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Q4 2011 highlights:

- **Currency-neutral Group sales up 11%**
- **Brand adidas sales increase 14% currency-neutral**
- **North America grows 19% currency-neutral**
- **Comparable Retail store sales up 11% currency-neutral**

Full year 2011 highlights:

- **Currency-neutral Group sales up 13% to a new record level of more than € 13.3 billion**
- **Group sales up in all regions, channels and brands**
- **adidas and TaylorMade-adidas Golf sales increase 14% and 16%, respectively**
- **Net income increases 18% to a record level of € 671 million**
- **Net cash position of € 90 million at year-end**

Outlook

- **adidas Group expects continued momentum in 2012**
- **Group sales to increase at a mid- to high-single-digit rate**
- **Operating margin to improve to a level approaching 8.0%**
- **Earnings per share to be in the range of € 3.52 to € 3.68**
- **Management to propose a 25% higher dividend of € 1.00 per share**

Herbert Hainer: "2011 – a perfect start to our Route 2015 journey"

"At the start to any strategic plan, it is important to gain momentum quickly and set a precedent by hitting targets. In this respect, we couldn't have asked for a better start. We enjoyed the Group's fastest organic growth rate since 2006, as sales increased 13% currency-neutral. We made progress on improving profitability, with earnings per share growing 18% to a new record level of € 3.20. And we ended the year with our balance sheet in top shape, with average operating working capital as a percentage of sales remaining at all-time lows of 20.8%, and a net cash position of € 90 million."

adidas Group currency-neutral sales increase 11% in the fourth quarter

In the fourth quarter of 2011, Group revenues grew 11% on a currency-neutral basis. Currency-neutral sales in the **Wholesale** and **Retail** segments increased 9% and 18%, respectively. Sales for **Other Businesses** grew 12% on a currency-neutral basis. Currency-neutral revenues in **Western Europe** increased 13%, supported by high-teens growth at adidas. In **European Emerging Markets**, currency-neutral sales were up 20% as a result of double-digit revenue growth at both adidas and Reebok. Group sales in **North America** grew 19% on a currency-neutral basis, driven by increases at all brands, with particular strength at adidas as well as TaylorMade-adidas Golf.

In **Greater China**, Group sales were up 13% on a currency-neutral basis, driven by strong double-digit sales gains at adidas Sport Performance. Currency-neutral revenues in **Other Asian Markets** grew 2%, due to increases at all brands except Reebok. In **Latin America**, adidas Group sales declined 1% on a currency-neutral basis as growth at adidas was more than offset by sales declines at Reebok. In contrast to the previous quarter, currency translation effects had no material impact on sales in euro terms. Group revenues grew 11% to € 3.263 billion in the fourth quarter of 2011 from € 2.931 billion in 2010.

Fourth quarter net income attributable to shareholders more than doubles
The Group's gross margin decreased 0.8 percentage points to 45.6% (2010: 46.5%) in the fourth quarter as a more favourable product and regional sales mix could only partly offset a significant increase in input costs. Group gross profit increased 9% to € 1.489 billion (2010: € 1.362 billion). Other operating expenses as a percentage of sales decreased 0.2 percentage points to 46.9% compared to 47.1% in the prior year, primarily due to lower marketing investments as a percentage of sales. Other operating income increased to € 48 million compared to € 19 million in the prior year, reflecting higher income from insurance compensation. As a result, operating profit grew 34% to € 38 million compared to € 28 million in 2010. Net financial expenses decreased 50% to € 10 million (2010: € 21 million), while the Group tax rate was 36.5% (2010: 6.7%). As a result, in the fourth quarter of 2011, the Group's net income attributable to shareholders increased to € 18 million (2010: € 7 million). Basic and diluted earnings per share came in at € 0.09 (2010: € 0.03).

adidas Group currency-neutral sales grow 13%
In 2011, Group revenues grew 13% on a currency-neutral basis, as a result of double-digit sales increases in Wholesale, Retail and Other Businesses. This development exceeded initial Management expectations of a mid- to high-single-digit Group sales increase. Currency translation effects had a negative impact on sales in euro terms. Group revenues grew 11% to € 13.344 billion in 2011 from € 11.990 billion in 2010.

Group sales increase driven by double-digit growth in all segments
In 2011, currency-neutral **Wholesale** revenues increased 11%, mainly due to double-digit sales growth at adidas. Currency-neutral **Retail** sales increased 20%, driven by 14% comparable store sales growth. Revenues in **Other Businesses** were up 13% on a currency-neutral basis, mainly driven by double-digit sales increases at TaylorMade-adidas Golf. Currency translation effects had a negative impact on segmental sales in euro terms.

