

adidas
GROUP



FOR THE LOVE OF SPORT



Roadshow Presentation
2013 FULL YEAR RESULTS





OPERATIONAL AND FINANCIAL HIGHLIGHTS

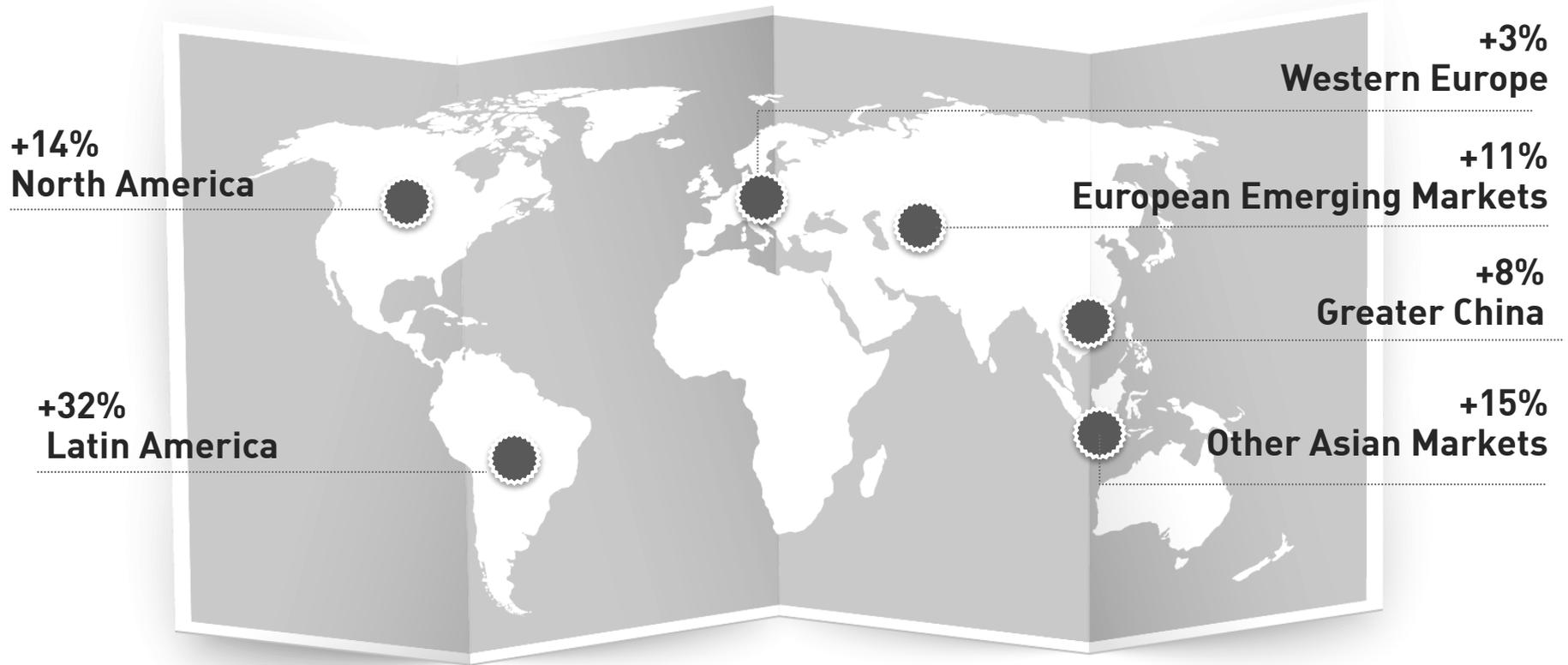
adidas Group Delivers Record Fourth Quarter



- Sales increase 12% on a currency-neutral basis
- Growth across all regions and brands
- Football sales up 35% driven by sell-in of 2014 FIFA World Cup products
- Record operating profit of € 98 million, up fourfold compared to the prior year¹⁾

¹⁾ Excluding goodwill impairment losses.

Good Momentum Across All Markets In Q4



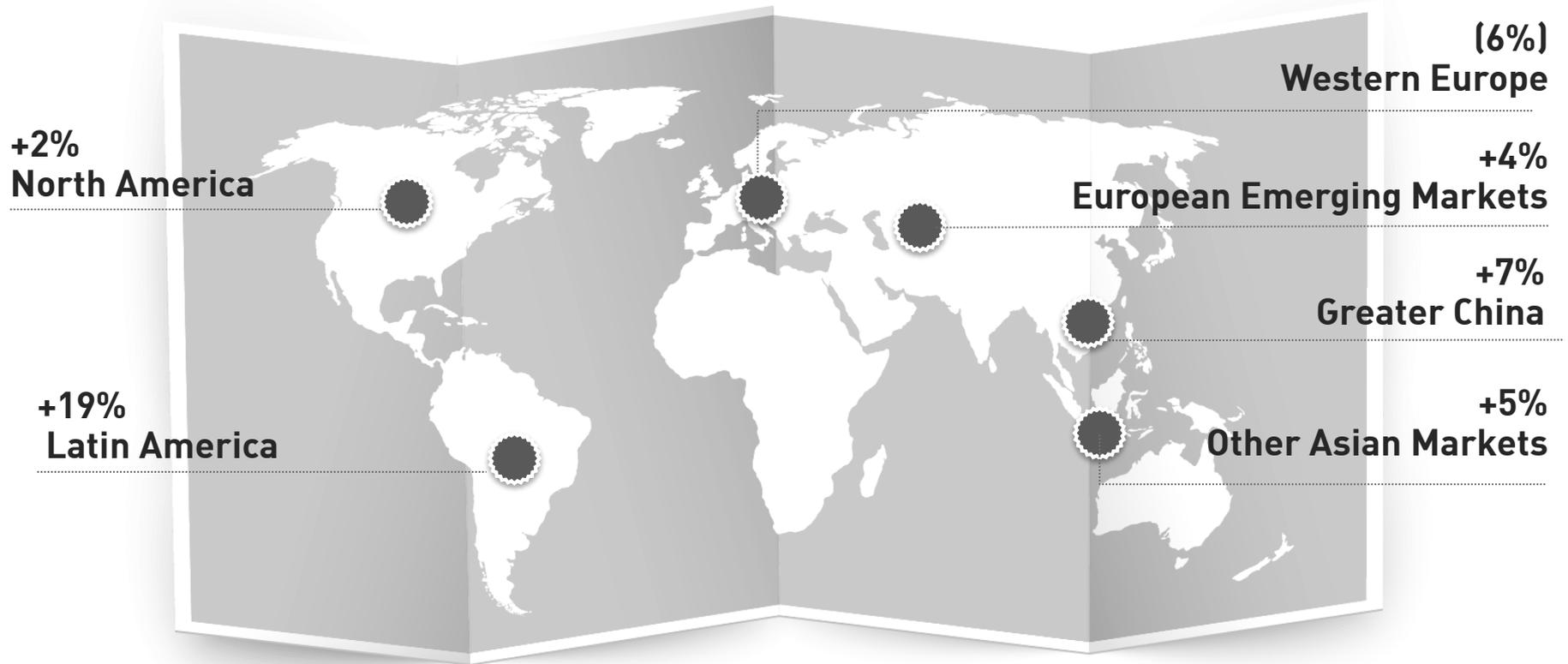
Sales development on a currency-neutral basis.

