

Herzogenaurach, May 6, 2014

adidas
GROUP



FOR THE LOVE OF SPORT



Analyst Presentation
FIRST QUARTER 2014 RESULTS



ROCKPORT

CCM





INTRODUCTION

John Paul O'Meara

Vice President Investor Relations





OPERATIONAL HIGHLIGHTS

Herbert Hainer

adidas Group CEO



adidas Group Sales Stable On Currency-Neutral Basis

- Retail sales increase 22% currency-neutral
- Currency-neutral adidas and Reebok sales grow 5% and 3%, respectively
- Strong momentum in emerging markets
- Gross margin decreases 1.0pp to 49.1%
- Operating margin down 3.2pp to 8.6%
- Diluted EPS at € 0.96



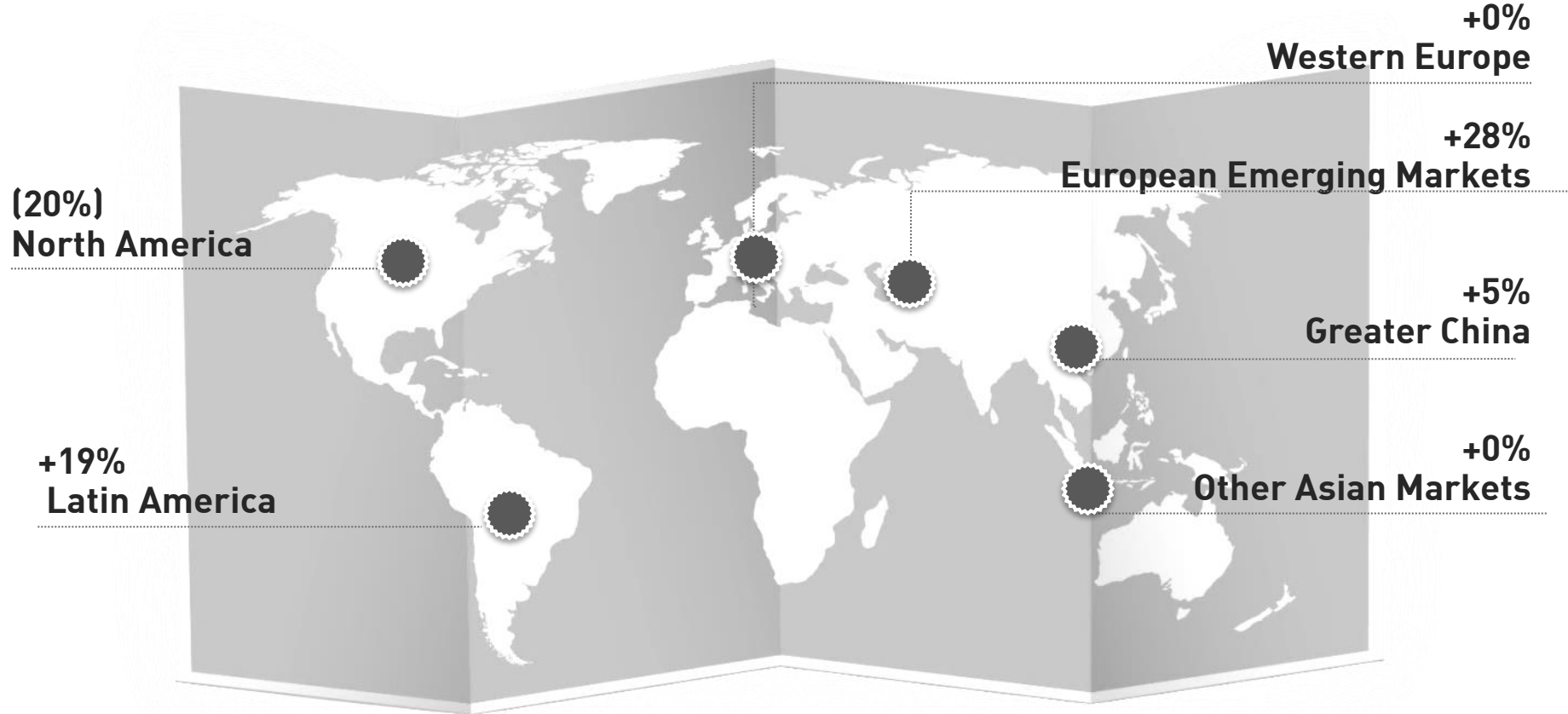
Items Weighing On First Quarter Results

- Sales reduced by € 235 million due to adverse currency translation
- Operating profit impacted by around € 50 million

- Strategic changes to product and launch cycles at TaylorMade-adidas Golf
- Operating profit impacted by around € 80 million









Strong Growth Continues In Emerging Markets



Sales development on a currency-neutral basis.

adidas And Reebok Revenues Up In Q1 2014

| | | Q1 2014 | Change |
|---|---------------------------|---------|---|
|  | Net sales (€ in millions) | 2,826 |  +5% ¹⁾ |
| | Gross margin | 47.6% |  (0.6pp) |
|  | Net sales (€ in millions) | 358 |  +3% ¹⁾ |
| | Gross margin | 39.6% |  +0.5pp |

¹⁾ Currency-neutral.

adidas Football Sales Increase 27% In Q1

football



- Football sales up 27% in Q1
- Double-digit growth in most regions
- Strong federation jersey and official match ball sales



adidas Football Introduces World's First Knitted Football Boot And Sock Hybrid



adidas argentina, 1954
world's first mid-cut woven
