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First Quarter 2015 Results:

adidas Group with strong start into 2015

- **Group sales increase 9% on a currency-neutral basis**[1]
- **Revenues in euro terms grow 17% to a first quarter record of € 4.1 billion**
- **Strong momentum at adidas and Reebok with currency-neutral sales up 11% and 9%, respectively**
- **Double-digit growth in Western Europe, Greater China and MEAA**
- **Gross margin stable at 49.2%**
- **Operating margin excluding goodwill impairment increases 0.1pp to 8.9%**
- **Net income from continuing operations excluding goodwill impairment up 22%**
- **Group confirms full year guidance**

adidas Group currency-neutral sales increase 9% in the first quarter of 2015

In the first quarter of 2015, Group revenues increased 9% on a currency-neutral basis, driven by a double-digit increase at adidas as well as high-single-digit growth at Reebok. Currency translation effects had a positive impact on sales in euro terms. Group revenues grew 17% to € 4.083 billion in the first quarter of 2015 from € 3.480 billion in 2014. Currency-neutral **adidas** revenues increased 11%. This development was driven by double-digit sales increases in running, at adidas Originals and adidas NEO as well as a high-single-digit increase in training. Currency-neutral **Reebok** sales were up 9% versus the prior year as a result of double-digit sales increases in the training and studio categories as well as mid-single-digit sales growth in Classics. Revenues at **TaylorMade-adidas Golf** decreased 9% currency-neutral, mainly due to sales declines in the metalwoods and irons categories, which more than offset a double-digit increase in golf apparel.

"We got off to a successful start to the year with our adidas and Reebok brands enjoying great momentum," commented Herbert Hainer, adidas Group CEO. "With our innovative

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[1] Due to the existence of a concrete plan to sell the Rockport operating segment, all income and expenses of the Rockport operating segment are reported as discontinued operations since year-end 2014. For the sake of clarity, all figures in the income statement related to the 2014 and 2015 financial years in this document refer to the Group's continuing activities unless otherwise stated. However, restatement of the 2014 balance sheet items is not permitted under IFRS.

performance products, fashion-driven styles and highly engaging marketing campaigns, we have excited our consumers around the world."

Currency-neutral sales grow in nearly all market segments

In the first quarter of 2015, on a currency-neutral basis the combined sales of the adidas and Reebok brands grew in all market segments except Russia/CIS. Revenues in **Western Europe** increased 11% on a currency-neutral basis, due to double-digit sales growth at both the adidas and Reebok brand. Currency-neutral sales in **North America** increased 7%, as a result of high-single-digit sales growth at adidas. Revenues in **Greater China** were up 21% on a currency-neutral basis reflecting double-digit top-line growth at adidas and Reebok. Currency-neutral sales in **Russia/CIS** declined 3% as mid-single-digit growth at Reebok was more than offset by sales declines at adidas. In **Latin America**, revenues grew 6% on a currency-neutral basis with a double-digit improvement at Reebok and a mid-single-digit increase at adidas. In **Japan**, sales were up 7% on a currency-neutral basis due to strong double-digit sales increases at Reebok as well as low-single-digit sales growth at adidas. Sales in **MEAA** grew 10% on a currency-neutral basis, reflecting a double-digit top-line improvement at adidas.

Revenues in **Other Businesses** were down 1% on a currency-neutral basis. Double-digit sales increases in Other centrally managed businesses as well as high-single-digit growth at Reebok-CCM Hockey were more than offset by the sales decline at TaylorMade-adidas Golf.

With the exception of Russia/CIS, currency translation effects had a positive impact on segmental sales in euro terms.

	First quarter 2015	First quarter 2014	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Western Europe	**1,143**	1,011	13	11
North America	**591**	462	28	7
Greater China	**597**	414	44	21
Russia/CIS	**162**	245	(34)	(3)
Latin America	**423**	374	13	6
Japan	**155**	139	12	7
MEAA[1]	**635**	503	26	10
Other Businesses	**377**	333	13	(1)
Total[2]	**4,083**	**3,480**	**17**	**9**

First quarter net sales development by segment

1) MEAA includes Middle East, Africa and other Asian markets.

