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First Quarter 2012 Results:

Group sales increase 14% on a currency-neutral basis
Net income attributable to shareholders up 38% to € 289 million
adidas Group increases full year guidance

- **Comparable Retail store sales grow 9% currency-neutral**
- **TaylorMade-adidas Golf sales increase 32% currency-neutral**
- **Operating margin up 1.1 percentage points despite gross margin decline**
- **Net borrowings down 30% to € 640 million at quarter-end**
- **Inventory growth moderates to 13% currency-neutral**

adidas Group currency-neutral sales increase 14% in the first quarter of 2012
In the first quarter of 2012, Group revenues increased 14% on a currency-neutral basis as a result of double-digit sales increases in Wholesale, Retail and Other Businesses. Currency translation effects had a positive impact on sales in euro terms. Group revenues grew 17% to € 3.824 billion in the first quarter of 2012 from € 3.273 billion in 2011.

"We are off to a fast start in 2012 and there is still plenty to come as adidas takes centre-stage at the UEFA EURO 2012 and the London 2012 Olympics," commented Herbert Hainer, adidas Group CEO. "We have worked hard to keep inventories at industry-low levels. With the backdrop of clean markets, you will see us push forward with a whole host of new innovative product and brand experiences that will continue to excite consumers and customers around the world."

Group sales increase driven by double-digit sales growth in all segments
In the first quarter of 2012, currency-neutral **Wholesale** revenues increased 10% due to double-digit sales growth at adidas. Currency-neutral **Retail** sales increased 16% versus the prior year, driven by 9% comparable store sales growth. Revenues in **Other Businesses** were up 32% on a currency-neutral basis, driven by strong double-digit sales increases at TaylorMade-adidas Golf and Reebok-CCM Hockey.

Currency translation effects had a positive impact on segmental sales in euro terms. **Wholesale** revenues increased 13% to € 2.614 billion from € 2.320 billion in 2011. **Retail** sales rose 20% to € 693 million versus € 577 million in the prior year. Sales in **Other Businesses** grew 37% to € 517 million (2011: € 376 million).

	First quarter 2012	First quarter 2011	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Wholesale	**2,614**	2,320	13	10
Retail	**693**	577	20	16
Other Businesses	**517**	376	37	32
Total[1]	**3,824**	**3,273**	**17**	**14**

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

Currency-neutral sales increase in all regions
In the first quarter of 2012, currency-neutral adidas Group sales grew in all regions. Revenues in **Western Europe** increased 7% on a currency-neutral basis, primarily as a result of sales growth in the UK, Italy, Poland, Spain and Germany. In **European Emerging Markets**, Group sales increased 15% on a currency-neutral basis due to double-digit growth in most of the region's markets. Sales for the adidas Group in **North America** grew 11% on a currency-neutral basis due to strong increases in the USA. Sales in **Greater China** increased 26% on a currency-neutral basis. Currency-neutral revenues in **Other Asian Markets** grew 26%, driven by strong double-digit increases in Japan and South Korea. In **Latin America**, sales grew 14% on a currency-neutral basis, with double-digit increases in most of the region's major markets. In most regions, currency translation effects had a positive impact on sales in euro terms.

	First quarter 2012	First quarter 2011	Change y-o-y in euro terms	Change y-o-y currency-neutral
	€ in millions	€ in millions	in %	in %
Western Europe	**1,174**	1,094	7	7
European Emerging Markets	**430**	370	16	15
North America	**869**	751	16	11
Greater China	**385**	284	36	26
Other Asian Markets	**594**	446	33	26
Latin America	**372**	328	14	14
Total[1]	**3,824**	**3,273**	**17**	**14**

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

Group gross margin decreases 0.7 percentage points
The gross margin of the adidas Group decreased 0.7 percentage points to 47.7% in the first quarter of 2012 (2011: 48.5%). The increase in input costs more than offset the positive impact from a more favourable product and regional sales mix as well as a larger share of higher-margin Retail sales. Gross profit for the adidas Group grew 15% to € 1.826 billion versus € 1.587 billion in the prior year.

Operating margin improves 1.1 percentage points

Group operating profit increased 30% to € 409 million in the first quarter of 2012 versus € 313 million in 2011. As a percentage of sales, the operating margin of the adidas Group was up 1.1 percentage points to 10.7% (2011: 9.6%). This 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. Higher royalty and commission income as well as higher other operating income also contributed to this development. Other operating expenses as a percentage of sales decreased 1.6 percentage points to 38.4% from 40.0% in 2011. In euro terms, other operating expenses increased 12% to € 1.467 billion (2011: € 1.309 billion), 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 expenditures amounted to € 426 million, which represents an increase of 2% versus the prior year level (2011: € 417 million).

Financial income grows 78%

Financial income increased 78% to € 8 million in the first quarter of 2012 from € 5 million in the prior year, mainly due to an increase in interest income.

Financial expenses decrease 16%

Financial expenses decreased 16% to € 28 million in the first quarter of 2012 (2011: € 33 million). The decrease in negative exchange rate effects contributed to the decline.