football boot



adidas primeknit, 2014
world's first knitted football boot



adidas primeknit fs, 2014
world's first knitted all-in-one
football boot and sock hybrid

Continued Strong Momentum In Running



running

- Sales increase 7% currency-neutral in Q1
- Strong performance of Boost and Springblade franchises
- Western Europe, European Emerging Markets and Japan all up at double-digit rates
- Running apparel sales increase 17%

ClimaChill Drives Growth In Training

climachill
cooling revolution

training

- Sales increase 8% currency-neutral in Q1
- Strong momentum in Latin America and European Emerging Markets

Originals & Sport Style Up 3% Currency-Neutral In Q1



New Originals Offering Resonating Well With Consumers

#zxflux

- Double-digit sales growth in emerging markets
- Retail sales up 27% with double-digit growth in footwear and apparel
- Ongoing strong momentum with Action Sports



adidas NEO Label Increases At Double-digit Rate

NEO

- Currency-neutral sales up 24%
- Increase driven by double-digit growth in footwear and apparel

Reebok Sales Up 3% Currency-Neutral



- Sales growth driven by Fitness Training, Walking and Studio categories
- Gross margin expands 50 basis points to 39.6%

Reebok Introduces The New ZQuick Series



Reebok Classics Grows At A Double-Digit Rate

- Classics up 19% on a currency-neutral basis
- Footwear and apparel sales up double digits



Revenues in Western Europe Stabilise



forever blue



- Double-digit growth in Germany and Poland
- Currency-neutral Retail sales up 25% in Q1
- Revenues in Football, Running and at adidas NEO up strong double digits

