basketball



Reebok Introduces New Fitness App



Get a Customized
Program

Switch Up Your Routine

Get Tips from the Pros

Improve Your Fitness



Reebok Fitness



Reebok.com/fitness-app

TMaG Continues To Dominate Golf Market

- Sales grow 13% currency-neutral
- Dominant market leader in metalwoods and irons with R1, RocketBladez and RBZ Stage 2
- Launch of adizero tour catapults sales in footwear to a new record market share of 20%



adidas Group Well On Track For Successful 2013



- Deliver a step change in margin progression
- Seed game-changing product innovations in key categories
- Maintain a steady course for the Group against a mixed economic backdrop

adidas To Unveil New Football Silo



opta

#theengine





FINANCIAL HIGHLIGHTS

Robin J. Stalker

adidas Group CFO







Gross Margin Improves 2.4 Percentage Points



- Pricing and favourable product mix
- Overproportionate growth in emerging markets
- Larger share of higher-margin Retail sales









- Negative FX impact







Q1 2013		
Wholesale	 +2.6pp	44.3%
Retail	 (0.8pp)	60.7%
Other Businesses	 +0.9pp	44.6%
adidas GROUP	 +2.4pp	50.1% ¹⁾

1) Total Group includes HQ/Consolidation




Q1 Group Operating Profit At Record Level

	Q1 2013	
Royalty and commission income	 +1%	€ 25 million
Other operating income	 (28%)	€ 18 million
Other operating expenses	 +1%	€ 1,482 million
Other operating expenses as a percentage of sales	 +1.2pp	39.5%
Operating profit	 +8%	€ 442 million
Operating margin	 +1.1pp	11.8%

Net Income And Diluted EPS Grow 6%







	Q1 2013	
Financial income	 (47%)	€ 4 million
Financial expenses	 (30%)	€ 19 million
Income before taxes	 +10%	€ 427 million
Income tax rate	 +2.0pp	27.5%
Net income attributable to shareholders	 +6%	€ 308 million
Diluted earnings per share	 +6%	€ 1.47

Wholesale Segmental Operating Margin Up 3.4pp

Wholesale	Q1 2013	Change
Net sales (€ in millions)	2,481	 (3%) ¹⁾
Gross margin	44.3%	 +2.6pp
Segmental operating margin	36.0%	 +3.4pp

¹⁾ currency-neutral

Retail Sales Increase 6% Currency-Neutral

Retail	Q1 2013	Change
Net sales (€ in millions)	722	 +6%¹⁾
adidas comp store sales		 (1%)¹⁾
Reebok comp store sales		 +0%¹⁾
Total comp store sales		 (1%)¹⁾
Gross margin	60.7%	 (0.8pp)
Segmental operating margin	14.0%	 (2.6pp)

¹⁾ currency-neutral

Retail Store Development

- 2,458 stores operated at quarter-end
- Net openings of 12 stores in Q1
- 92 new stores opened, 80 stores closed, 37 stores remodelled
- 1,372 adidas and 349 Reebok branded; 737 factory outlets



Other Businesses Grow 9% Currency-Neutral

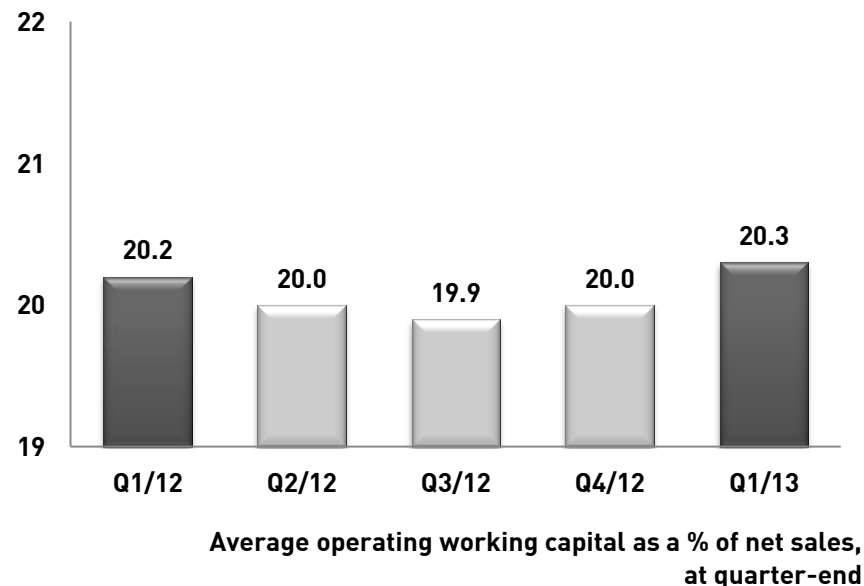
Other Businesses	Q1 2013	Change
Net sales (€ in millions)	548	↑ +9% ¹⁾
Gross margin	44.6%	↑ +0.9pp
Segmental operating margin	31.3%	↑ +2.6pp