adidas Group Hits Full Year 2013 Guidance

- Sales increase 3% currency-neutral to € 14.5 billion
- Gross margin up 1.5pp to a new record level of 49.3%
- Operating margin improves 0.7pp to 8.7%¹⁾
- Net income attributable to shareholders grows 6% to € 839 million¹⁾
- Net cash position of € 295 million

¹⁾ Excluding goodwill impairment losses.

Sales Growth In Almost All Regions In 2013



Sales development on a currency-neutral basis.

Latin America Fastest-Growing Region In 2013



- Currency-neutral sales up 19% in 2013
- Revenues grow 32% currency-neutral in Q4, fuelled by the rising anticipation and excitement ahead of the 2014 FIFA World Cup
- Training, Running and Football all up at strong double-digit rates in 2013

Winning In China, Winning The Future

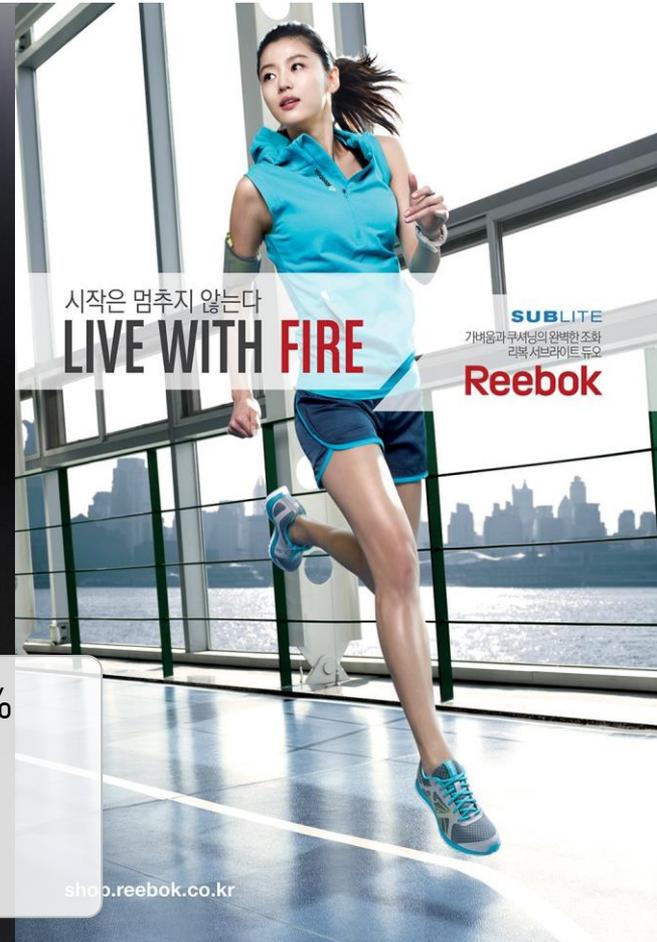
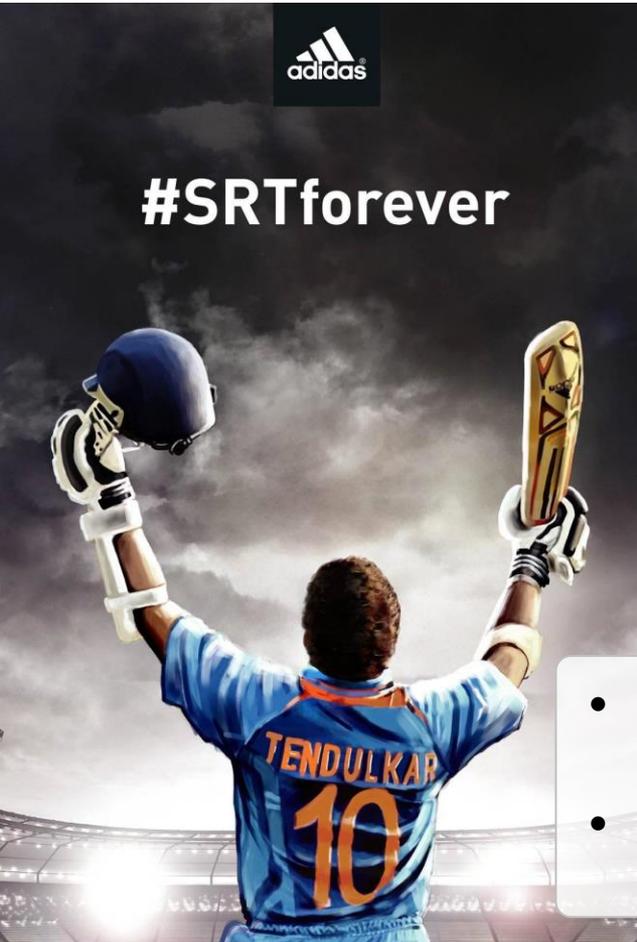


all originals

2014年三叶草春夏新品上市

- Sales up 7% currency-neutral in 2013
- adidas Originals & Sport Style grow 18% in 2013
- Training and Running increase 12% and 23%, respectively

Other Asian Markets Up 15% Currency-Neutral In Q4



- Sales for the full year increase 5% currency-neutral
- Strong growth in South Korea, India and Australia