2) Rounding differences may arise in totals.

Group sales development supported by double-digit growth in retail

In the first quarter of 2015, retail revenues increased 14% on a currency-neutral basis as a result of double-digit sales growth at adidas and high-single-digit revenue increases at Reebok. Concept stores, factory outlets and concession corners were all up versus the prior year. eCommerce grew 56% on a currency-neutral basis. Currency translation effects negatively impacted retail revenues in euro terms. Sales grew 13% to € 895 million from € 794 million in the prior year. Currency-neutral comparable store sales increased 4% versus the prior year, due to sales growth across all store formats and most markets.

Group gross margin remains stable

In the first quarter of 2015, gross profit for the adidas Group increased 17% to € 2.008 billion versus € 1.712 billion in the prior year. The gross margin of the adidas Group remained unchanged at 49.2% (2014: 49.2%). A more favourable product and pricing mix was offset by higher input costs as well as negative currency effects.

Goodwill impairment in an amount of € 18 million

As a result of the change in the composition of the Group's reportable segments and associated cash-generating units, respectively, the Group recorded goodwill impairment losses of € 18 million during the first three months ending March 31, 2015. This charge was related to the Latin America (€ 15 million) and Russia/CIS (€ 3 million) operating segments. Goodwill for these groups of cash-generating units is now completely impaired. The impairment losses were non-cash in nature and do not affect the adidas Group's liquidity.

Operating margin excluding goodwill impairment increases to 8.9%

Group operating profit increased 12% to € 345 million in the first quarter of 2015 versus € 307 million in 2014. The operating margin of the adidas Group decreased 0.4 percentage points to 8.4% (2014: 8.8%). Excluding the goodwill impairment losses, operating profit grew 18% to € 363 million from € 307 billion last year, representing an operating margin of 8.9%, up 0.1 percentage points from the prior year level (2014: 8.8%). This development was primarily due to the positive effect from lower other operating expenses as a percentage of sales. First quarter other operating expenses increased 15% to € 1.700 billion (2014: € 1.478 billion), reflecting a significant increase in marketing working budget expenditure as well as higher operating overhead costs. As a percentage of sales, however, other operating expenses decreased 0.8 percentage points to 41.6% from 42.5% in 2014. Sales and marketing working budget expenditure amounted to € 554 million, which represents an increase of 26% versus the prior year level (2014: € 442 million).

Financial income increases

Financial income increased to € 16 million in the first quarter of 2015 from € 7 million in the prior year, as a result of positive exchange rate effects.

Financial expenses down 22%

Financial expenses decreased 22% to € 16 million in the first quarter of 2015 (2014: € 20 million). This development was mainly due to the non-recurrence of negative exchange rate effects compared to the prior year period.

Income before taxes excluding goodwill impairment up 24%

Income before taxes (IBT) for the adidas Group increased 17% to € 345 million from € 294 million in 2014. IBT as a percentage of sales remained stable at 8.4% in the first quarter of 2015 (2014: 8.4%). Excluding the goodwill impairment losses, IBT was up 24%

to € 363 million from € 294 million in 2014 and, as a percentage of sales, increased 0.4 percentage points to 8.9% from 8.4% in the prior year.

Net income from continuing operations excluding goodwill impairment increases 22%
The Group's net income from continuing operations increased 13% to € 237 million in the first quarter of 2015 from € 209 million in 2014. Excluding the goodwill impairment losses, net income from continuing operations was up 22% to € 255 million (2014: € 209 million). The Group's tax rate increased 2.5 percentage points to 31.4% in the first quarter of 2015 (2014: 28.9%). Excluding the goodwill impairment losses, the effective tax rate grew 0.9 percentage points to 29.8% from 28.9% in 2014, mainly due to a less favourable earnings mix.

Losses from discontinued operations total € 14 million
In the first quarter of 2015, the Group incurred losses from discontinued operations of € 14 million, net of tax, related to the Rockport operating segment, which is planned to be divested during the course of 2015 (2014: losses of € 3 million). Losses from discontinued operations were due to a loss recognised on the measurement to fair value less costs to sell, net of tax, in the amount of € 10 million, which was mainly caused by currency movements, as well as a loss from Rockport's operating activities of € 4 million.