¹⁾ currency-neutral



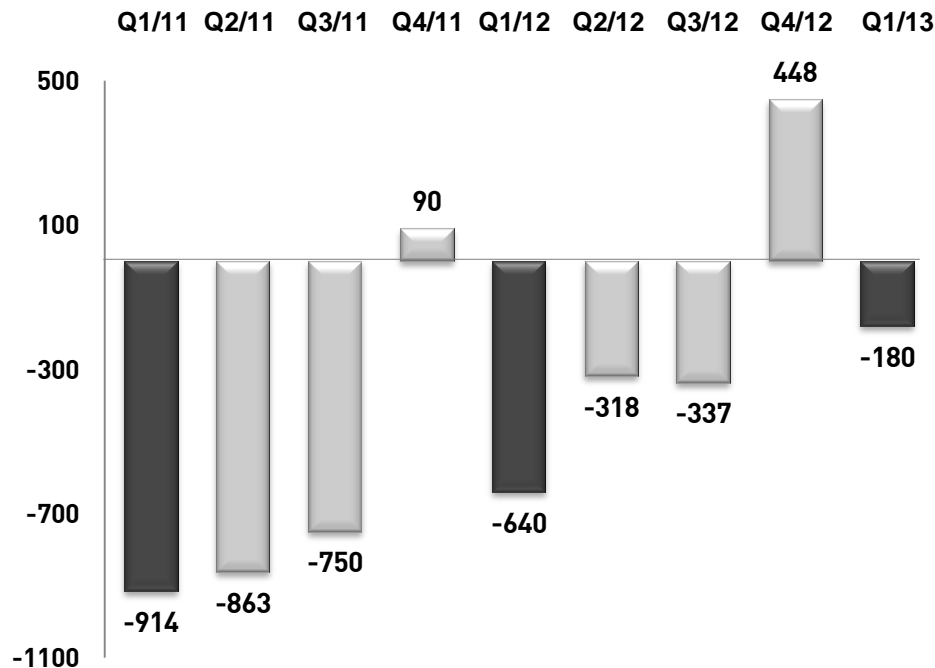
Operating Working Capital As A Percentage Of Sales Remains At Low Levels

- Inventories decrease 2% on a currency-neutral basis
- Receivables up 3% on a currency-neutral basis
- Payables decrease 7% on a currency-neutral basis



Net Borrowings Decline 72%

- Net borrowings reduced by € 460 million to € 180 million
- Ratio of net borrowings/EBITDA decreases to 0.1 (Q1 2012: 0.5)
- Equity ratio increases significantly to 49.7% (Q1 2012: 47.0%)



Net borrowings at quarter-end, € in millions

adidas Group Confirms 2013 Full Year Outlook

Group sales (currency-neutral)	mid-single-digit increase
Wholesale sales (currency-neutral)	low-single-digit increase
Retail sales (currency-neutral)	high-single- to low-double-digit increase
Other Businesses sales (currency-neutral)	mid- to high-single-digit increase
Gross margin	48.0% to 48.5%
Operating margin	approaching 9.0%
Basic earnings per share	increase at a rate of 12% to 16% to a level between € 4.25 and € 4.40



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G R O U P

QUESTIONS & ANSWERS



Upcoming Event Dates

May 8, 2013	Annual General Meeting
May 9, 2013	Dividend Payment ¹⁾
Aug 8, 2013	First Half 2013 Results
Nov 7, 2013	Nine Months 2013 Results

¹⁾ Subject to Annual General Meeting Approval.