



PUSHING BOUNDARIES



ADAMSGOLF

TaylorMade



Reebok



ROCKPORT

CCM



INTRODUCTION

John Paul O'Meara

Vice President Investor Relations



OPERATIONAL HIGHLIGHTS

Herbert Hainer

adidas Group CEO

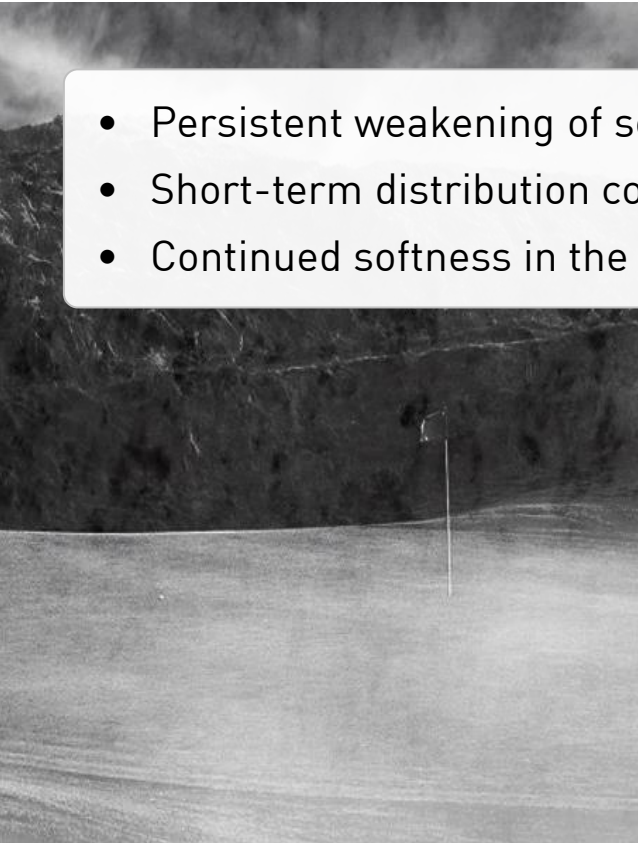
adidas Group Delivers Solid Performance In 9M

- Sales remain stable on a currency-neutral basis
- Gross margin improves 2.1pp to 49.8%
- Operating margin up 0.4pp to 10.5%
- Net income and EPS stable
- Net borrowings reduced by 47% to € 180 million



Financial Results Impacted By Three Factors

- Persistent weakening of several currencies
- Short-term distribution constraints in Russia
- Continued softness in the global golf market