Regaining Momentum In Russia/CIS



- Currency-neutral sales up 8% in Q4
- adidas enjoys strong visibility at Winter Olympic Games in Sochi

СТАНЬ ЧЕМПИОНОМ ФИЗИКИ

North America Sales Increase 2% In 2013

- Sales up 14% currency-neutral in Q4
- adidas currency-neutral revenues increase 10% in the fourth quarter
- Running and Football grow 40%+ in Q4
- TaylorMade-adidas Golf up 31% in Q4



Western Europe Sales Increase 3% In Q4

- 
- Strong year-end finish with sales up 3% currency-neutral in Q4
 - Retail sales grow 17% currency-neutral
 - Currency-neutral Reebok revenues up 26%

adidas And Reebok Enjoy Solid 2013

		Q4 2013	Change	FY 2013	Change
	Net sales (€ in millions)	2,583	↑ +10% ¹⁾	11,060	↑ +2% ¹⁾
	Gross margin	46.8%	↑ +1.5pp	48.0%	↑ +2.0pp
	Net sales (€ in millions)	426	↑ +9% ¹⁾	1,599	↑ +2% ¹⁾
	Gross margin	39.3%	↑ +1.1pp	39.7%	↑ +4.0pp

¹⁾ Currency-neutral.

adidas Running Innovations Drive 31% Growth In Q4

running

- Sales up 17% in the “Year of Running”
- Third consecutive year of double-digit growth for adidas Running
- Introduction of Boost, Springblade and miCoach Smart Run propels sales up 31% in Q4
- 1.5 million pairs of Boost sold in 2013

adidas Football Sambas Up For World Cup

football

- Football sales increase 35% in Q4 and 4% for FY 2013
- Successful launch of the Samba Pack, covering four boot ranges: adizero f50, Predator, Nitrocharge and 11Pro



samba pack

adidas Originals & Sport Style Sales Accelerate In Q4



- adidas Originals & Sport Style sales increase 12% currency-neutral in Q4
- Revenues up 5% currency-neutral to € 3.2 billion



adidas NEO Label Sales Up 22% In Q4

- Sales increase 22% currency-neutral in Q4
- Currency-neutral revenues up 14% to almost € 700 million
- Impressive four-year compound annual growth rate of almost 40%



NEO

Quality Of Reebok's Business Significantly Improves



- Reebok sales up 4% excluding NFL licence impact
- Sales improve significantly in Fitness Training, Classics and Studio
- Gross margin in touching distance of mid-term target of 40%



TMaG Finishes Year Strongly – Sales Up 25% In Q4

**SPEED INJECTED
WITH SPEED**

INTRODUCING

JETSPEED



- TaylorMade-adidas Golf sales increase 3% in 2013
- Dominant market leader in metalwoods and irons
- SLDR the No. 1 driver on the PGA Tour for more than 22 consecutive weeks



Group Gross Margin Improves 1.5pp In 2013



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



- Negative FX impact

	Q4 2013	FY 2013
Wholesale	 40.7% +1.6pp	 42.7% +2.4pp
Retail	 61.0% +0.3pp	 62.2% +1.3pp
Other Businesses	 39.4% +0.9pp	 41.0% (1.7pp)
adidas GROUP	 47.5%¹⁾ (0.1pp)	 49.3%¹⁾ +1.5pp

1) Total Group includes HQ/Consolidation.

Group Operating Margin Increases 0.7pp To 8.7%

	Q4 2013 ¹⁾	FY 2013 ¹⁾
Royalty and commission income	 ↓ (1%)	 ↓ (1%)
	€ 26 million	€ 104 million
Other operating income	 ↓ (21%)	 ↑ +13%
	€ 36 million	€ 143 million
Other operating expenses	 ↓ (2%)	 ↓ (0%)
	€ 1,617 million	€ 6,133 million
Other operating expenses as a percentage of sales	 ↓ (2.5pp)	 ↑ +1.0pp
	46.5%	42.3%
Operating profit	 ↑ +266%	 ↑ +6%
	€ 98 million	€ 1,254 million
Operating margin	 ↑ +2.0pp	 ↑ +0.7pp
	2.8%	8.7%

1) Excluding goodwill impairment losses.

Net Income Up 6% In 2013

		Q4 2013 ¹⁾		FY 2013 ¹⁾
Financial income	 +63%	€ 11 million	 (28%)	€ 26 million
Financial expenses	 +30%	€ 28 million	 (11%)	€ 94 million
Income before taxes	 +571%	€ 81 million	 +6%	€ 1,186 million
Income tax rate	 (117.7pp)	47.1%	 (0.3pp)	29.0%
Net income attributable to shareholders	 +696%	€ 42 million	 +6%	€ 839 million
Diluted earnings per share	 +696%	€ 0.20	 +6%	€ 4.01

1) Excluding goodwill impairment losses.

Retail Comp Store Sales Turn Positive In Q4

Retail	Q4 2013	Change	FY 2013	Change
Net sales (€ in millions)	934	 +15%¹⁾	3,446	 +8%¹⁾
adidas comp store sales		 +3%¹⁾		 {0%}¹⁾
Reebok comp store sales		 {0%}¹⁾		 {3%}¹⁾
Total comp store sales		 +3%¹⁾		 {1%}¹⁾
Gross margin	61.0%	 +0.3pp	62.2%	 +1.3pp
Segmental operating margin	17.8%	 {3.4pp}	19.7%	 {1.8pp}

¹⁾ Currency-neutral.

