



**Nine Months 2006
Financial Results Presentation**

**November 9, 2006
15:00 CET**



Operational Highlights
Herbert Hainer, CEO

Strong Year-To-Date Operational Progress And Financial Results

- Currency-neutral sales up 52%
- Double-digit currency-neutral sales growth in all regions
- Double-digit currency-neutral sales growth for adidas and TaylorMade-adidas Golf
- Net income grows 22%
- Reebok integration continues



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Successful Performance Category Product Launches



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Successful Performance Category Product Launches



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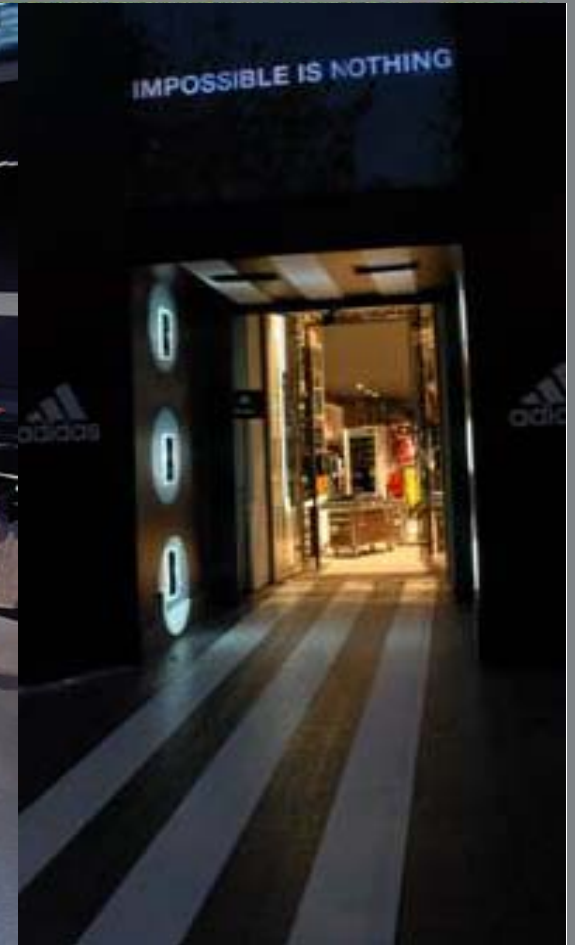
Successful Performance Category Product Launches



Continued Focus On Strategic Partnerships



Largest Sport Performance Store Opens In Paris



JJB Shop-In-Shop Initiative Kicked Off



Outstanding adidas Financial Performance

- Year-to-date currency-neutral sales up 15% (+15% in euros)
- Double-digit growth in all divisions
- Q3 currency-neutral sales up 15% (+12% in euros)
- Year-to-date currency-neutral sales in Europe grow 11% (+15% in Q3)



Reebok Synergies As Focal Point Within The Group

Maximize annual revenue synergies of €500 million

Branded apparel

Licensed product

Regional initiatives

Distributor buyouts

Maximize annual cost synergies of €175 million

Integration Cost Synergies Update

€in millions	2006	2007
Synergy	35	87.5
Drivers	<ul style="list-style-type: none"> • Corporate and finance functions • Transportation and logistics 	<ul style="list-style-type: none"> • Scale benefits in sourcing
One-time cost	35	70
Net effect	0	17.5

Reebok Performance Shows Underlying Improvements

- Year-to-date currency-neutral sales down 9%
- Q3 currency-neutral sales down 4%
- Sequential improvement at brand Reebok
- Challenges continue in US and UK
- Double-digit growth in Asia

The Reebok logo is displayed in a bold, blue, sans-serif font. The letters are thick and closely spaced, with a distinctive slanted design for the 'R' and 'e's.