TMaG Launches New Products To Reinvigorate Market



TaylorMade®

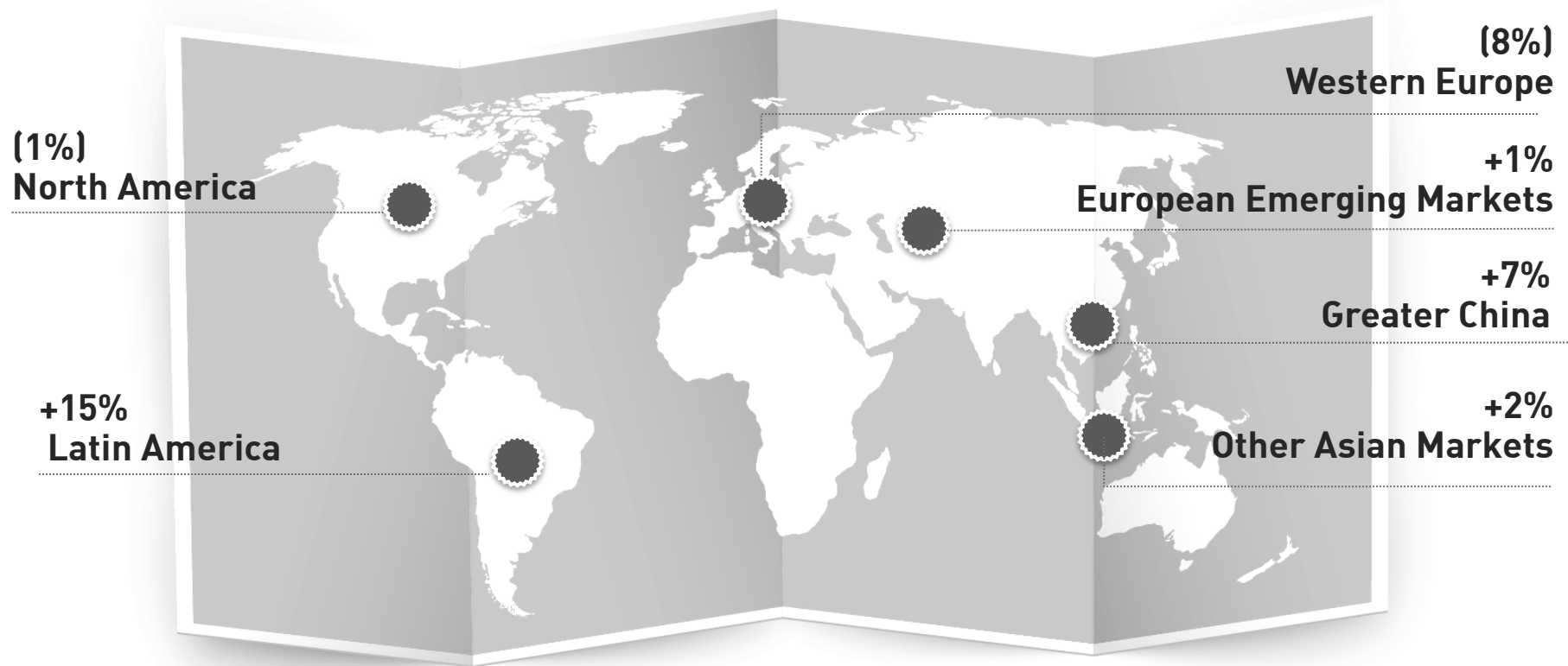


SLDR

**LOFTS ARE HIGHER.
DRIVES ARE LONGER.
PROS ARE BELIEVERS.**

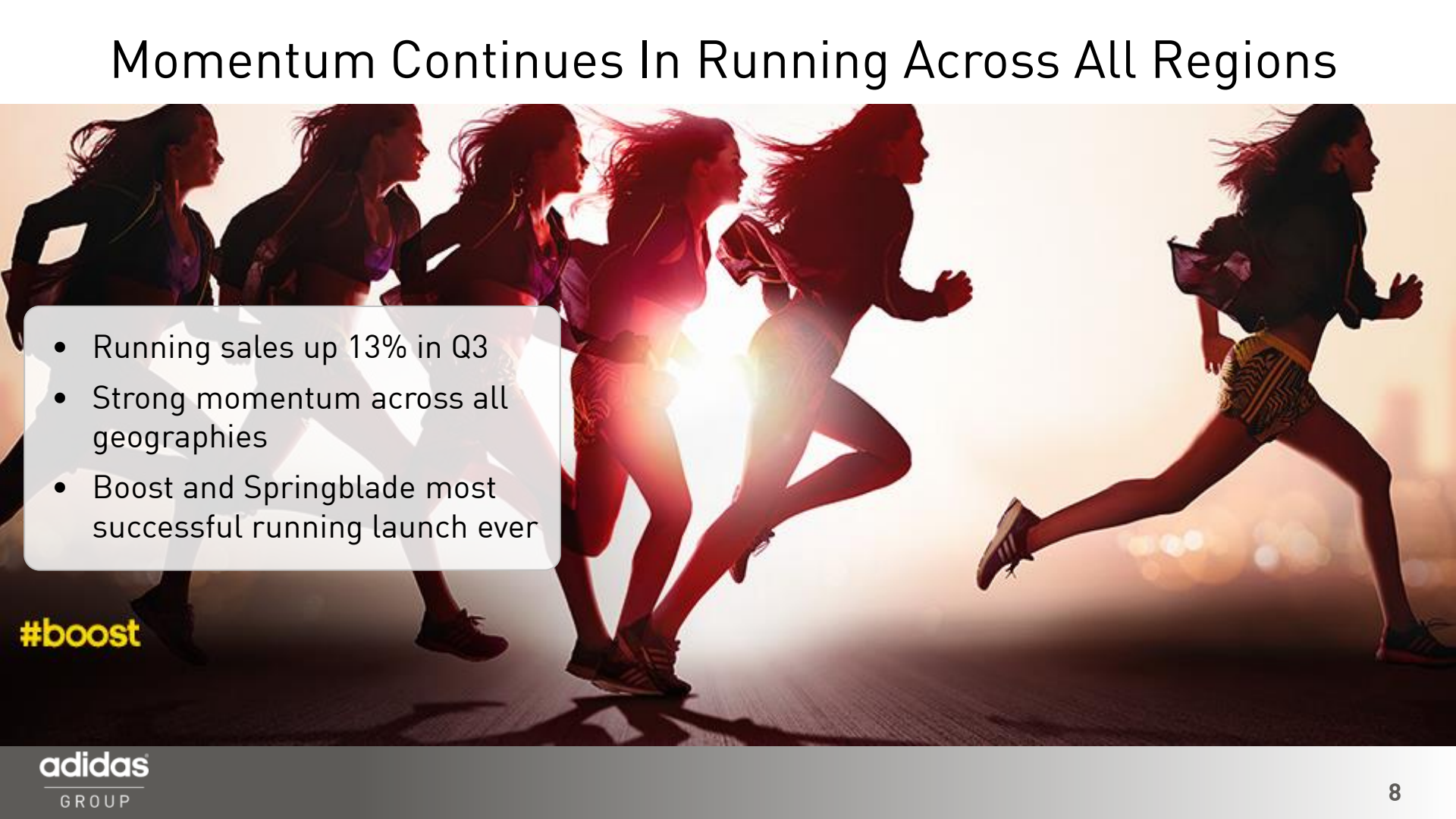


Emerging Markets Outpace Developed Markets In 9M




Sales development on a currency-neutral basis.

Momentum Continues In Running Across All Regions

- 
- Running sales up 13% in Q3
 - Strong momentum across all geographies
 - Boost and Springblade most successful running launch ever

#boost

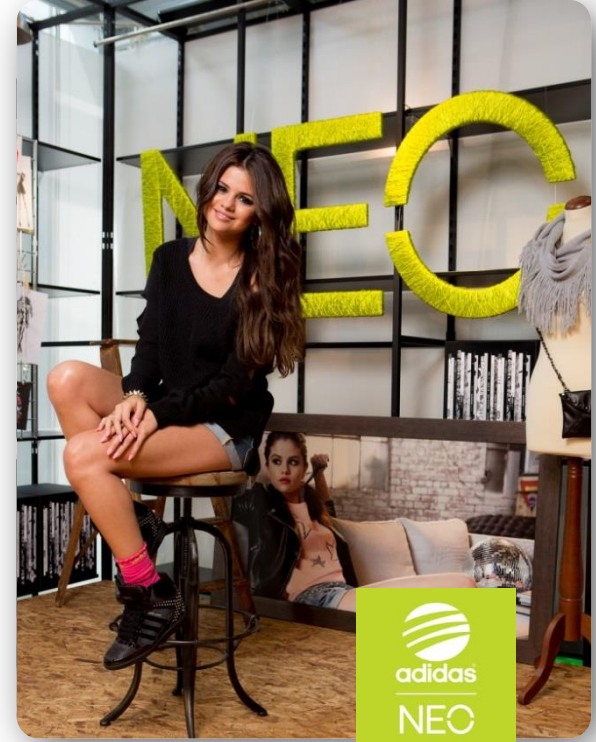
adidas Originals Sales Increase 2% In 9M

- 
- An illustration of three men from the chest up, wearing various styles of hats and jackets. The man on the left wears a brown fedora and a brown jacket. The man in the middle wears a green fedora and a yellow t-shirt under a blue jacket. The man on the right wears a blue fedora and a blue jacket. The background is a colorful, abstract pattern with green, yellow, and orange tones.
- Sales in Action Sports up over 60%
 - Strong momentum in Emerging Markets
 - Successful hype launches (e.g. Mutombo and Big Sean Pro Model)

adidas NEO Propels Sport Style Up 11% In Q3



- adidas NEO label up 15% in Q3 and 12% YTD
- Strong double-digit growth in Russia
- Global Selena Gomez collection launched



Reebok Sales Up 3% YTD Excluding NFL Impact

- Reebok sales up 5% currency-neutral in Q3
- Strong momentum in Fitness Training and Studio
- Strong brand demand in Other Asian Markets and Latin America



Reebok

Organisational Measures To Drive Efficiencies



- Strong **East** and **West** presence for **adidas** and **Reebok** in **North America**

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- Combining **excellence** in **routes-to-markets** and **back-office** functions in **Western Europe**



- Key strategic initiatives to **maximise the Group's potential** in largest regions

Mixed Performance Across Western Europe

- Sales in Western Europe decrease 6% currency-neutral in Q3
- Retail up 6% currency-neutral YTD
- Running, Basketball and NEO grow at double-digit rates in Q3