Initiatives To Drive Growth In North America



adidas + Reebok



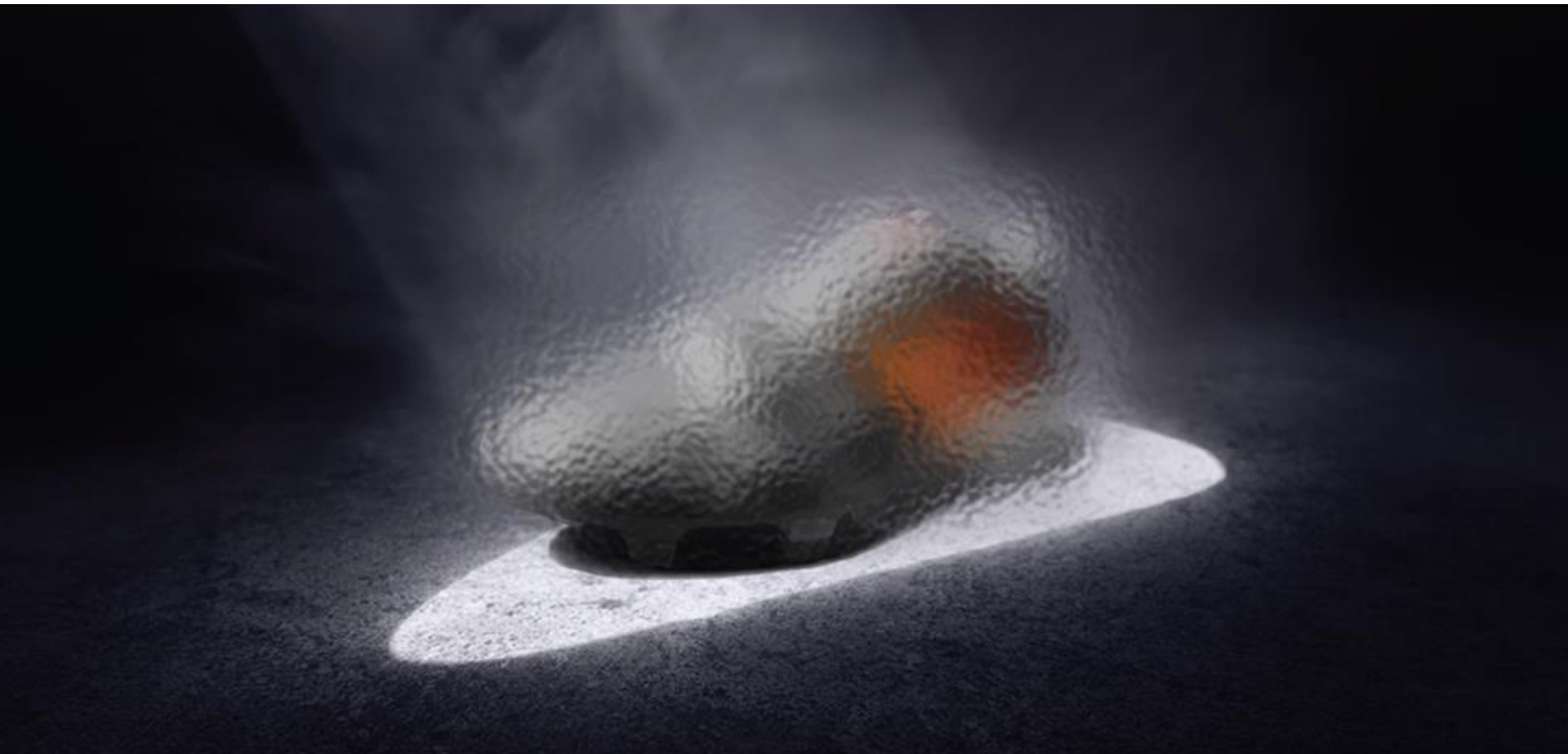
- Completion of the joint operating model for adidas and Reebok
- Appointment of Mark King



adidas Group Confirms 2014 Full Year Outlook

| Group sales (currency-neutral) | high-single-digit increase |
|--|---------------------------------------|
| Wholesale sales (currency-neutral) | mid-single-digit increase |
| Retail sales (currency-neutral) | low-double-digit increase |
| Other Businesses sales (currency-neutral) | around prior year level |
| 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 |

37 Days To 2014 FIFA World Cup™





FINANCIAL HIGHLIGHTS

Robin J. Stalker

adidas Group CFO








Group Gross Margin Decreases 1.0pp In Q1 2014



- Overproportionate growth in emerging markets
- Larger share of higher-margin Retail sales









- Devaluation of currencies
- Less favourable hedging rates
- Higher input costs
- Lower TMaG margin








| | Q1 2014 | |
|---|--|---------------------------|
| Wholesale |  (0.5pp) | 43.8% |
| Retail |  (0.8pp) | 59.9% |
| Other Businesses |  (5.5pp) | 39.0% |
|  GROUP |  (1.0pp) | 49.1%¹⁾ |

1) Total Group includes HQ/Consolidation.