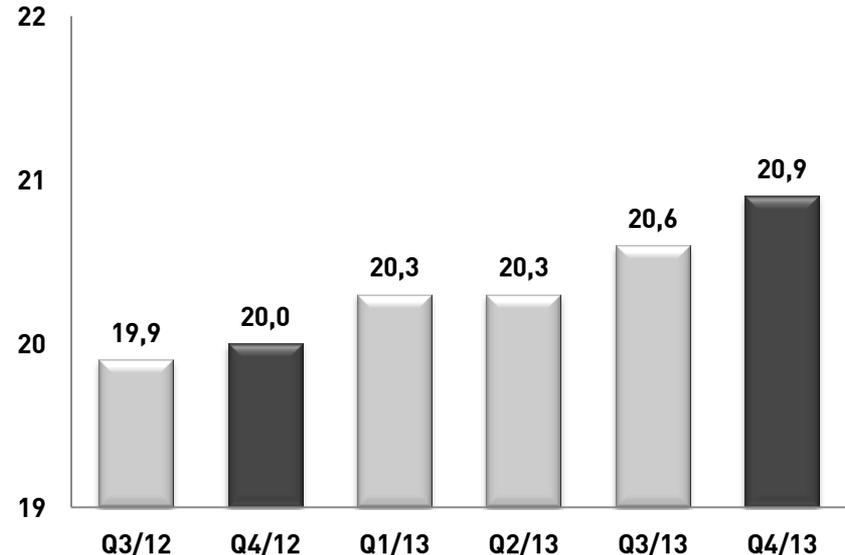
Retail Store Roll-Out Continues At Accelerated Pace

- 2,740 stores operated at year-end
- A net increase of 294 or 12% versus 2,446 in prior year
- 534 new stores opened, 240 stores closed, 127 stores remodelled
- 1,557 adidas and 404 Reebok branded; 779 factory outlets



Operating Working Capital Negatively Impacted By The Increase In Inventories And Receivables

- Inventories increase 13% on a currency-neutral basis
- Receivables up 17% on a currency-neutral basis
- Payables increase 5% on a currency-neutral basis



Average operating working capital as a % of net sales,
at quarter-end.

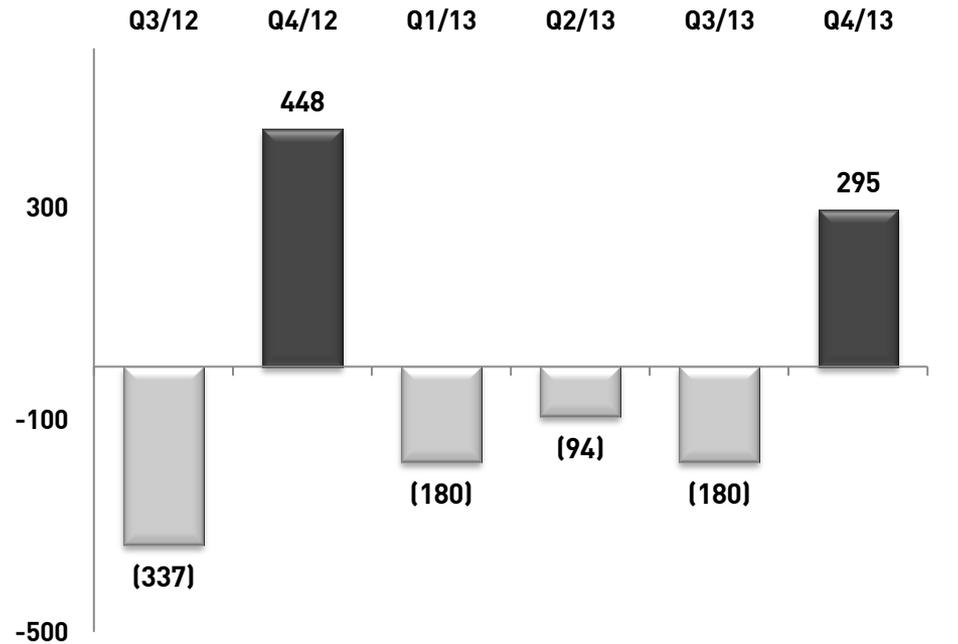
Goodwill Impairment Of € 52 Million In 2013

- Non-cash in nature and not affecting the adidas Group's financial position
- Impairment of goodwill due to adjusted growth assumptions and an increase in the country-specific discount rates
- Reduction of goodwill on balance sheet by 6% to € 1.2 billion

Unit	Amount (€ in millions)
Wholesale Iberia	23
Retail North America	29
Total	52

Net Cash Position Negatively Impacted By Increased Working Capital

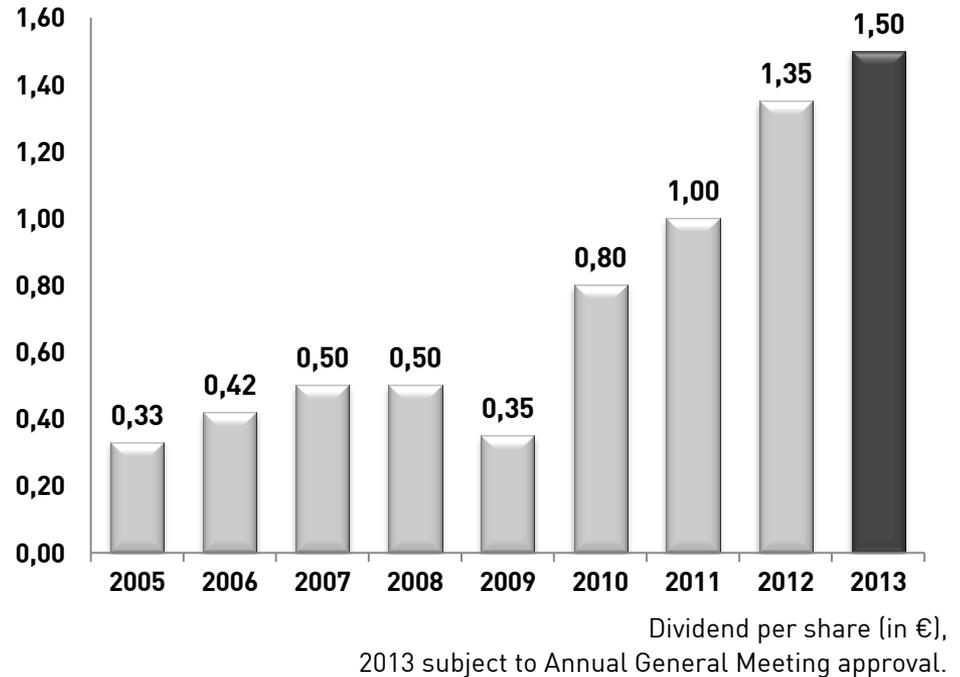
- Net cash decreases € 153 million to € 295 million
- Ratio of net borrowings/EBITDA increases to -0.2 from -0.3 in 2012
- Equity ratio improves to 47.3% (2012: 45.5%)



Net cash/(net borrowings) at quarter-end, € in millions.