North America Q3 Sales Impacted Heavily By Golf



- Sales down 5% currency-neutral
- Retail sales increase 9%
- Momentum in Running up 12%
- Reebok returns to growth with sales up 5% currency-neutral





FINANCIAL HIGHLIGHTS

Robin J. Stalker

adidas Group CFO











9M Group Gross Margin Improves 2.1pp



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















- Negative FX impact

| | Q3 2013 | 9M 2013 |
|------------------------|---|---|
| Wholesale |  43.9% +2.7pp |  43.3% +2.7pp |
| Retail |  61.5% +2.5pp |  62.6% +1.6pp |
| Other Businesses |  35.3% (7.4pp) |  41.6% (2.4pp) |
| adidas GROUP |  49.3%¹⁾ +1.9pp |  49.8%¹⁾ +2.1pp |

1) Total Group includes HQ/Consolidation.

9M Group Operating Margin Increases 0.4pp













| | Q3 2013 | | 9M 2013 | |
|--|---|-----------------|---|-----------------|
| Royalty and commission income |  [1%] | € 27 million |  [1%] | € 78 million |
| Other operating income |  +80% | € 59 million |  [32%] | € 106 million |
| Other operating expenses |  [1%] | € 1,536 million |  +0% | € 4,515 million |
| Other operating expenses as a percentage of sales |  +2.6pp | 39.6% |  +1.9pp | 41.0% |
| Operating profit |  [6%] | € 463 million |  [0%] | € 1,157 million |
| Operating margin |  +0.1pp | 11.9% |  +0.4pp | 10.5% |

Retail Store Roll-Out Continues At Accelerated Pace

- 2,611 stores operated at quarter-end
- Net openings of 69 stores in Q3, 165 in 9M
- 127 new stores opened, 58 stores closed, 31 stores remodelled in Q3
- 1,483 adidas and 369 Reebok branded; 759 factory outlets













Retail Trends Remain Solid In Most Markets

| Retail | Q3 2013 | Change | 9M 2013 | Change |
|----------------------------|----------------|--|----------------|--|
| Net sales (€ in millions) | 923 |  +6%¹⁾ | 2,512 |  +6%¹⁾ |
| adidas comp store sales | |  (2)%¹⁾ | |  (1)%¹⁾ |
| Reebok comp store sales | |  (7)%¹⁾ | |  (4)%¹⁾ |
| Total comp store sales | |  (3)%¹⁾ | |  (2)%¹⁾ |
| Gross margin | 61.5% |  +2.5pp | 62.6% |  +1.6pp |
| Segmental operating margin | 21.2% |  (0.7pp) | 20.4% |  (1.2pp) |

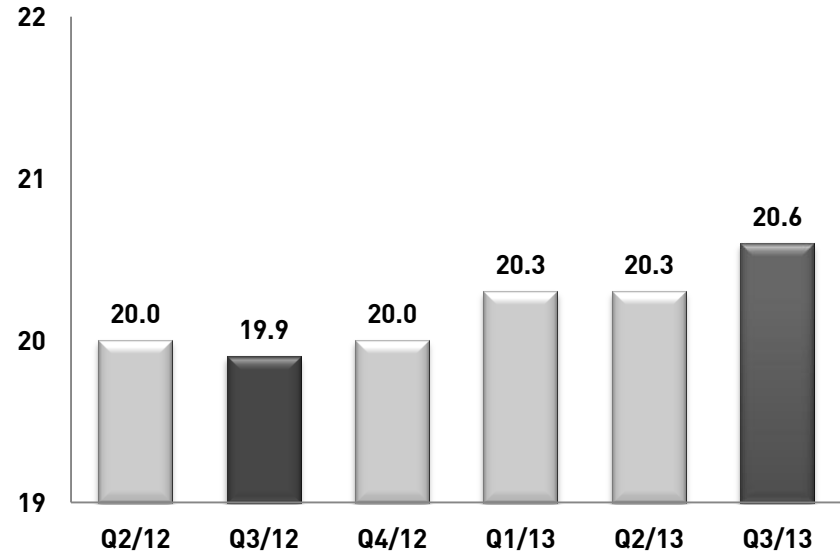
¹⁾ Currency-neutral.