Group Operating Profit Heavily Impacted By TMaG And Currencies

| | Q1 2014 | |
|--|--|-----------------|
| Royalty and commission income |  (2%) | € 24 million |
| Other operating income |  +177% | € 50 million |
| Other operating expenses |  +2% | € 1,507 million |
| Other operating expenses as a percentage of sales |  +3.1pp | 42.7% |
| Operating profit |  (31%) | € 303 million |
| Operating margin |  (3.2pp) | 8.6% |

Diluted EPS Down 35% In Q1 2014







| | Q1 2014 | |
|---|---|---------------|
| Financial income |  +47% | € 7 million |
| Financial expenses |  +4% | € 20 million |
| Income before taxes |  (32%) | € 290 million |
| Income tax rate |  +1.4pp | 28.9% |
| Net income attributable to shareholders |  (34%) | € 204 million |
| Basic earnings per share |  (34%) | € 0.98 |
| Diluted earnings per share |  (35%) | € 0.96 |

Wholesale Up 1% Currency-Neutral In Q1 2014

| Wholesale | Q1 2014 | Change |
|----------------------------|---------|---|
| Net sales (€ in millions) | 2,357 |  +1% ¹⁾ |
| Gross margin | 43.8% |  (0.5pp) |
| Segmental operating margin | 35.6% |  (0.4pp) |

¹⁾ Currency-neutral.

Retail Sales Increase 22% Currency-Neutral

| Retail | Q1 2014 | Change |
|----------------------------|----------------|--|
| Net sales (€ in millions) | 794 |  +22%¹⁾ |
| adidas comp store sales | |  +9%¹⁾ |
| Reebok comp store sales | |  +4%¹⁾ |
| Total comp store sales | |  +8%¹⁾ |
| Gross margin | 59.9% |  (0.8pp) |
| Segmental operating margin | 13.2% |  (0.8pp) |




¹⁾ Currency-neutral.

Retail Store Development In Q1

- 2,741 stores operated at quarter-end
- Net increase of one store versus 2,740 in prior year
- 70 new stores opened, 69 stores closed, 41 stores remodelled
- 1,558 adidas and 411 Reebok branded; 772 factory outlets



Other Businesses Down 27% Currency-Neutral

| Other Businesses | Q1 2014 | Change |
|----------------------------|---------|---|
| Net sales (€ in millions) | 382 |  (27%) ¹⁾ |
| Gross margin | 39.0% |  (5.5pp) |
| Segmental operating margin | 19.5% |  (11.8pp) |

¹⁾ Currency-neutral.



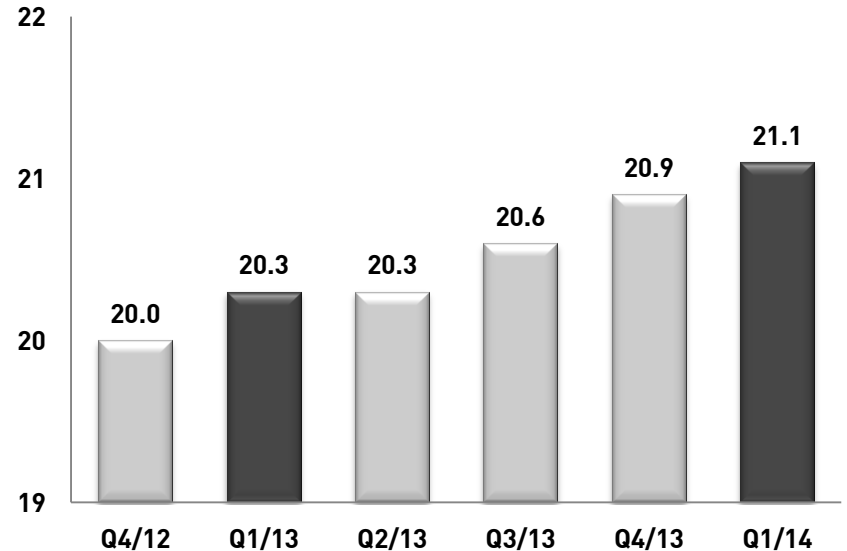
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Operating Working Capital Negatively Impacted By The Increase In Inventories And Receivables