11% Higher Dividend To Be Proposed

- adidas Group highly cash generative
- Proposed dividend of € 1.50 per share, reflecting an 11% increase versus prior year
- Payout ratio increases to 37.4% (2012: 35.7%) excluding goodwill impairment losses
- In line with dividend policy of a 20% to 40% payout



Currencies Considerably Impact Reported Results

Currency effects on
Group net sales (€ in millions)

15,256



14,492

- Devaluation of major currencies with significant negative impact on top-line result
- Negative currency translation effect of around € 750 million in 2013
- Translation negative of around a mid-single-digit percentage point expected for 2014





STRATEGIC INITIATIVES AND OUTLOOK

Growth Across All Brands In 2014



 **adidas**



Reebok 



 **taylorMade**

adidas Demonstrates Leadership In Football

**> € 2 billion in
net sales**



adidas Football Launches First Knitted Boot



Running To Maintain Double-Digit Pace



adidas Running To Expand Boost Significantly

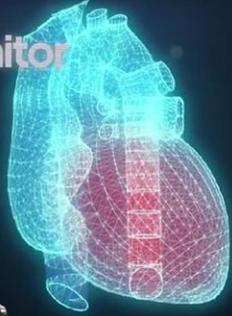


**> 8 million pairs
of boost in 2014**

The Smartest Running Coach – miCoach Smart Run

strapless
heart rate monitor

61  bpm



micoach
smart run



music player

perfect prescription
night runner



Boost To Be Expanded Into New Categories



Stan Smith Is Back



ZX Rules 2014



adidas Originals To Ignite Several New Partnerships

the cool kids line up for
nigo



kanye is all-in!



all girls will want
rita ora

adidas Originals To Ignite Several New Partnerships



farm



**urban
outfitters**



topshop

Expansion Of New NEO Retail Format

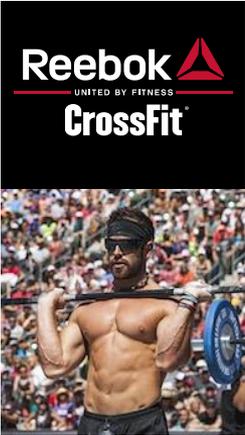


NEO

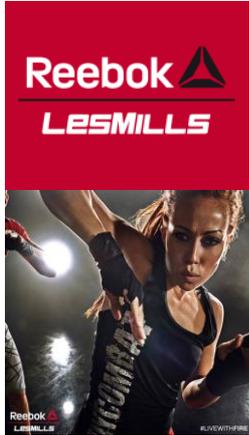
6 STORES IN GERMANY
5 STORES IN POLAND
5 STORES IN CZECH REPUBLIC

Reebok To Drive Visibility By Leveraging Partnerships

TRAINING



STUDIO



RUNNING



WALKING



CLASSICS



Reebok's Footwear And Apparel Product Pipeline Full



Reebok Launches Skyscape With Miranda Kerr



TMaG To Focus On Quality Growth In 2014



light is energy
light is power
light is adizero one

 **TaylorMade®**

PROJECT

(a)



New Store Concept: Homecourt



New Store Concept: Neighbourhood

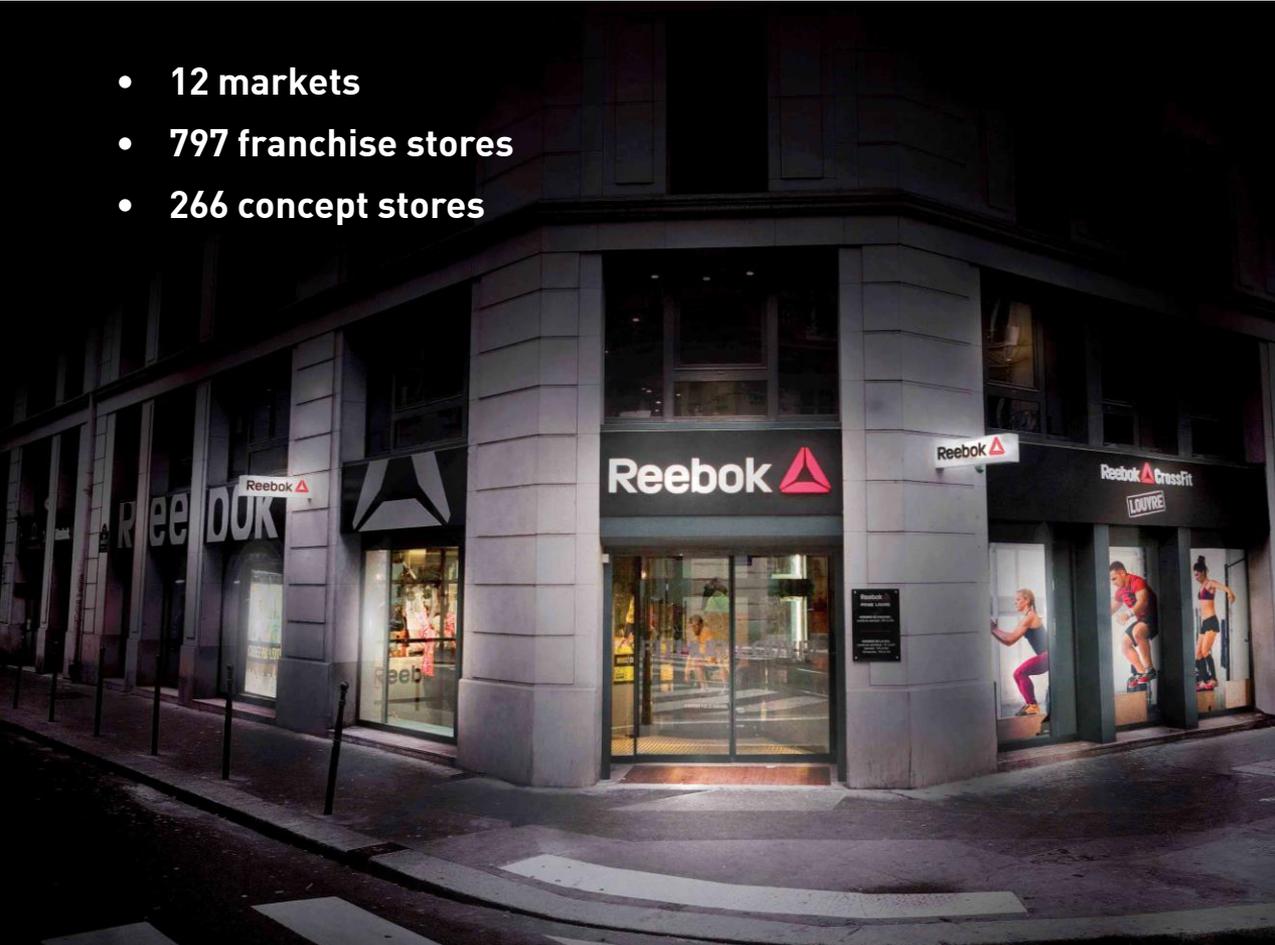


neighbourhood



New Store Concept: FitHub

- 12 markets
- 797 franchise stores
- 266 concept stores



Leveraging And Magnifying Brand Messages With Digital

my style,
mi adidas.