Net income attributable to shareholders excluding goodwill impairment up 17%
The Group's net income attributable to shareholders, which in addition to net income from continuing operations includes the losses from discontinued operations, increased 8% to € 221 million in the first quarter of 2015 from € 204 million in 2014. Excluding the goodwill impairment losses, net income attributable to shareholders was up 17% to € 239 million (2014: € 204 million).

Basic EPS from continuing operations excluding goodwill impairment up 25%
Basic EPS from continuing operations increased 16% to € 1.15 in the first quarter of 2015 (2014: € 0.99). Excluding the goodwill impairment losses, basic EPS from continuing operations increased 25% to € 1.24 from € 0.99 in 2014. Basic EPS from continuing and discontinued operations increased 11% to € 1.08 in the first quarter of 2015 (2014: € 0.98). Excluding the goodwill impairment losses, basic EPS from continuing and discontinued operations increased 20% to € 1.17 from € 0.98 in 2014.

Group inventories from continuing operations stable currency-neutral

Group inventories increased 1% to € 2.539 billion at the end of March 2015 versus € 2.505 billion in 2014. On a currency-neutral basis, inventories decreased 4%, mainly as a result of the transfer of Rockport inventories to assets classified as held for sale. Inventories from continuing operations increased 5% (0% currency-neutral), reflecting the Group's strict inventory management.

Accounts receivable from continuing operations up 2% currency-neutral

The Group's accounts receivable increased 13% to € 2.456 billion at the end of March 2015 (2014: € 2.176 billion). On a currency-neutral basis, receivables remained virtually unchanged. Receivables from continuing operations rose 15% (+2% currency-neutral).

Net borrowings increase by € 288 million

Net borrowings at March 31, 2015 amounted to € 542 million, compared to net borrowings of € 254 million in 2014, representing an increase of € 288 million. This development is mainly a result of the utilisation of cash for the share buyback programme in an amount of € 381 million. Currency translation had a positive effect of € 137 million on net borrowings. The Group's ratio of net borrowings over EBITDA amounted to 0.4 at the end of March 2015 (2014: 0.2).

adidas Group confirms guidance for the full year 2015

adidas Group sales are forecasted to increase at a mid-single-digit rate on a currency-neutral basis in 2015. Despite a high degree of uncertainty regarding the economic outlook and consumer spending in Russia/CIS, the positive sales development will be supported by rising consumer confidence in most geographical areas. In particular, Group sales development will be favourably impacted by a significantly improved top-line development at TaylorMade-adidas Golf as well as ongoing robust momentum at both adidas and Reebok. 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™. Currency translation is expected to positively impact top-line development in reported terms, given the strengthening of major currencies such as the US dollar and the Chinese renminbi versus the euro.

The adidas Group gross margin is forecasted to be at a level between 47.5% and 48.5% in 2015 (2014: 47.6%). Higher product margins at TaylorMade-adidas Golf as a result of lower levels of clearance activity as well as a more favourable pricing and product mix at both adidas and Reebok are expected to positively influence the Group's gross margin development. However, adverse currency movements in emerging markets, in particular in Russia/CIS, are expected to negatively impact the Group's gross margin development. The wider than usual target corridor reflects the currently persisting high degree of uncertainty regarding future currency movements.

In 2015, the Group's other operating expenses as a percentage of sales are expected to be around the prior year level (2014: 42.7%). Sales and marketing working budget as a percentage of sales is projected to increase versus the prior year. Given the robust momentum at adidas and Reebok, the company will step up marketing and point-of-sale investments in 2015 to secure and drive faster growth rates and market share gains, particularly in developed markets such as North America and Western Europe. As part of these marketing efforts, both adidas and Reebok launched major brand campaigns at the beginning of the year. Operating overhead expenditure as a percentage of sales is forecasted to be around the level recorded in 2014.