TaylorMade-adidas Golf Growth Continues

- Year-to-date currency-neutral sales grow 23%
- Currency-neutral sales up 15% in the third quarter
- Positive Greg Norman Collection impact
- ispo vision award recognizes brand's industry leadership in performance golf apparel



Strong Year-To-Date Group Performance

- Outstanding performance of adidas crowned by strong World Cup showing
- Reebok integration on track to realize synergies in 2007
- TaylorMade-adidas Golf continues to grow in a challenging industry

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Reebok

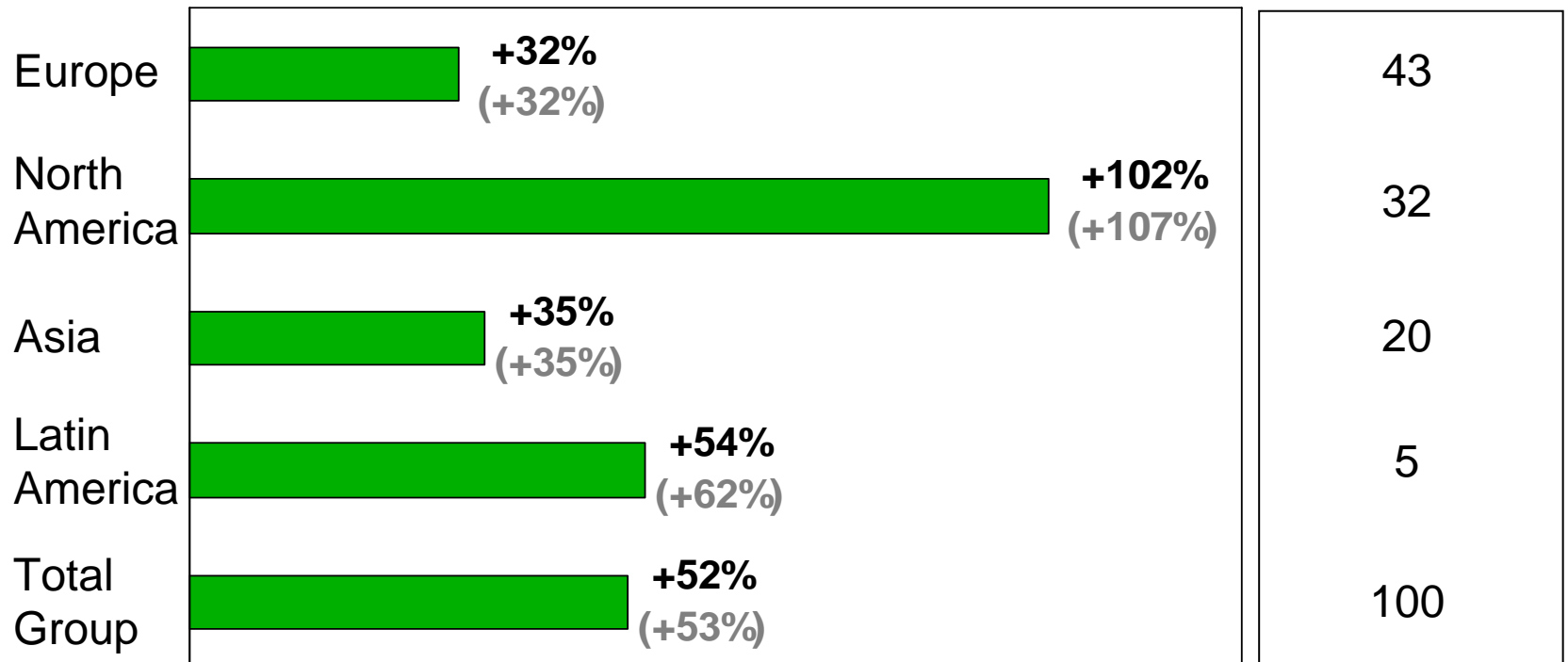
 **TaylorMade**[®]



