

For immediate release

Herzogenaurach, May 6, 2014

First Quarter 2014 Results:

**Group sales stable on a currency-neutral basis
Results significantly impacted by negative currency effects
adidas Group confirms full year guidance**

- **Retail sales increase 22% currency-neutral with comparable store sales up 8%**
- **Strong momentum in European Emerging Markets and Latin America with currency-neutral revenues up 28% and 19%, respectively**
- **Currency-neutral adidas and Reebok sales grow 5% and 3%, respectively**
- **Gross margin down 1.0pp to 49.1% due to negative currency effects**
- **Operating margin decreases 3.2pp to 8.6%**
- **Basic and diluted earnings per share decrease 34% and 35%, respectively**

adidas Group currency-neutral sales remain stable in the first quarter of 2014

In the first quarter of 2014, Group revenues remained stable on a currency-neutral basis. Currency translation effects had a significant negative impact on sales in euro terms. Group revenues decreased 6% to € 3.533 billion in the first quarter of 2014 from € 3.751 billion in 2013. Currency-neutral **Wholesale** revenues increased 1% due to growth at adidas. Currency-neutral **Retail** sales increased 22% versus the prior year, as a result of double-digit sales growth at both adidas and Reebok. Revenues in **Other Businesses** were down 27% on a currency-neutral basis, due to double-digit sales declines at TaylorMade-adidas Golf. This decline is primarily related to strategic changes the Group is implementing at TaylorMade-adidas Golf to realign key shipment, product and launch cycles to market demand patterns. Currency-neutral revenues at Rockport also decreased, while sales at Reebok-CCM Hockey grew versus the prior year. Currency translation effects had a negative impact on segmental sales in euro terms. **Wholesale** revenues decreased 5% to € 2.357 billion in the first quarter of 2014 from € 2.481 billion in 2013. **Retail** sales rose 10% to € 794 million versus € 722 million in the prior year. Sales in **Other Businesses** declined 30% to € 382 million (2013: € 548 million).

“Our financial results for the first quarter reflect the challenging start to 2014 which we had expected,” commented Herbert Hainer, adidas Group CEO. “Strong performances particularly in the emerging markets and in our own retail were masked by strategic changes to how we go to market at TaylorMade-adidas Golf as well as adverse currency effects. Looking in depth through our results, however, there are many positive underlying trends. Therefore, we can look forward to an accelerated period of growth and momentum for our Group for the remainder of 2014.”

	First quarter 2014	First quarter 2013	Change y-o-y in euro terms	Change y-o-y currency- neutral
	€ in millions	€ in millions	in %	in %
Wholesale	2,357	2,481	(5)	1
Retail	794	722	10	22
Other Businesses	382	548	(30)	(27)
Total¹⁾	3,533	3,751	(6)	0

First quarter net sales development by segment

1) Rounding differences may arise in totals.

Currency-neutral sales increase in nearly all regions

In the first quarter of 2014, currency-neutral adidas Group sales grew in all regions except North America. Revenues in **Western Europe** remained stable on a currency-neutral basis, as double-digit increases in Germany and Poland were offset by sales declines in Italy and the UK. In **European Emerging Markets**, Group sales were up 28% on a currency-neutral basis, with double-digit sales increases in nearly all markets. Currency-neutral sales for the adidas Group in **North America** decreased 20%, mainly due to double-digit sales declines in the USA. Sales in **Greater China** increased 5% on a currency-neutral basis. Currency-neutral revenues in **Other Asian Markets** remained stable, as sales increases in India and South Korea were offset by declines in Japan and Australia. In **Latin America**, sales grew 19% on a currency-neutral basis, with double-digit increases in nearly all markets, in particular Argentina, Brazil, Mexico and Colombia. Currency translation effects had a negative impact on regional sales in euro terms.

	First quarter 2014	First quarter 2013	Change y-o-y in euro terms	Change y-o-y currency- neutral
	€ in millions	€ in millions	in %	in %
Western Europe	1,098	1,096	0	0
European Emerging Markets	477	433	10	28
North America	680	890	(24)	(20)
Greater China	419	409	2	5
Other Asian Markets	482	533	(10)	0
Latin America	377	390	(3)	19
Total¹⁾	3,533	3,751	(6)	0

First quarter net sales development by region

1) Rounding differences may arise in totals.