Income before taxes as a percentage of sales increases 1.5 percentage points

Income before taxes (IBT) for the adidas Group increased 36% to € 389 million from € 285 million in 2011. IBT as a percentage of sales improved 1.5 percentage points to 10.2% in the first quarter of 2012 from 8.7% in 2011. This was a result of the Group's operating margin increase and lower net financial expenses.

Net income attributable to shareholders up 38%

The Group's net income attributable to shareholders increased to € 289 million in the first quarter of 2012 from € 209 million in 2011. This represents an increase of 38% versus the prior year level. Higher IBT was the primary reason for this development. The Group's tax rate decreased 1.0 percentage points to 25.5% (2011: 26.5%), mainly due to a more favourable earnings mix.

Basic and diluted earnings per share reach € 1.38

In the first quarter of 2012, basic and diluted earnings per share amounted to € 1.38 (2011: € 1.00), representing an increase of 38%. The weighted average number of shares used in the calculation of both basic and diluted earnings per share was 209,216,186 (2011 average: 209,216,186) as there were no potential dilutive shares in the quarter.

Group inventories up 13% currency-neutral

Group inventories increased 17% to € 2.375 billion at the end of March 2012 versus € 2.033 billion in 2011. On a currency-neutral basis, inventories grew 13%, reflecting input cost increases as well as expectations for continued growth in the coming quarters.

Accounts receivable increase 8% currency-neutral

At the end of March 2012, Group receivables increased 10% to € 2.366 billion (2011: € 2.155 billion) as a result of the Group sales growth. On a currency-neutral basis, receivables were up 8%. This growth is lower than the 13% currency-neutral wholesale-related sales increase in the first quarter of 2012 and mirrors strict discipline in the Group's trade terms management and concerted collection efforts.

Net borrowings decrease € 274 million

Net borrowings at March 31, 2012 amounted to € 640 million, which represents a decrease of € 274 million, or 30%, versus € 914 million at the end of March 2011. The decrease was driven by the strong operating cash flow development over the past 12 months. Currency translation had a positive effect in an amount of € 71 million. The Group's ratio of net borrowings over 12-month rolling EBITDA decreased to 0.5 at the end of March 2012 versus 0.8 in the prior year.

adidas Group increases guidance for the full year 2012

The exceptional start to 2012 has set the adidas Group up for another strong year of financial performance. Management now forecasts **adidas Group** sales to increase at a rate approaching 10% on a currency-neutral basis in 2012 (previously: mid- to high-single-digit rate). Despite the high degree of uncertainty regarding the global economic outlook and consumer spending, Group sales development will be favourably impacted by its 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. Currency-neutral **Wholesale** segment revenues are now projected to increase at a mid- to high-single-digit rate compared to the prior year (previously: mid-single-digit rate). adidas Group currency-neutral **Retail** segment sales are projected to grow at a low-teens rate in 2012. Expansion of the Group's own-retail store base and comparable store sales are expected to contribute at a similar rate to the revenue growth. Revenues of **Other Businesses** are now expected to increase at a low-teens rate (previously: low- to mid-single-digit rate) on a currency-neutral basis.

In 2012, the adidas Group gross margin is forecasted to be around 47.5% (2011: 47.5%). While gross margin in the Retail segment as well as Other

Businesses is expected to improve, gross margin in the Wholesale segment is forecasted to decline. 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. 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.

The adidas Group's other operating expenses as a percentage of sales are expected to decrease modestly (2011: 41.4%), despite negative one-time charges of up to € 70 million related to the potential restructuring and changes to commercial activities in India. Sales and marketing working budget expenses as a percentage of sales are projected to be at a similar level compared 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 men's and women's 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 expected 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.

As a result, net income attributable to shareholders is now projected to increase at a rate of 12% to 17% to a level between € 750 million and € 785 million. This equates to basic earnings per share between € 3.58 and € 3.75 (previously: increase at a rate of 10% to 15% to a level between € 3.52 and € 3.68; 2011: € 3.20). Top-line improvement and an increased operating margin will be the primary drivers of this positive development. In addition, the Group expects lower interest rate expenses in 2012 as a result of a lower average level of gross borrowings. 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%).

Herbert Hainer stated: "We have set ourselves ambitious, yet realistic growth and profit targets with our strategic business plan Route 2015. We are making great progress as we implement this plan which will secure long-term quality growth and enduring success for our Group."