Net Income Remains Stable In 9M

| | Q3 2013 | | 9M 2013 | |
|---|--|---------------|--|---------------|
| Financial income |  (56%) | € 5 million |  (49%) | € 15 million |
| Financial expenses |  (1%) | € 26 million |  (21%) | € 67 million |
| Income tax rate |  (0.3pp) | 28.0% |  (0.1pp) | 27.7% |
| Net income attributable to shareholders |  (8%) | € 316 million |  (0%) | € 796 million |
| Diluted earnings per share |  (8%) | € 1.51 |  (0%) | € 3.81 |

Operating Working Capital As A Percentage Of Sales Negatively Impacted By The Increase In Inventories

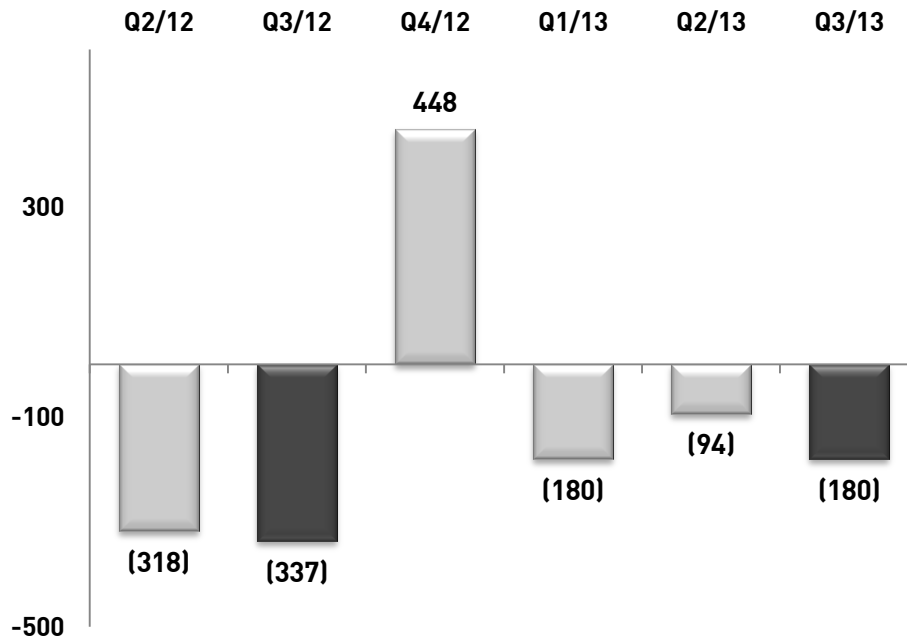
- Inventories increase 12% on a currency-neutral basis
- Receivables up 2% on a currency-neutral basis
- Payables increase 12% on a currency-neutral basis



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

Net Borrowings Decline 47%

- Net borrowings reduced by € 157 million to € 180 million
- Ratio of net borrowings/EBITDA decreases to 0.1 (2012: 0.2)
- Equity ratio increases 0.8pp to 49.3% (2012: 48.6%)



Net borrowings at quarter-end, € in millions.



STRATEGIC INITIATIVES AND OUTLOOK

Herbert Hainer

adidas Group CEO



adidas Group Confirms 2013 Full Year Outlook

| | |
|---|--|
| Group sales (currency-neutral) | low-single-digit increase |
| Wholesale sales (currency-neutral) | low-single-digit increase |
| Retail sales (currency-neutral) | high-single-digit increase |
| Other Businesses sales (currency-neutral) | low- to mid-single-digit increase |
| Gross margin | 48.5% to 49.0% |
| Operating margin | around 8.5% |
| Basic earnings per share | increase at a rate of 4% to 7% to a level between € 3.92 and € 4.06 |

adidas Gearing Up To Launch Federation Jerseys



FIFA WORLD CUP
Brasil



adidas Introduces The Samba Collection



adidas Running To Maintain Double-Digit Pace



adidas Revolutionises Smart Running



smart run



Turning Up The Heat With Hollow Fibre ClimaWarm+



Derrick Rose Back On Court – Back On Form



Derrick Rose

"I'm loving every moment of being back out there. Every second, I'm loving it. I'm back playing the sport that I love."



adidas Debuts New On-Court NBA Collection



Reebok Ramping Up FitHub Expansion



- Reebok FitHubs provide a new consumer fitness experience
- Rolling out concept to major cities around the world



Reebok 

Reebok To Continue Bringing New Energy To Classics

The image is a collage featuring Reebok products and a musician. On the left, there are two pairs of sneakers: a black and white high-top 'Pumpspective Omni' with orange accents, and a pair of tan and white high-top 'Classic Leather' sneakers. The background is a mix of orange, blue, and red geometric shapes. On the right, a woman in a black outfit sits on a large black speaker, with a man in a blue jacket and white shirt performing on a stage in the background. Text elements include 'Reebok BASKETBALL' and 'PUMPSPECTIVE OMNI' in the top left, and '25TH ANNIVERSARY CLASSIC LEATHER' and 'KICKING IT UP SINCE '83' in the bottom right.