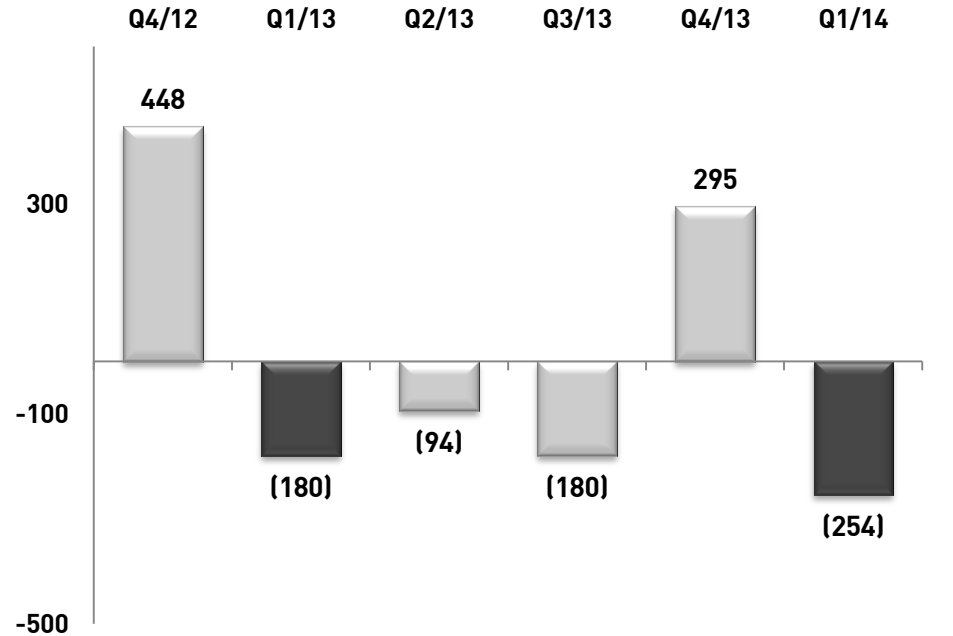
- Inventories increase 18% on a currency-neutral basis
- Receivables up 2% on a currency-neutral basis
- Payables increase 8% on a currency-neutral basis



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

Net Borrowings Negatively Impacted By Higher Capital Expenditure

- Net borrowings increase € 74 million to € 254 million
- Ratio of net borrowings/EBITDA increases to 0.2 from 0.1 in 2013
- Equity ratio decreases to 48.8% (2013: 49.7%)



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



adidas[®]

GROUP

QUESTIONS & ANSWERS



Upcoming Event Dates

| | |
|-------------|--------------------------------|
| 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.

European Emerging Markets Fastest-Growing Region In Q1

- Sales up 28% currency-neutral driven by strong growth in all markets
- Comp store sales up 10%
- Strong momentum in Football and Running
- Robust growth in adidas Originals & Sport Style



5th Consecutive Quarter With Double-Digit Growth In LAM

- Sales up 19%
currency-neutral
- Double-digit growth
in most markets

desde chicas,
el sueño más
grande.