Financial Highlights
Robin J. Stalker, CFO

Strong Group Sales Growth In All Regions

Currency-neutral adidas Group YTD Net Sales Growth

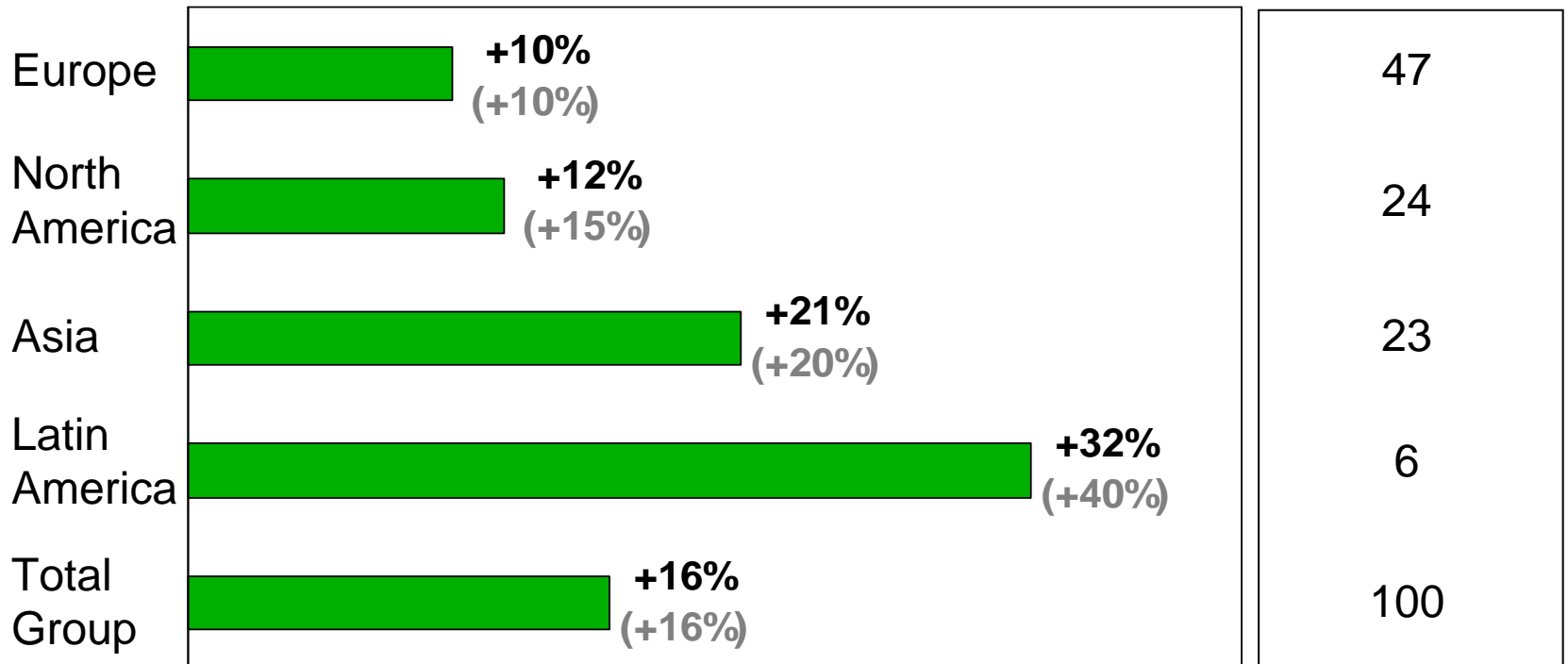


(Growth rates in euros in brackets)

in % of total Group sales

Double-Digit Sales Growth In All Regions For The Group Excluding Reebok

Currency-neutral adidas Group YTD Net Sales Growth



(Growth rates in euros in brackets)

in % of total Group sales

Numerous Factors Impact Year-To-Date Gross Margin

adidas Group gross margin 44.9%

 **adidas**

46.9% (+1.1pp)

- Increasing own retail impact and profitability
- Product mix improvements especially in North America

Reebok

TMaG

HQ

Numerous Factors Impact Year-To-Date Gross Margin

adidas Group gross margin 44.9%

Reebok

34.8%

- Negative PPA impact
- High US exposure
- Inventory clearance measures
- Tough Q3 prior year comparable

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HQ

Numerous Factors Impact Year-To-Date Gross Margin

adidas Group gross margin 44.9%



44.0% (-1.7pp)

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Reebok

- Significantly improved golf ball margins
- Negative metalwood promotion impact
- Greg Norman Collection dilution

HQ

Numerous Factors Impact Year-To-Date Gross Margin

adidas Group gross margin 44.9%





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- Fixed buying commission from Amer Sports lower than average gross margin