	2011	2010	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Wholesale	**8,971**	8,181	10	11
Retail	**2,793**	2,389	17	20
Other Businesses	**1,580**	1,420	11	13
Total[1]	**13,344**	**11,990**	**11**	**13**

2011 net sales development by segment
1) Rounding differences may arise in totals.

Currency-neutral sales increase in all regions

In 2011, revenues in **Western Europe** increased 10% on a currency-neutral basis, primarily as a result of strong sales growth in Germany, France, Spain and Italy. In **European Emerging Markets**, Group sales increased 22% on a currency-neutral basis due to growth in most of the region's markets, in particular Russia. Sales for the adidas Group in **North America** grew 15% on a currency-neutral basis as a result of double-digit sales increases in both the USA and Canada. Sales in **Greater China** increased 23% on a currency-neutral basis. Currency-neutral revenues in **Other Asian Markets** grew 5% due to increases in most markets, in particular South Korea. In **Latin America**, sales grew 10% on a currency-neutral basis, with strong double-digit increases in most of the region's major markets. Currency translation effects had a mixed impact on regional sales in euro terms.

	2011	2010	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	**€ in millions**	**in %**	**in %**
Western Europe	**3,922**	3,543	11	10
European Emerging Markets	**1,597**	1,385	15	22
North America	**3,102**	2,805	11	15
Greater China	**1,229**	1,000	23	23
Other Asian Markets	**2,125**	1,972	8	5
Latin America	**1,369**	1,285	7	10
Total[1]	**13,344**	**11,990**	**11**	**13**

2011 net sales development by region
1) Rounding differences may arise in totals.

Group gross margin decreases 0.3 percentage points

The gross margin of the adidas Group decreased 0.3 percentage points to 47.5% in 2011 (2010: 47.8%). Positive impacts from a more favourable product and regional sales mix as well as a larger share of higher-margin Retail sales were offset by increases in input costs. Gross profit for the adidas Group grew 11% in 2011 to € 6.344 billion versus € 5.730 billion in the prior year.

Operating margin improves 0.1 percentage points

Group operating profit increased 13% to € 1.011 billion in 2011 versus € 894 million in 2010. As a result, the operating margin of the adidas Group improved 0.1 percentage points to 7.6% (2010: 7.5%). This development was primarily due to the positive effects from lower other operating expenses as a percentage of sales, which more than offset the decrease in gross margin and in other operating income. Other operating expenses as a percentage of sales decreased 0.7 percentage points to 41.4% in 2011 from 42.1% in 2010. In euro terms, other operating expenses increased 9% to € 5.524 billion (2010: € 5.046 billion), mainly as a result of higher marketing expenditure as well as the expansion of the Group's own-retail activities. Thereof, sales and marketing working budget expenditure amounted to € 1.699 billion, which represents an increase of 6% versus the prior year level (2010: € 1.596 billion). Nevertheless, as a result of the strong revenue development, sales and marketing working budget expenditure as a percentage of sales decreased 0.6 percentage points to 12.7% (2010: 13.3%).

Financial income up 25%

Financial income increased 25% to € 31 million in 2011 from € 25 million in the prior year, due to an increase in interest income.

Financial expenses increase 2%

Financial expenses increased 2% to € 115 million in 2011 (2010: € 113 million), mainly as a result of negative exchange rate effects, which more than offset the positive effect of lower interest expenses. Excluding the negative exchange rate effects, financial expenses decreased 4%.

Net income attributable to shareholders up 18%

Income before taxes (IBT) for the adidas Group increased 15% to € 927 million from € 806 million in 2010. The Group's tax rate decreased 1.8 percentage points to 27.7% in 2011 (2010: 29.5%), mainly due to one-time tax benefits related to the favourable resolution of tax disputes for prior years. As a result, the Group's net income attributable to shareholders increased to € 671 million in 2011 from € 567 million in 2010. This represents an increase of 18% versus the prior year level.

Earnings per share reach record level of € 3.20

In 2011, basic and diluted earnings per share amounted to € 3.20 (2010: € 2.71), representing an increase of 18%. The weighted average number of shares used in the calculation was 209,216,186.