Digital



Outlook: High-Single-Digit Currency-Neutral Growth

Group sales (currency-neutral)

high-single-digit increase

Wholesale sales (currency-neutral)

mid-single-digit increase

Retail sales (currency-neutral)

high-single- to low-double-digit increase

Other Businesses sales (currency-neutral)

low- to mid-single-digit increase

Gross margin

49.5% to 49.8%

Operating margin

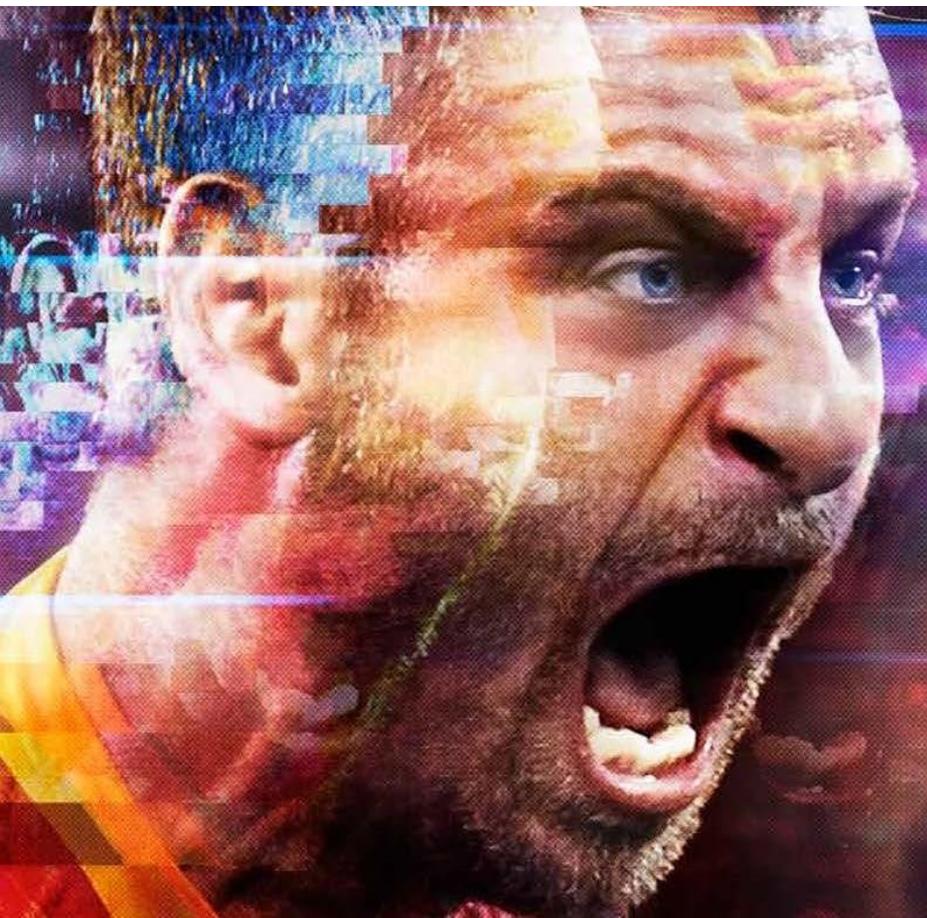
between 8.5% and 9.0%

Net income attributable to shareholders

€ 830 million to € 930 million

Strong Operational Momentum But Currencies Add Significant Risks

- Currency-neutral sales to increase at a high-single-digit rate
- Net income attributable to shareholders to be between € 830 and € 930 million
- Devaluation of major currencies adds significant risk to the achievement of 2014 goals



**winning
never quits**



adidas[®]

GROUP

QUESTIONS & ANSWERS



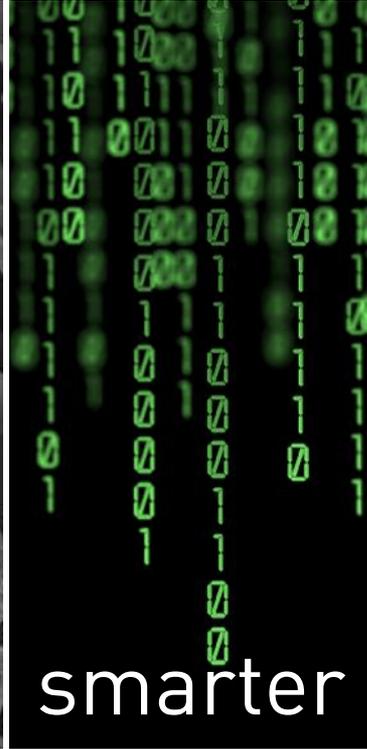
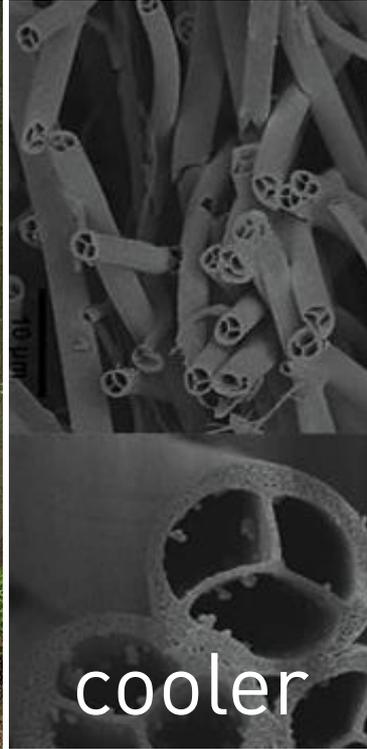
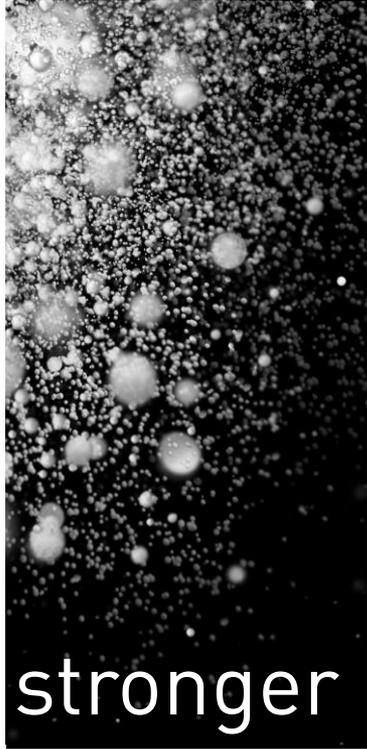
Upcoming Event Dates