Positive Operating Expense Development

Opex as % of sales	YTD 2006		
 adidas	33.1%	↑	+1.2pp
 Reebok	32.0%	-	-
 TaylorMade	34.4%	↓	(1.7pp)
 adidas GROUP	35.1%	↓	(0.9pp)

Operating profit +23% to €829 million
Operating margin 10.6% (-2.6pp)

Strong IBT And Earnings Performance

- Net financial expenses increase to € 121 million
- Income before taxes grows 10% to € 709 million
- Group tax rate decreases to 31.9%
- Net income from continuing operations increases to € 483 million

**Net income attributable to shareholders
reaches €469 million**

**Basic earnings per share from continuing and
discontinued operations increase 10% to €2.31**

Operating Working Capital Remains A Key Priority

Currency-neutral	adidas Group	adidas Group excl. Reebok
Inventories	+48%	+9%
Receivables	+62%	+10%

- ✓ Inventory development shows sequential improvement
- ✓ Receivables growth clearly lower than quarterly sales growth
- ✓ 95% financial leverage already better than 100% year-end target

An aerial, top-down view of a vibrant green soccer field, showing the texture of the grass and the faint white lines of the pitch. The field is the central focus of the slide, with the title text overlaid on it.

Strategic Outlook
Herbert Hainer, CEO

adidas Backlogs Grow 3%

	Change	Currency-neutral change
Footwear	(2%)	2%
Apparel	2%	5%
Total	0%	3%

- European backlogs reflect tough World Cup comparables
- Asian backlogs impacted by trade show timing

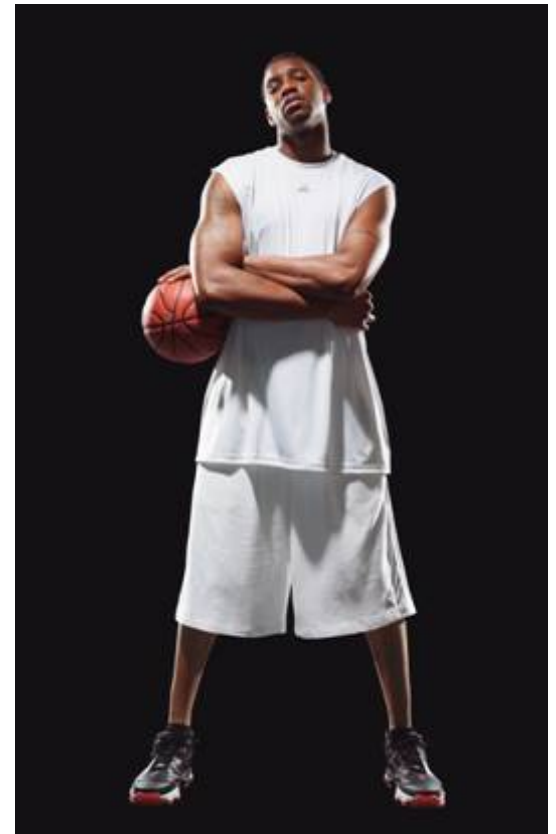
Growth In Europe To Be Driven By Own Retail And Emerging Markets

- Currency-neutral backlogs decline 6%
- Tough World Cup comparisons
- Tight UK distribution strategy
- Strong own-retail growth continues
- Emerging markets grow at double-digit rates
- Q4 sales expected to outperform backlogs



adidas Growth In North America As Key Priority

- Currency-neutral backlogs increase 6% year-over-year
- Q4 sales expected to outperform backlogs
- Plans to accelerate growth focus on broader sport fusion range



adidas Asia To Continue Strong Growth Path

- Currency-neutral backlogs increase 18% year-over-year
- Strong underlying growth trend to continue



Reebok Backlogs Down 14%

	Change	Currency-neutral change
Footwear	(14)	(11)
Apparel	(21)	(19)
Total	(16)	(14)

- Sequential improvement in Europe and Asia
- Continuing challenges in North America

Continued Emphasis On Turning Around The Reebok Brand

- Cleaning up inventories
- Sales continue to outperform backlogs
- Cancellations significantly reduced
- At-once business grows strongly
- Diversifying distribution
- Broadening lifestyle offering
- Performance categories gaining momentum