Reebok
BASKETBALL

PUMPSPECTIVE
OMNI

25TH
ANNIVERSARY
CLASSIC LEATHER
curated by

KICKING IT UP SINCE '83

adidas Group Well Positioned To Increase Momentum

- Strong demand for highlight concepts and innovations
- 2014 FIFA World Cup initiatives
- Organisational measures in place to drive efficiencies





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QUESTIONS & ANSWERS



Upcoming Event Dates

| | |
|---------------|--------------------------------|
| Dec 2-3, 2013 | Investor Trip, Herzogenaurach |
| Mar 5, 2014 | Full Year 2013 Results |
| 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 |

¹⁾ Subject to Annual General Meeting Approval.



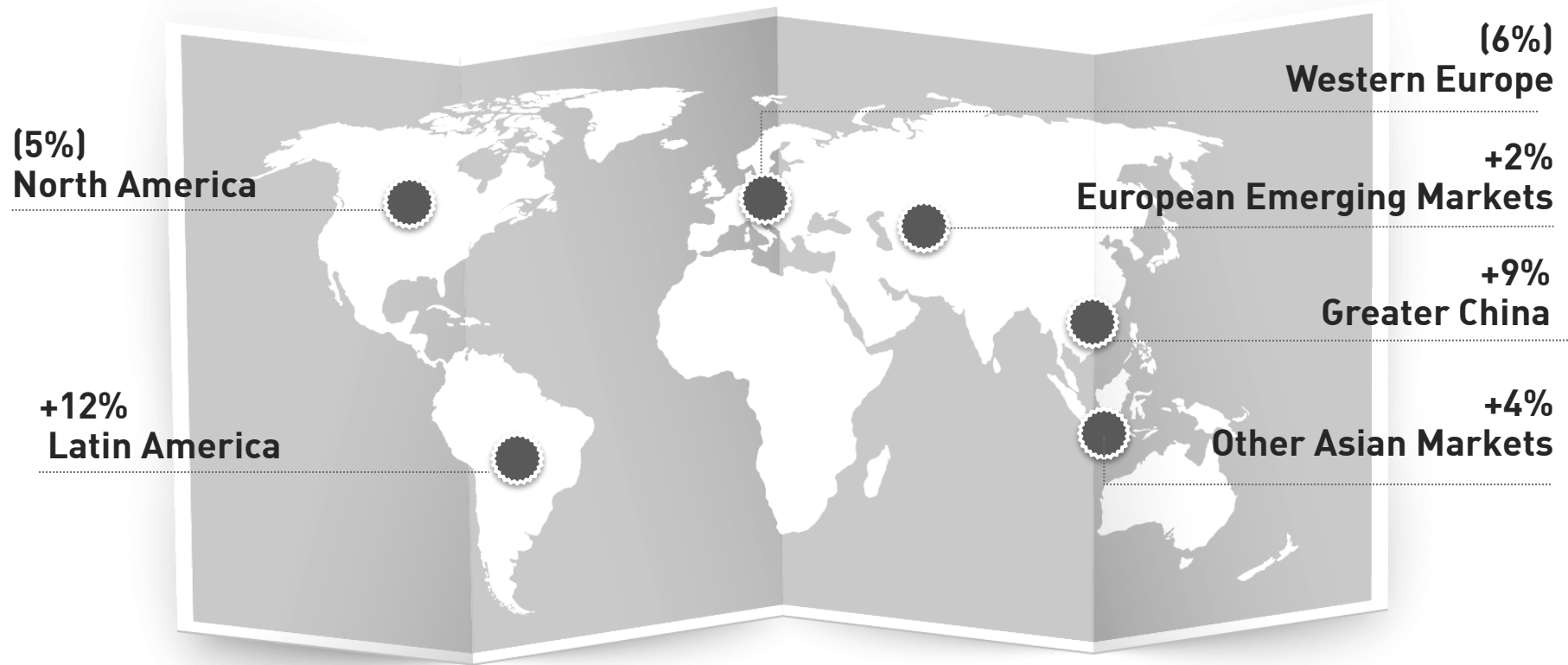
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APPENDIX



Trends Improve In Several Markets In Q3



Sales development on a currency-neutral basis.