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Please visit our corporate website: www.adidas-Group.com adidas GROUP

adidas AG Consolidated Income Statement (IFRS)

€ in millions	First Quarter 2012	First Quarter 2011	Change
Net sales	3,824	3,273	*16.8* %
Cost of sales	1,998	1,686	*18.5* %
Gross profit	**1,826**	**1,587**	*15.0* %
(% of net sales)	47.7%	48.5%	*(0.7)* pp
Royalty and commission income	25	18	*34.0* %
Other operating income	25	17	*43.7* %
Other operating expenses	1,467	1,309	*12.0* %
(% of net sales)	38.4%	40.0%	*(1.6)* pp
Operating profit	**409**	**313**	*30.4* %
(% of net sales)	10.7%	9.6%	*1.1* pp
Financial income	8	5	*78.1* %
Financial expenses	28	33	*(15.5)* %
Income before taxes	**389**	**285**	*36.5* %
(% of net sales)	10.2%	8.7%	*1.5* pp
Income taxes	99	76	*31.2* %
(% of income before taxes)	25.5%	26.5%	*(1.0)* pp
Net income	**290**	**209**	*38.3* %
(% of net sales)	7.6%	6.4%	*1.2* pp
Net income attributable to shareholders	**289**	**209**	*38.3* %
(% of net sales)	7.6%	6.4%	*1.2* pp
Net income attributable to non-controlling interests	**1**	**0**	*60.6* %
Basic earnings per share (in €)	**1.38**	**1.00**	*38.3* %
Diluted earnings per share (in €)	**1.38**	**1.00**	*38.3* %

Net Sales

€ in millions	First Quarter 2012	First Quarter 2011	Change	Change (currency-neutral)
Wholesale	2,614	2,320	*12.7* %	*10.4* %
Retail	693	577	*20.0* %	*16.3* %
Other Businesses	517	376	*37.1* %	*32.0* %
Western Europe	1,174	1,094	*7.3* %	*6.9* %
European Emerging Markets	430	370	*16.0* %	*14.6* %
North America	869	751	*15.8* %	*11.3* %
Greater China	385	284	*35.6* %	*25.8* %
Other Asian Markets	594	446	*33.1* %	*26.5* %
Latin America	372	328	*13.6* %	*14.3* %
adidas	2,888	2,439	*18.4* %	*15.6* %
Reebok	451	477	*(5.4)* %	*(7.2)* %
TaylorMade-adidas Golf	387	281	*37.6* %	*32.0* %
Rockport	60	54	*11.2* %	*7.1* %
Reebok-CCM Hockey	38	22	*73.2* %	*68.8* %

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Statement of Financial Position (IFRS)

€ in millions	March 31 2012	March 31 2011	Change in %	Dec. 31 2011
Cash and cash equivalents	599	408	46.8	906
Short-term financial assets	440	220	100.2	465
Accounts receivable	2,366	2,155	9.8	1,707
Other current financial assets	198	170	16.5	304
Inventories	2,375	2,033	16.8	2,482
Income tax receivables	85	52	63.8	77
Other current assets	518	418	23.9	469
Assets classified as held for sale	25	30	(17.6)	25
Total current assets	**6,606**	**5,486**	**20.4**	**6,435**
Property, plant and equipment	957	824	16.1	963
Goodwill	1,553	1,491	4.2	1,580
Trademarks	1,456	1,361	7.0	1,503
Other intangible assets	155	134	16.0	160
Long-term financial assets	100	94	5.9	97
Other non-current financial assets	27	31	(13.1)	42
Deferred tax assets	487	505	(3.7)	493
Other non-current assets	112	111	1.8	107
Total non-current assets	**4,847**	**4,551**	**6.5**	**4,945**
Total assets	**11,453**	**10,037**	**14.1**	**11,380**
Short-term borrowings	480	222	116.5	289
Accounts payable	1,446	1,316	9.9	1,886
Other current financial liabilities	53	126	(58.3)	56
Income taxes	288	263	9.6	252
Other current provisions	441	418	5.3	507
Current accrued liabilities	959	805	19.1	990
Other current liabilities	344	285	20.8	301
Liabilities classified as held for sale	0	0	(27.7)	0
Total current liabilities	**4,011**	**3,435**	**16.7**	**4,281**
Long-term borrowings	1,199	1,321	(9.2)	991
Other non-current financial liabilities	15	20	(27.1)	6
Pensions and similar obligations	208	183	13.8	205
Deferred tax liabilities	393	428	(8.1)	430
Other non-current provisions	49	40	22.5	55
Non-current accrued liabilities	31	31	(1.5)	45
Other non-current liabilities	33	30	11.3	36
Total non-current liabilities	**1,928**	**2,053**	**(6.1)**	**1,768**
Share capital	209	209	-	209
Reserves	663	280	138.4	770
Retained earnings	4,637	4,053	14.4	4,348
Shareholders' equity	5,509	4,542	21.3	5,327
Non-controlling interests	5	7	(33.9)	4
Total equity	**5,514**	**4,549**	**21.2**	**5,331**
Total liabilities and equity	**11,453**	**10,037**	**14.1**	**11,380**
Additional balance sheet information				
Operating working capital	3,295	2,872	14.7	2,303
Working capital	2,595	2,050	26.6	2,154
Net total borrowings	640	914	(30.0)	(90)
Financial leverage	11.6%	20.1%	(8.5) pp	(1.7)%

Rounding differences may arise in percentages and totals.