- adidas and Reebok sales
increase double digits
- Currency-neutral Football
sales up 50%



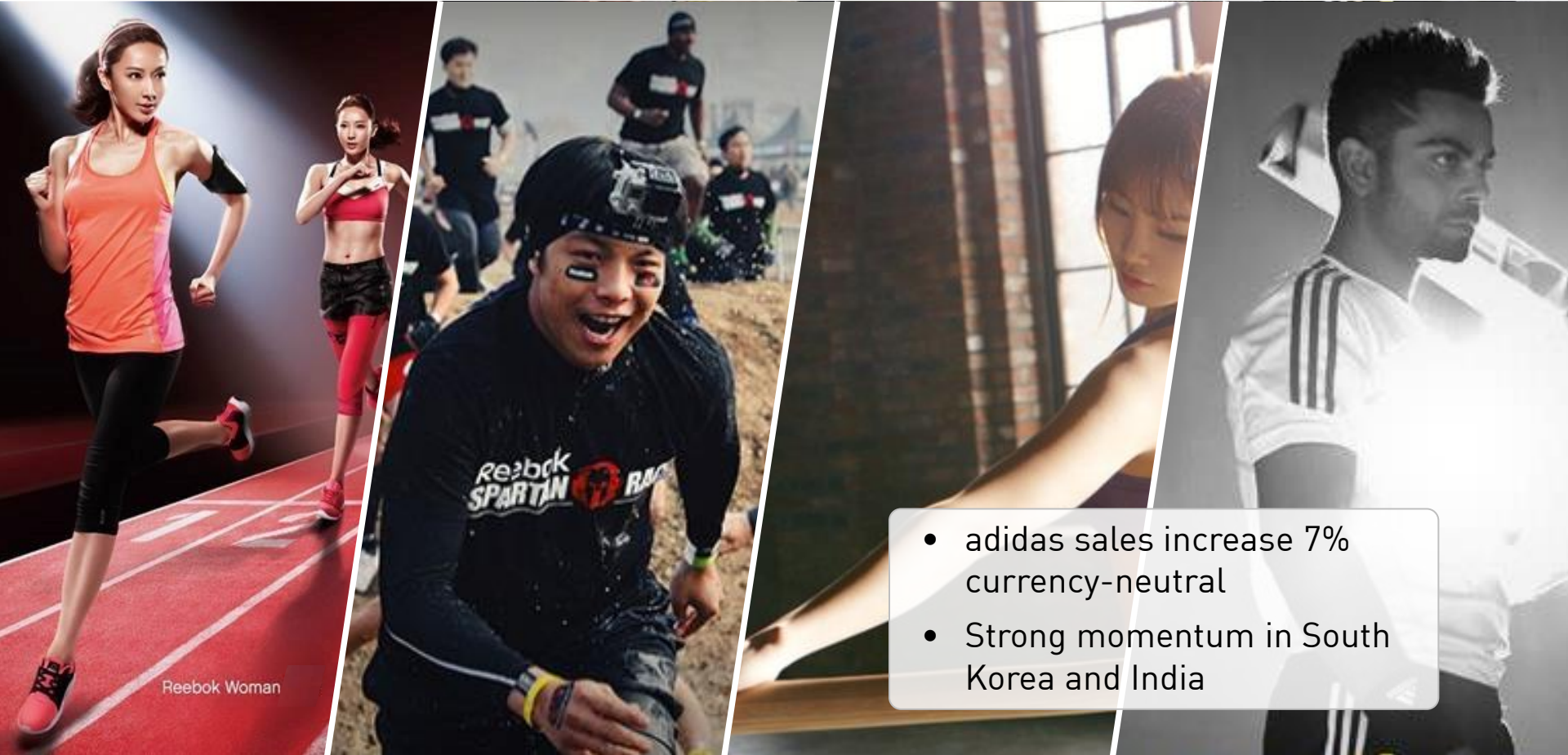
Ongoing Strong Momentum In Greater China



以姐妹之名 全倾全力
all in for #mygirls

- Sales increase 5% currency-neutral in Q1
- Own-retail revenues increase 22% currency-neutral

Other Asian Markets Remain Stable Currency-Neutral



- adidas sales increase 7% currency-neutral
- Strong momentum in South Korea and India