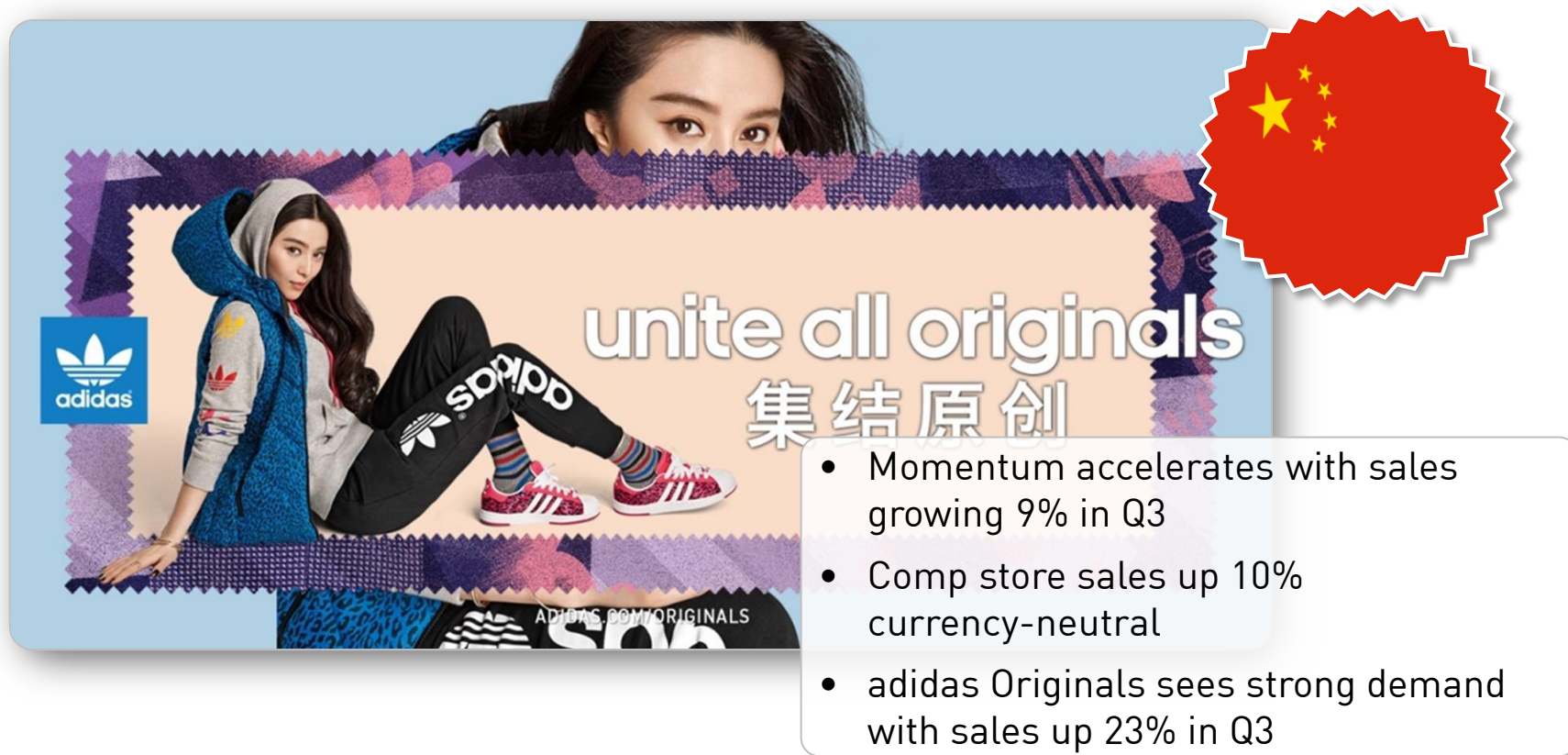
Latin America Sees Strong Growth At adidas And Reebok