May 6, 2014	First Quarter 2014 Results
May 8, 2014	Annual General Meeting
May 9, 2014	Dividend Payment ¹⁾
Aug 7, 2014	First Half 2014 Results
Nov 6, 2014	Nine Months 2014 Results

¹⁾ Subject to Annual General Meeting Approval.

APPENDIX

adidas Sport Performance – Making The Athlete Better



adidas Sport Style – Multi-Label Strategy



12 - 19 YEARS
FOR THE
STYLE-ADOPTING
HIGH SCHOOL KID



16 - 24 YEARS
FROM THE
TRENDSETTER
TO THE
MAINSTREAM KID



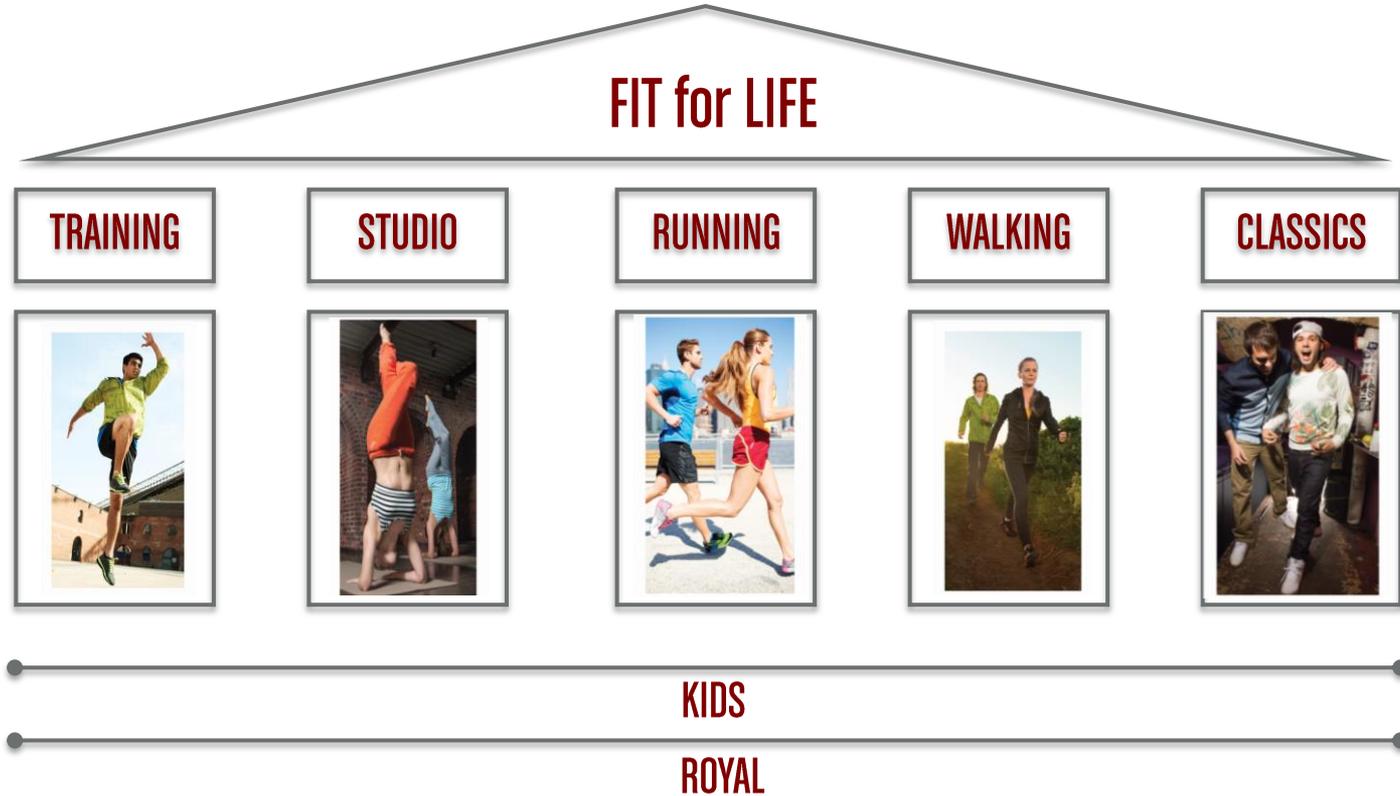
24 - 36 YEARS
FOR THE OUTWARDLY
CONFIDENT,
FORWARD-
THINKING INDIVIDUAL

PORSCHE DESIGN
SPORT

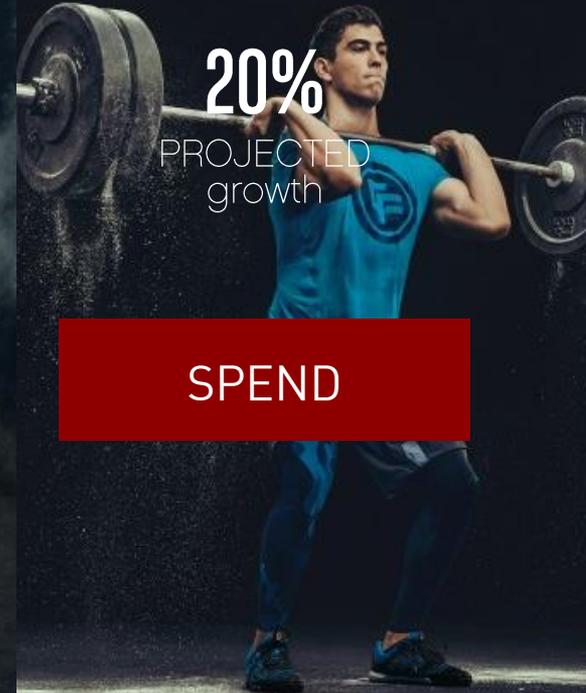


35+ YEARS
FOR THE
SOPHISTICATED,
ACTIVE MAN

Reebok Building Sustainable Fitness Activities