Reebok Initiatives In Full Swing

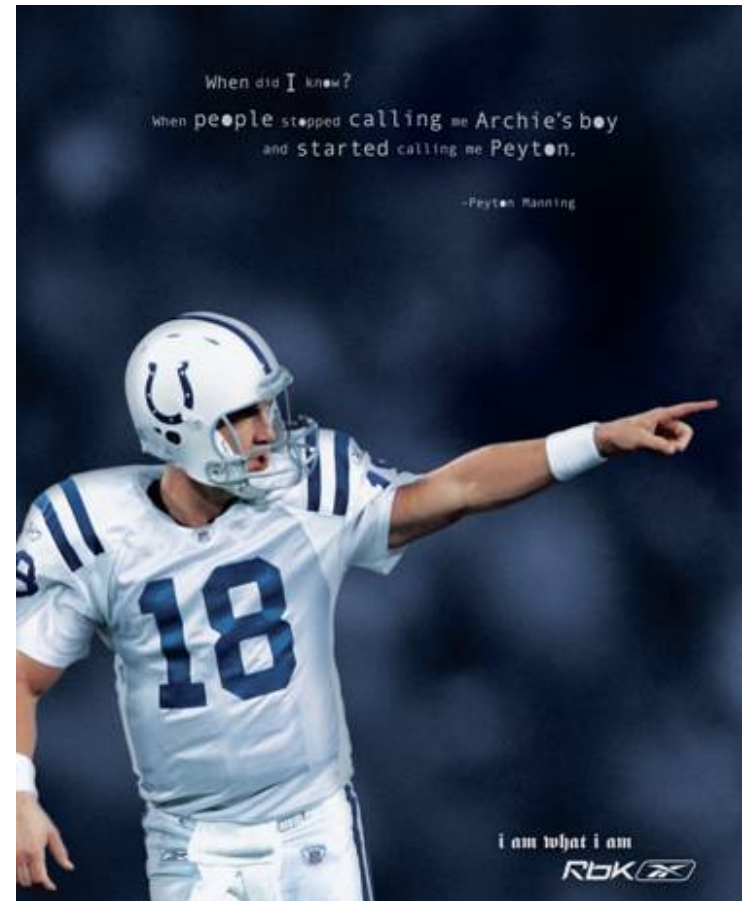
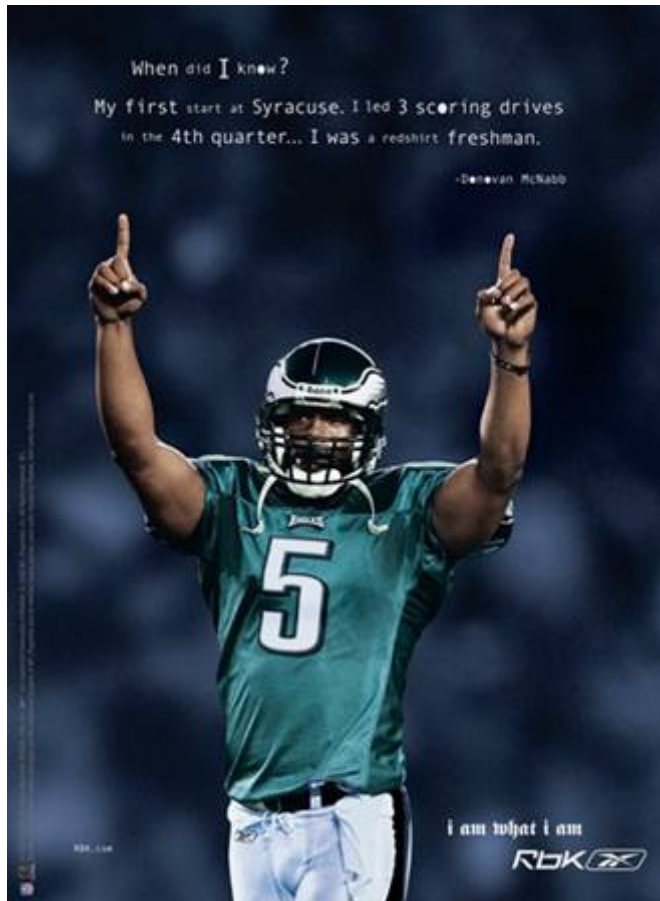
- Strengthening Global Marketing function
- “Passion Starts Here” employee program
- Performance focus sharpened