The operating margin excluding goodwill impairment for the adidas Group is forecasted to be at a level between 6.5% and 7.0% in 2015 (2014 excluding goodwill impairment losses: 6.6%). This development will be strongly influenced by currency movements. The Group's tax rate is expected to be at a level of around 29.5% and thus more favourable compared to the 2014 effective tax rate excluding goodwill impairment losses of 29.7%. Net income from continuing operations excluding goodwill impairment is projected to increase at a rate of 7% to 10%, thus outpacing the Group's expected top-line development (2014: net income from continuing operations excluding goodwill impairment losses of € 642 million).

Herbert Hainer stated: "I am proud how fast we rebounded after a challenging 2014. Now, after getting off the starting block well this year, we are optimistic about our prospects for the full year. But we will not stop there. Our new strategy, 'Creating the New', will enable us to accelerate the adidas Group's growth until 2020 and create sustainable value."

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adidas AG Consolidated Income Statement (IFRS)

€ in millions	First quarter 2015	First quarter 2014	Change	First quarter 2015 excl. goodwill impairment	First quarter 2014 excl. goodwill impairment	Change
Net sales	4,083	3,480	*17.3 %*	4,083	3,480	*17.3 %*
Cost of sales	2,074	1,769	*17.3 %*	2,074	1,769	*17.3 %*
Gross profit	**2,008**	**1,712**	***17.3 %***	**2,008**	**1,712**	***17.3 %***
(% of net sales)	49.2%	49.2%	*0.0 pp*	49.2%	49.2%	*0.0 pp*
Royalty and commission income	27	24	*13.2 %*	27	24	*13.2 %*
Other operating income	27	50	*(45.0%)*	27	50	*(45.0%)*
Other operating expenses	1,700	1,478	*15.0 %*	1,700	1,478	*15.0 %*
(% of net sales)	41.6%	42.5%	*(0.8pp)*	41.6%	42.5%	*(0.8pp)*
Goodwill impairment losses	18	-	*n.a.*	-	-	-
Operating profit	**345**	**307**	***12.3 %***	**363**	**307**	***18.1 %***
(% of net sales)	8.4 %	8.8%	*(0.4pp)*	8.9%	8.8%	*0.1 pp*
Financial income	16	7	*131.6 %*	16	7	*131.6 %*
Financial expenses	16	20	*(22.4%)*	16	20	*(22.4%)*
Income before taxes	**345**	**294**	***17.4 %***	**363**	**294**	***23.5 %***
(% of net sales)	8.4 %	8.4%	*0.0 pp*	8.9%	8.4%	*0.4 pp*
Income taxes	108	85	*27.5 %*	108	85	*27.5 %*
(% of income before taxes)	31.4 %	28.9%	*2.5 pp*	29.8%	28.9%	*0.9 pp*
Net income from continuing operations	**237**	**209**	*13.3 %*	**255**	**209**	*21.9 %*
(% of net sales)	5.8 %	6.0 %	*(0.2pp)*	6.2%	6.0%	*0.2 pp*
Losses from discontinued operations, net of taxes	(14)	(3)	*360.8 %*	(14)	(3)	*360.8 %*
Net income	**223**	**206**	***8.1 %***	**241**	**206**	***16.9 %***
(% of net sales)	5.5 %	5.9 %	*(0.5pp)*	5.9 %	5.9%	*(0.0pp)*
Net income attributable to shareholders	**221**	**204**	***8.2 %***	**239**	**204**	***17.0 %***
(% of net sales)	5.4 %	5.9 %	*(0.5pp)*	5.8 %	5.9%	*(0.0pp)*
Net income attributable to non-controlling interests	**2**	**2**	***1.8 %***	**2**	**2**	***1.8 %***
Basic earnings per share from continuing operations (in €)	**1.15**	**0.99**	***16.2 %***	**1.24**	**0.99**	***25.1 %***
Diluted earnings per share from continuing operations (in €)	**1.15**	**0.97**	***18.2 %***	**1.24**	**0.97**	***27.3 %***
Basic earnings per share from continuing and discontinued operations (in €)	**1.08**	**0.98**	***10.9 %***	**1.17**	**0.98**	***19.9 %***
Diluted earnings per share from continuing and discontinued operations (in €)	**1.08**	**0.96**	***12.8 %***	**1.17**	**0.96**	***22.0 %***