Currency-neutral Group inventories increase 16%
Group inventories increased 17% to € 2.482 billion at the end of December 2011 versus € 2.119 billion in 2010. On a currency-neutral basis, inventories grew 16%, reflecting input cost increases as well as the Group's expectations for continued growth in the coming quarters.

Accounts receivable increase 3% currency-neutral
At the end of December 2011, Group receivables increased 2% to € 1.707 billion (2010: € 1.667 billion). On a currency-neutral basis, receivables were up 3%. This growth is lower than the 9% currency-neutral wholesale-related sales increase in the fourth quarter of 2011 and mirrors strict discipline in the Group's trade terms management and concerted collection efforts in all segments.

Net cash position at year-end of € 90 million
Net cash at December 31, 2011 amounted to € 90 million, compared to net borrowings of € 221 million at the end of December 2010, reflecting an improvement of € 311 million. This was mainly driven by strong operating cash flows over the past twelve months. Currency translation had a positive effect in an amount of € 59 million. The Group's ratio of net borrowings over EBITDA amounted to –0.1 at the end of December 2011 (2010: 0.2).

adidas Group currency-neutral sales to increase at a mid- to high-single-digit rate in 2012
Management forecasts adidas Group sales to increase at a mid- to high-single-digit rate on a currency-neutral basis in 2012. Despite the high degree of uncertainty regarding the global economic outlook and consumer spending, Sales development will be favourably impacted by the Group's high exposure to fast-growing emerging markets as well as the further expansion of Retail. In addition, this year's major sporting events will provide positive stimulus to Group sales. As Official Sponsor of the UEFA EURO 2012™ in Poland and Ukraine, the adidas brand will benefit from additional sales in the football category. And as the Official Sportswear Partner of the London 2012 Olympic Games and Team GB, the adidas brand will be the most visible brand during the event. This event not only provides an excellent platform to increase the brand's presence in the important UK market, but also to present its performance credentials globally.

Earnings per share to increase to a level between € 3.52 and € 3.68
In 2012, the adidas Group gross margin is forecasted to be around 47.5% (2011: 47.5%). As in the prior year, gross margin development will be negatively impacted by increasing input and labour costs year-over-year, particularly in the first half of 2012. In addition, hedging terms in 2012 will be slightly less favourable compared to the prior year. However, these negative influences will be largely offset by positive regional mix effects, as growth rates in high-margin emerging markets are projected to be above growth

rates in more mature markets. Furthermore, product price increases are also forecasted to benefit the Group gross margin development.

In 2012, the Group's other operating expenses as a percentage of sales are expected to decrease modestly (2011: 41.4%). Sales and marketing working budget expenses as a percentage of sales are projected to be at a similar level to the prior year. Marketing investments will be centred around key sporting events such as the UEFA EURO 2012™ and the London 2012 Olympic Games to leverage the outstanding visibility of the adidas brand during these events. Further, the Group will continue to support Reebok's growth strategy in the fitness category and will also invest in growing the Group's key attack markets North America, Greater China and Russia/CIS. Operating overhead expenditure as a percentage of sales is forecasted to decline in 2012. Higher administrative and personnel expenses in the Retail segment due to the planned expansion of the Group's store base will be offset by leverage in the Group's non-allocated central costs.

In 2012, the operating margin for the adidas Group is forecasted to increase to a level approaching 8.0% (2011: 7.6%). Lower other operating expenses as a percentage of sales are expected to be the primary driver of the improvement. In addition, the Group expects lower interest rate expenses in 2012 due to a lower average level of gross borrowings, which will be partly offset by negative exchange rate variances. The Group tax rate is expected to be slightly less favourable compared to the prior year, at a level around 28.5% (2011: 27.7%). As a result of these developments, earnings per share are expected to increase at a rate of 10% to 15% to a level between € 3.52 and € 3.68 (2011: € 3.20).

Excess cash to be used to support growth initiatives

In 2012, Management expects continued positive cash flow from operating activities. Cash will be used to finance working capital needs, investment activities, as well as dividend payments. Management intends to largely use excess cash to invest in the Group's Route 2015 growth initiatives and to further reduce gross borrowings.

Management to propose dividend of € 1.00

In light of the strong cash flow generation in 2011 and resulting net cash position at year-end, Management will recommend paying a dividend of € 1.00 to shareholders at the Annual General Meeting (AGM) on May 10, 2012, representing an increase of 25% compared to the prior year (2010: € 0.80). Subject to shareholder approval, the dividend will be paid on May 11, 2012. The proposal represents a payout ratio of 31% of net income attributable to shareholders, compared to 30% in the prior year. This complies with the Group's dividend policy, according to which Management intends to pay out between 20% and 40% of net income attributable to shareholders annually. Based on the number of shares outstanding at the end of 2011, the dividend payout will thus increase to € 209 million compared to € 167 million in the prior year.