Group gross margin declines 1.0 percentage points

The gross margin of the adidas Group decreased 1.0 percentage points to 49.1% in the first quarter of 2014 (2013: 50.1%). This development was mainly due to less favourable hedging rates, lower margins at TaylorMade-adidas Golf resulting from strategic changes in the product and launch cycles, negative effects resulting from foreign currency devaluation as well as higher input costs. Currency devaluation effects were mainly related to Russia/CIS, where sales and gross profit were negatively impacted by the significant devaluation of the Russian rouble against the euro and the US dollar. Gross profit for the adidas Group decreased 8% in the first quarter of 2014 to € 1.736 billion versus € 1.881 billion in the prior year

Operating margin decreases to 8.6%

Group operating profit declined 31% to € 303 million in the first quarter of 2014 versus € 442 million in 2013. The operating margin of the adidas Group decreased 3.2 percentage points to 8.6% (2013: 11.8%). The majority of the decline in operating profit is related to a lower contribution from TaylorMade-adidas Golf as well as the adverse impacts from negative currency movements. These items amounted to around € 80 million and € 50 million, respectively. In euro terms, other operating expenses increased 2% to € 1.507 billion (2013: € 1.482 billion), as a result of higher expenditure related to the expansion of the Group's own-retail activities as well as an increase in sales working budget expenditure. Thereof, sales and marketing working budget

expenditure amounted to € 444 million, which represents an increase of 2% versus the prior year level (2013: € 437 million).

Financial income up 47%

Financial income rose 47% to € 7 million in the first quarter of 2014 from € 4 million in the prior year, mainly due to an increase in interest income.

Financial expenses increase 4%

Financial expenses increased 4% to € 20 million in the first quarter of 2014 (2013: € 19 million). Negative exchange rate variances were the main contributor to the increase.

Income before taxes declines 32%

In the first quarter of 2014, income before taxes (IBT) for the adidas Group decreased 32% to € 290 million from € 427 million in 2013. IBT as a percentage of sales declined 3.2 percentage points to 8.2% in the first quarter of 2014 (2013: 11.4%), as a result of the Group's lower operating margin.

Net income attributable to shareholders down 34%

The Group's net income attributable to shareholders decreased to € 204 million in the first quarter of 2014 from € 308 million in 2013. This represents a decline of 34% versus the prior year level. The Group's tax rate increased 1.4 percentage points to 28.9% in the first quarter of 2014 (2013: 27.5%), mainly due to a less favourable earnings mix.

Basic and diluted earnings per share decrease 34% and 35%, respectively

In the first quarter of 2014, basic earnings per share decreased 34% to € 0.98 versus € 1.47 in the prior year. The weighted average number of shares used in the calculation of basic earnings per share was 209,216,186 (2013 average: 209,216,186). Diluted earnings per share decreased 35% to € 0.96 from € 1.47 in the prior year. The weighted average number of shares used in the calculation of diluted earnings per share was 215,233,140 (2013 average: 209,216,186). The dilutive effect results from additional potential shares that could be created in relation to the Group's outstanding convertible bond.

Group inventories increase 18% currency-neutral

Group inventories increased 7% to € 2.505 billion at the end of March 2014 versus € 2.346 billion in 2013. On a currency-neutral basis, inventories were up 18%, as a result of the Group's expectations for growth in the coming quarters as well as higher inventories in Russia/CIS.

Accounts receivable up 2% currency-neutral

Group receivables decreased 7% to € 2.176 billion at the end of March 2014 (2013: € 2.328 billion). On a currency-neutral basis, receivables were up 2%.

Net borrowings increase € 74 million

Net borrowings at March 31, 2014 amounted to € 254 million, compared to net borrowings of € 180 million in 2013, representing an increase of € 74 million. This increase is mainly a result of higher capital expenditure during the first quarter of 2014. In addition, currency translation had a negative effect of € 12 million. The Group's ratio of net borrowings over EBITDA amounted to 0.2 at the end of March 2014 (2013: 0.1).

adidas Group confirms guidance for the full year 2014

adidas Group sales are forecasted to increase at a high-single-digit rate on a currency-neutral basis in 2014. In particular, this year's major sporting events will provide positive stimulus to Group sales. As the Official Partner of the 2014 FIFA World Cup™ in Brazil, the adidas brand will be the most visible brand during the event and will benefit from record sales in the football category. Group sales development will also be favourably impacted by the Group's high exposure to fast-growing emerging markets as well as the further expansion of Retail. Currency translation is expected to have a significant negative impact on the Group's top-line development in euro terms.

In 2014, the adidas Group gross margin is forecasted to increase to a level between 49.5% and 49.8% (2013: 49.3%). Improvements are expected in most segments. Group gross margin will benefit from a positive pricing, product and regional sales mix, as growth rates in high-margin emerging markets are projected to be above growth rates in more mature markets. In addition, the Reebok brand will positively influence Group gross margin development. However, these positive effects will be partly offset by less favourable hedging terms compared to the prior year, negative exchange rate variances

in emerging markets such as Russia and Argentina, as well as increasing labour costs in our cost of sales.