Net Sales

€ in millions	First quarter 2015	First quarter 2014	Change	Change (currency-neutral)
Western Europe	1,143	1,011	*13.1 %*	*11.5 %*
North America	591	462	*27.9 %*	*6.7 %*
Greater China	597	414	*44.3 %*	*21.4 %*
Russia/CIS	162	245	*(33.6%)*	*(3.4%)*
Latin America	423	374	*13.0 %*	*6.0 %*
Japan	155	139	*11.6 %*	*6.5 %*
MEAA	635	503	*26.4 %*	*9.6 %*
Other Businesses	377	333	*13.1 %*	*(1.0%)*
adidas	3,352	2,826	*18.6 %*	*10.9 %*
Reebok	411	358	*14.9 %*	*9.0 %*
TaylorMade-adidas Golf	280	264	*6.2 %*	*(8.6%)*
Reebok-CCM Hockey	39	32	*21.9 %*	*8.8 %*

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Statement of Financial Position (IFRS)

€ in millions	March 31, 2015	March 31, 2014	Change in %	December 31, 2014
Cash and cash equivalents	1,373	1,198	14.6	1,683
Short-term financial assets	5	5	8.2	5
Accounts receivable	2,456	2,176	12.9	1,946
Other current financial assets	695	159	336.6	398
Inventories	2,539	2,505	1.4	2,526
Income tax receivables	84	87	(3.7)	92
Other current assets	477	516	(7.5)	425
Assets classified as held for sale	282	11	2383.4	272
Total current assets	**7,911**	**6,658**	**18.8**	**7,347**
Property, plant and equipment	1,523	1,313	16.0	1,454
Goodwill	1,226	1,203	1.9	1,169
Trademarks	1,616	1,419	13.8	1,432
Other intangible assets	166	156	6.3	162
Long-term financial assets	138	125	10.4	129
Other non-current financial assets	47	29	60.1	42
Deferred tax assets	680	507	34.0	577
Other non-current assets	108	77	40.4	105
Total non-current assets	**5,504**	**4,831**	**13.9**	**5,070**
Total assets	**13,415**	**11,488**	**16.8**	**12,417**
Short-term borrowings	456	801	(43.0)	288
Accounts payable	1,475	1,401	5.2	1,652
Other current financial liabilities	223	114	94.8	91
Income taxes	340	293	15.9	294
Other current provisions	480	440	9.0	470
Current accrued liabilities	1,381	1,105	24.9	1,249
Other current liabilities	384	347	10.5	287
Liabilities classified as held for sale	35	-	n.a.	46
Total current liabilities	**4,773**	**4,503**	**6.0**	**4,378**
Long-term borrowings	1,464	655	123.3	1,584
Other non-current financial liabilities	10	15	(34.3)	9
Pensions and similar obligations	294	259	13.6	284
Deferred tax liabilities	457	351	30.0	390
Other non-current provisions	39	17	126.0	38
Non-current accrued liabilities	71	56	25.3	81
Other non-current liabilities	44	28	57.3	35
Total non-current liabilities	**2,377**	**1,382**	**72.0**	**2,422**
Share capital	203	209	(2.9)	204
Reserves	1,088	239	355.6	581
Retained earnings	4,980	5,162	(3.5)	4,839
Shareholders' equity	6,271	5,610	11.8	5,624
Non-controlling interests	(6)	(7)	(7.4)	(7)
Total equity	**6,265**	**5,603**	**11.8**	**5,618**
Total liabilities and equity	**13,415**	**11,488**	**16.8**	**12,417**
Additional balance sheet information				
Operating working capital	3,520	3,280	7.3	2,821
Working capital	3,138	2,155	45.6	2,970
Net total borrowings	542	254	113.1	185
Financial leverage	8.6%	4.5%	4.1 pp	3.3%

Rounding differences may arise in percentages and totals.