Herbert Hainer stated: "We begin 2012 fully energised and fully prepared for another bright year for our Group. There is always great buzz and excitement around major sports events, and they don't come bigger than the London 2012 Olympic Games and the UEFA EURO 2012™. When the sporting elite take centre stage, the pinnacle of adidas innovation accompanies them. This year will be no different and through the power of our product pipeline, marketing strength and point-of-sale execution, we are all set to achieve new records and sustained momentum."

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adidas GROUP

adidas AG Consolidated Income Statement (IFRS)

€ in millions	Fourth quarter 2011	Fourth quarter 2010	Change
Net sales	3,263	2,931	*11.3 %*
Cost of sales	1,774	1,569	*13.1 %*
Gross profit	**1,489**	**1,362**	*9.3 %*
(% of net sales)	45.6%	46.5%	*(0.8) pp*
Royalty and commission income	30	28	*6.1 %*
Other operating income	48	19	*158.8 %*
Other operating expenses	1,529	1,381	*10.8 %*
(% of net sales)	46.9%	47.1%	*(0.2) pp*
Operating profit	**38**	**28**	*33.6 %*
(% of net sales)	1.2%	1.0%	*0.2 pp*
Financial income	7	4	*79.6 %*
Financial expenses	18	25	*(28.3) %*
Income before taxes	**27**	**7**	*267.5 %*
(% of net sales)	0.8%	0.3%	*0.6 pp*
Income taxes	10	0	*n.a.*
(% of income before taxes)	36.5%	6.7%	*29.8 pp*
Net income	**17**	**7**	*150.1 %*
(% of net sales)	0.5%	0.2%	*0.3 pp*
Net income attributable to shareholders	**18**	**7**	*161.4 %*
(% of net sales)	0.6%	0.2%	*0.3 pp*
Net income attributable to non-controlling interests	**(1)**	**(0)**	*n.a.*
Basic earnings per share (in €)	**0.09**	**0.03**	*161.4 %*
Diluted earnings per share (in €)	**0.09**	**0.03**	*161.4 %*

Net Sales

€ in millions	Fourth quarter 2011	Fourth quarter 2010	Change	Change (currency-neutral)
Wholesale	2,102	1,934	*8.7 %*	*8.6 %*
Retail	778	664	*17.2 %*	*17.6 %*
Other Businesses	383	333	*14.7 %*	*12.2 %*
Western Europe	750	668	*12.3 %*	*12.5 %*
European Emerging Markets	408	351	*16.2 %*	*20.4 %*
North America	795	665	*19.6 %*	*18.6 %*
Greater China	329	280	*17.7 %*	*13.3 %*
Other Asian Markets	643	613	*4.9 %*	*1.6 %*
Latin America	338	354	*(4.7) %*	*(0.5) %*
adidas	2,400	2,090	*14.8 %*	*14.5 %*
Reebok	495	517	*(4.4) %*	*(3.2) %*
TaylorMade-adidas Golf	231	196	*17.6 %*	*13.5 %*
Rockport	75	66	*14.1 %*	*13.4 %*
Reebok-CCM Hockey	62	62	*0.9 %*	*1.0 %*

Rounding differences may arise in percentages and totals.

adidas GROUP

adidas AG Consolidated Income Statement (IFRS)

€ in millions	Full Year 2011	Full Year 2010	Change
Net sales	13,344	11,990	*11.3 %*
Cost of sales	7,000	6,260	*11.8 %*
Gross profit	**6,344**	**5,730**	*10.7 %*
(% of net sales)	47.5%	47.8%	*(0.3) pp*
Royalty and commission income	93	100	*(6.5) %*
Other operating income	98	110	*(10.2) %*
Other operating expenses	5,524	5,046	*9.5 %*
(% of net sales)	41.4%	42.1%	*(0.7) pp*
Operating profit	**1,011**	**894**	*13.1 %*
(% of net sales)	7.6%	7.5%	*0.1 pp*
Financial income	31	25	*25.2 %*
Financial expenses	115	113	*2.4 %*
Income before taxes	**927**	**806**	*15.0 %*
(% of net sales)	6.9%	6.7%	*0.2 pp*
Income taxes	257	238	*7.9 %*
(% of income before taxes)	27.7%	29.5%	*(1.8) pp*
Net income	**670**	**568**	*18.0 %*
(% of net sales)	5.0%	4.7%	*0.3 pp*
Net income attributable to shareholders	**671**	**567**	*18.2 %*
(% of net sales)	5.0%	4.7%	*0.3 pp*
Net income attributable to non-controlling interests	**(1)**	**1**	*(110.0) %*
Basic earnings per share (in €)	**3.20**	**2.71**	*18.2 %*
Diluted earnings per share (in €)	**3.20**	**2.71**	*18.2 %*