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Focus On Performance With “When Did I Know” Campaign



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Focus On Performance With Strong NHL Positioning



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Focus On Performance With Addition Of Football Superstar Andriy Shevchenko



2006 Full Year Targets Confirmed

adidas Group 2006	<u>Target</u>
Net sales	ca. € 10 billion
Gross margin	44 - 46%
Operating margin	ca. 9%
Net income attributable to shareholders	€ 480 - € 490 million

Looking Out Into 2007

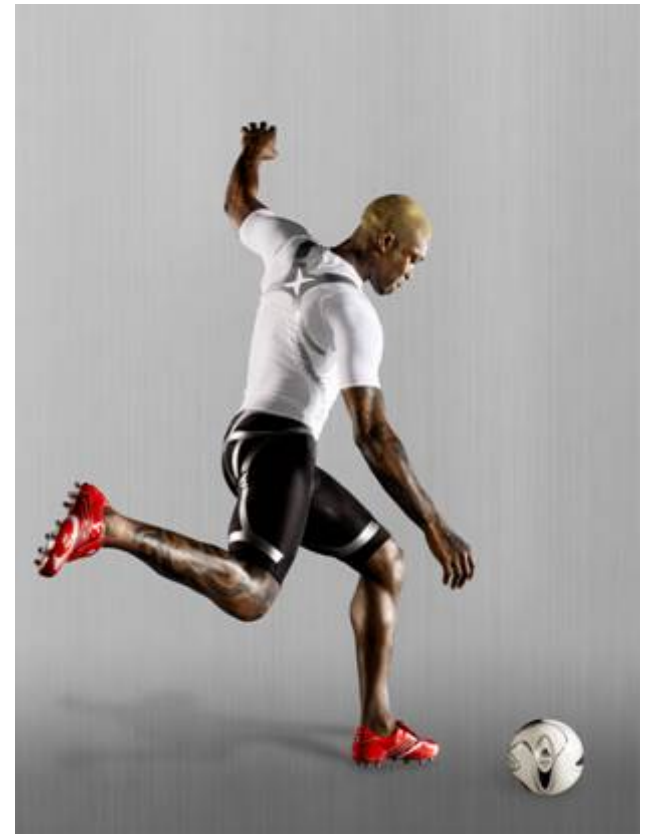
- Investing in Reebok's growth opportunities
 - Brand building
 - Product development
 - Emerging markets



**adidas Group net income growth
to approach 15% in 2007**

Aiming At Peak Performance

- Strong year-to-date performance
- 2006 guidance confirmed
- Reebok turnaround as Group's highest priority
- On track to deliver medium-term guidance



Next Reporting Date

- March 7, 2007 2006 Full Year Results
Analyst and press conferences

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An aerial, top-down view of a vibrant green football pitch. The grass is short and dense, with subtle variations in shade and texture across the field. The word "Appendix" is centered in the lower half of the image in a large, white, sans-serif font.

Appendix

adidas Backlogs By Product Category And Region

- Development of adidas order backlogs (in %)

	Europe	North America	Asia	Total
Footwear	(7)	(1)	10	(2)
Apparel	(7)	4	14	2
Total	(8)	2	12	0

- Currency-neutral development of adidas order backlogs (in %)

	Europe	North America	Asia	Total
Footwear	(5)	4	16	2
Apparel	(5)	9	20	5
Total	(6)	6	18	3

Reebok Backlogs By Product Category And Region

- Development of Reebok order backlogs (in %)

	Europe	North America	Total
Footwear	3	(30)	(14)
Apparel	(19)	(25)	(21)
Total	(6)	(29)	(16)

- Currency-neutral development of Reebok order backlogs (in %)

	Europe	North America	Total
Footwear	4	(27)	(11)
Apparel	(18)	(22)	(19)
Total	(5)	(25)	(14)

Reebok Sales By Region

YTD 2006 Net Sales of Brand Reebok (€ in millions)

in % of total brand sales