- Sales grow 15% currency-neutral in 9M
- Double-digit increases in most of the region's major markets
- Ongoing strong momentum in Retail with sales up 27% in 9M



uma nação
além das 4 linhas

Growth In Greater China Accelerates In Q3



adidas

unite all originals
集结原创

ADIDAS.COM/ORIGINALS

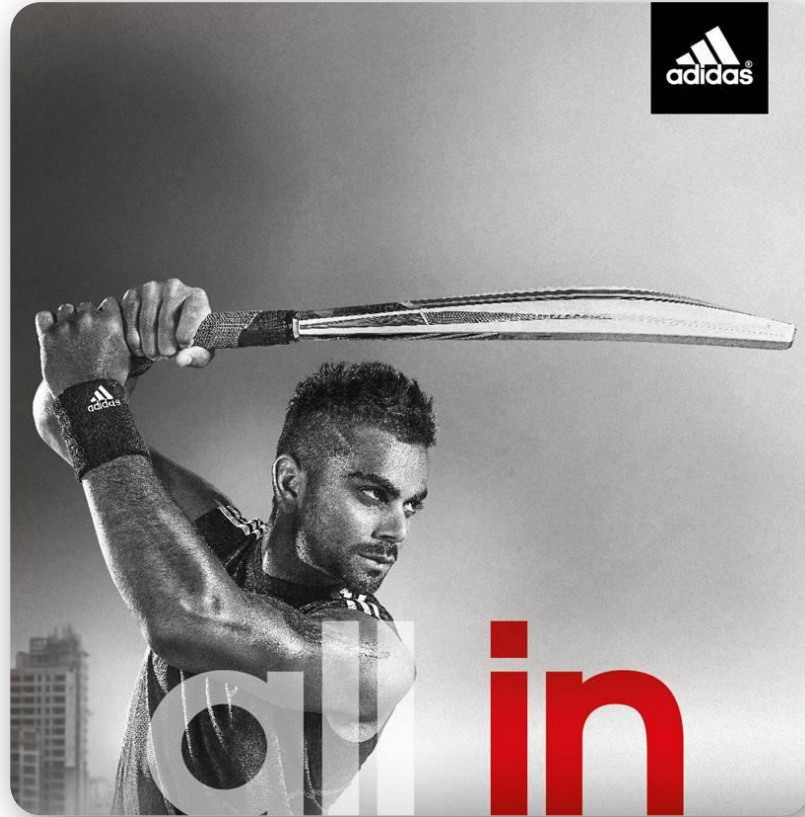
- Momentum accelerates with sales growing 9% in Q3
- Comp store sales up 10% currency-neutral
- adidas Originals sees strong demand with sales up 23% in Q3

Sales In European Emerging Markets Grow 1% In 9M

- Sales increase 2% in Q3 with growth in most markets
- Wholesale up 10% in Q3
- Comp store sales negatively impacted by distribution centre issues













Other Asian Markets Up 4% Currency-Neutral In Q3



- Sales growth driven by strong increases at Sport Performance and Reebok
- Double-digit increases in Training, Running and Basketball
- Sales increase driven by growth in India, South Korea and Australia









adidas And Reebok Gross Margins Improve Strongly

| | | Q3 2013 | Change | 9M 2013 | Change |
|---|---------------------------|---------|---|---------|--|
|  | Net sales (€ in millions) | 3,072 |  0% ¹⁾ | 8,478 |  0% ¹⁾ |
| | Gross margin | 48.7% |  +2.1pp | 48.4% |  +2.1pp |
|  | Net sales (€ in millions) | 439 |  +5% ¹⁾ | 1,172 |  (1%) ¹⁾ |
| | Gross margin | 40.4% |  +6.4pp | 39.8% |  +5.0pp |

¹⁾ Currency-neutral.

Q3 Wholesale Segmental Operating Margin Up 3.2pp

| Wholesale | Q3 2013 | Change | 9M 2013 | Change |
|----------------------------|----------------|--|----------------|--|
| Net sales (€ in millions) | 2,553 |  (1%) ¹⁾ | 7,048 |  (2%) ¹⁾ |
| Gross margin | 43.9% |  +2.7pp | 43.3% |  +2.7pp |
| Segmental operating margin | 36.3% |  +3.2pp | 34.8% |  +2.8pp |

¹⁾ Currency-neutral.

Other Businesses Decline 1% Currency-Neutral In 9M

| Other Businesses | Q3 2013 | Change | 9M 2013 | Change |
|----------------------------|---------|----------------------|---------|----------------------|
| Net sales (€ in millions) | 403 | ↓ (9%) ¹⁾ | 1,453 | ↓ (1%) ¹⁾ |
| Gross margin | 35.3% | ↓ (7.4pp) | 41.6% | ↓ (2.4pp) |
| Segmental operating margin | 17.2% | ↓ (8.9pp) | 26.2% | ↓ (2.5pp) |

¹⁾ Currency-neutral.