Net Sales

€ in millions	Full Year 2011	Full Year 2010	Change	Change (currency-neutral)
Wholesale	8,971	8,181	*9.7 %*	*11.0 %*
Retail	2,793	2,389	*16.9 %*	*19.7 %*
Other Businesses	1,580	1,420	*11.3 %*	*12.7 %*
Western Europe	3,922	3,543	*10.7 %*	*10.3 %*
European Emerging Markets	1,597	1,385	*15.3 %*	*22.3 %*
North America	3,102	2,805	*10.6 %*	*15.3 %*
Greater China	1,229	1,000	*22.9 %*	*23.4 %*
Other Asian Markets	2,125	1,972	*7.8 %*	*5.1 %*
Latin America	1,369	1,285	*6.5 %*	*9.7 %*
adidas	9,867	8,714	*13.2 %*	*14.5 %*
Reebok	1,962	1,913	*2.5 %*	*5.8 %*
TaylorMade-adidas Golf	1,044	909	*14.8 %*	*15.9 %*
Rockport	261	252	*3.4 %*	*6.3 %*
Reebok-CCM Hockey	210	200	*4.9 %*	*5.9 %*

Rounding differences may arise in percentages and totals.

adidas GROUP

adidas AG Consolidated Statement of Financial Position (IFRS)

€ in millions	December 31 2011	December 31 2010	Change
Cash and cash equivalents	906	1,156	(21.6)%
Short-term financial assets	465	233	99.1%
Accounts receivable	1,707	1,667	2.4%
Other current financial assets	304	197	54.6%
Inventories	2,482	2,119	17.1%
Income tax receivables	77	71	8.8%
Other current assets	469	390	20.6%
Assets classified as held for sale	25	47	(46.9)%
Total current assets	**6,435**	**5,880**	**9.4%**
Property, plant and equipment	963	855	12.7%
Goodwill	1,580	1,539	2.7%
Trademarks	1,503	1,447	3.8%
Other intangible assets	160	142	12.1%
Long-term financial assets	97	93	4.5%
Other non-current financial assets	42	54	(22.3)%
Deferred tax assets	493	508	(2.8)%
Other non-current assets	107	100	6.1%
Total non-current assets	**4,945**	**4,738**	**4.4%**
Total assets	**11,380**	**10,618**	**7.2%**
Short-term borrowings	289	273	5.9%
Accounts payable	1,886	1,694	11.4%
Other current financial liabilities	56	123	(54.1)%
Income taxes	252	265	(4.9)%
Other current provisions	507	470	7.9%
Current accrued liabilities	990	842	17.6%
Other current liabilities	301	241	24.4%
Liabilities classified as held for sale	0	0	(27.7)%
Total current liabilities	**4,281**	**3,908**	**9.5%**
Long-term borrowings	991	1,337	(25.9)%
Other non-current financial liabilities	6	15	(57.4)%
Pensions and similar obligations	205	180	14.1%
Deferred tax liabilities	430	451	(4.6)%
Other non-current provisions	55	29	91.3%
Non-current accrued liabilities	45	39	11.6%
Other non-current liabilities	36	36	0.3%
Total non-current liabilities	**1,768**	**2,087**	**(15.3)%**
Share capital	209	209	-
Reserves	770	563	37.0%
Retained earnings	4,348	3,844	13.1%
Shareholders' equity	5,327	4,616	15.4%
Non-controlling interests	4	7	(38.2)%
Total equity	**5,331**	**4,623**	**15.3%**
Total liabilities and equity	**11,380**	**10,618**	**7.2%**
Additional balance sheet information			
Operating working capital	2,303	2,093	10.0%
Working capital	2,154	1,972	9.3%
Net cash/(net borrowings)	90	(221)	140.7%
Financial leverage	(1.7%)	4.8%	(6.5) PP

Rounding differences may arise in percentages and totals.