Fitness Is The Formula For Reebok's Success



Training - The Brand Of The CrossFit Community



7,000+

Affiliated Gyms



50%

Increase In 2013
Games Participants



115

Countries Represented
At 2013 Games

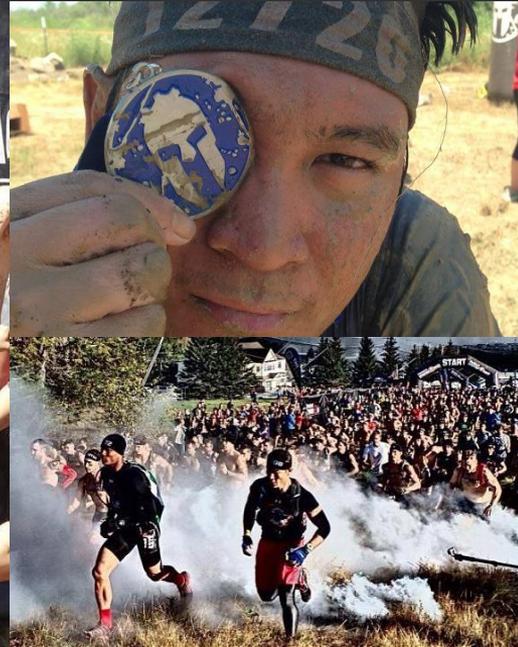
Running - Building With The Spartan Race



60+
Spartan Races



450,000+
Participants



3,200,000
Facebook Followers

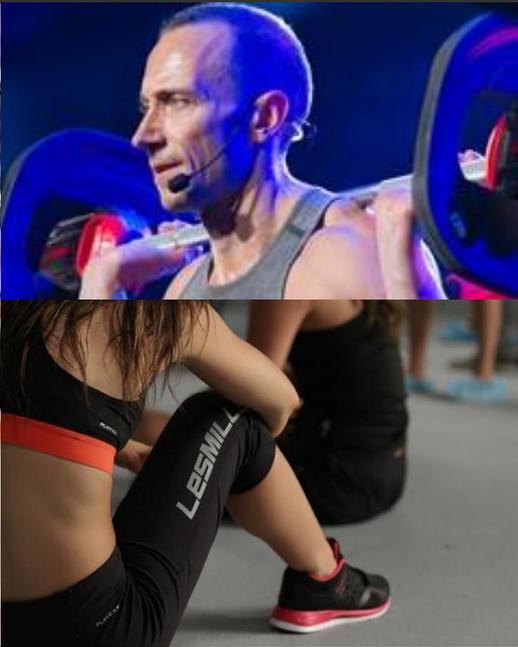
Studio – Accelerating Visibility Through Les Mills



90,000 Instructors

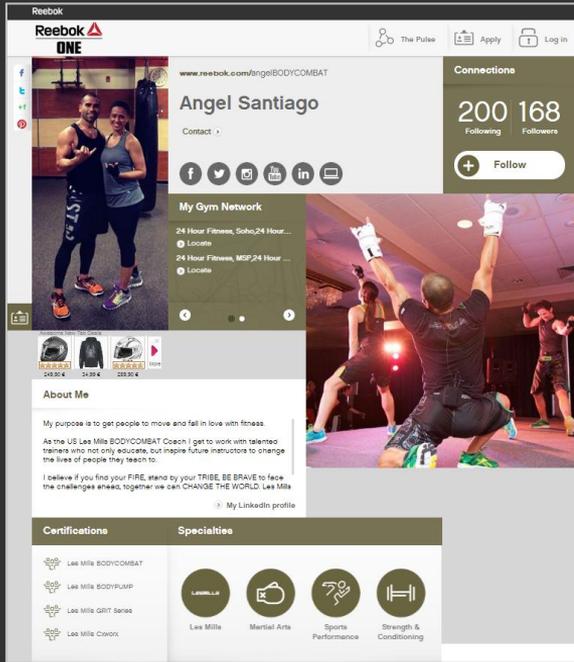


15,000 Gyms



4 MILLION Consumers
Weekly

Reebok ONE – Bringing The Fitness Community Together



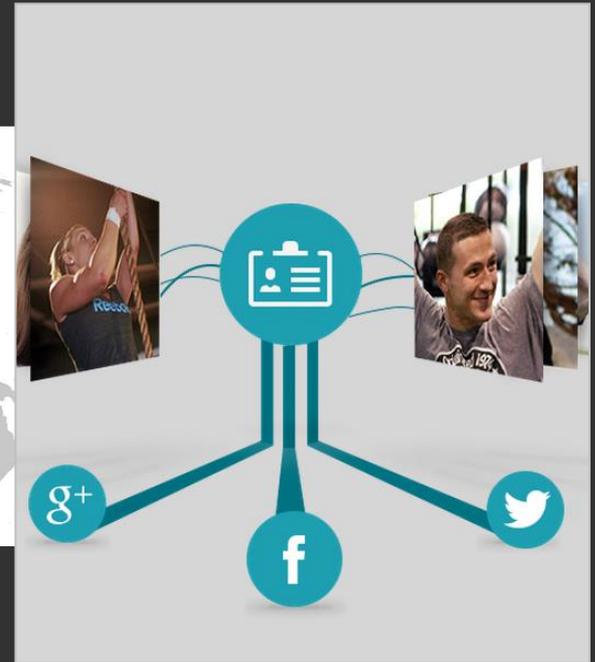
17,000

Registered Fitness Enthusiasts



16

Markets By End Of 2013



25

Markets By End Of 2014