In 2014, the Group's other operating expenses as a percentage of sales are expected to be around the prior year level (2013: 42.3%). Sales and marketing working budget expenses as a percentage of sales are projected to increase modestly compared to the prior year. Marketing investments will be centred on major sporting events such as the 2014 FIFA World Cup™ and highly innovative product launches, particularly in the running category. Further, the Group will support Reebok's growth strategy in key fitness categories, leveraging partnership assets such as CrossFit, Spartan Race and Les Mills. Operating overhead expenditure as a percentage of sales is forecasted to decrease modestly in 2014. Higher expenses in the Retail segment due to the planned expansion of the Group's store base will be offset by leverage in other areas.

In 2014, the operating margin for the adidas Group is forecasted to be at a level between 8.5% and 9.0% (2013 excluding goodwill impairment losses: 8.7%). The Group tax rate is expected to be at a level of around 28.5% and thus more favourable compared to the 2013 tax rate excluding goodwill impairment losses of 29.0%. As a result of these developments, net income attributable to shareholders is expected to be at a level between € 830 million and € 930 million compared to the 2013 net income attributable to shareholders, excluding goodwill impairment losses, of € 839 million. This represents basic earnings per share of between € 3.97 and € 4.45.

Herbert Hainer stated: "While we still have to be wary of currencies and their effects on our financials, I expect a strong second quarter to point the way forward to a sustained period of growth and momentum for our Group. Later this month, we will unleash our largest football offensive ever ahead of the 2014 FIFA World Cup™. The energy and intensity of our campaign and product concepts will be a clear statement and sign of things to come from our Group as we drive towards the realisation of our strategic goals and our 2014 financial guidance."

Contacts:

Media Relations

Jan Runau
Chief Corporate Communication Officer
Tel.: +49 (0) 9132 84-3830

Katja Schreiber
Director Corporate Communication
Tel.: +49 (0) 9132 84-3810

Lars Mangels
Corporate Communication Manager
Tel.: +49 (0) 9132 84-2680

Investor Relations

John-Paul O'Meara
Vice President Investor Relations
Tel.: +49 (0) 9132 84-2751

Christian Stoehr
Senior Investor Relations Manager
Tel.: +49 (0) 9132 84-4989

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

adidas AG Consolidated Income Statement (IFRS)

€ in millions	First Quarter 2014	First Quarter 2013	Change
Net sales	3,533	3,751	(5.8) %
Cost of sales	1,797	1,870	(3.9) %
Gross profit	1,736	1,881	(7.7) %
<i>(% of net sales)</i>	49.1%	50.1%	(1.0) pp
Royalty and commission income	24	25	(1.8) %
Other operating income	50	18	177.2 %
Other operating expenses	1,507	1,482	1.7 %
<i>(% of net sales)</i>	42.7%	39.5%	3.1 pp
Operating profit	303	442	(31.4) %
<i>(% of net sales)</i>	8.6%	11.8%	(3.2) pp
Financial income	7	4	46.8 %
Financial expenses	20	19	4.2 %
Income before taxes	290	427	(32.2) %
<i>(% of net sales)</i>	8.2%	11.4%	(3.2) pp
Income taxes	84	118	(28.6) %
<i>(% of income before taxes)</i>	28.9%	27.5%	1.4 pp
Net income	206	309	(33.5) %
<i>(% of net sales)</i>	5.8%	8.3%	(2.4) pp
Net income attributable to shareholders	204	308	(33.8) %
<i>(% of net sales)</i>	5.8%	8.2%	(2.4) pp
Net income attributable to non-controlling interests	2	1	30.2 %
Basic earnings per share (in €)	0.98	1.47	(33.8) %
Diluted earnings per share (in €)	0.96	1.47	(34.9) %

Net Sales

€ in millions	First Quarter 2014	First Quarter 2013	Change	Change (currency-neutral)
Wholesale	2,357	2,481	(5.0) %	0.6 %
Retail	794	722	10.0 %	21.6 %
Other Businesses	382	548	(30.2) %	(26.7) %
Western Europe	1,098	1,096	0.2 %	0.3 %
European Emerging Markets	477	433	9.9 %	27.5 %
North America	680	890	(23.5) %	(19.9) %
Greater China	419	409	2.4 %	4.7 %
Other Asian Markets	482	533	(9.6) %	0.3 %
Latin America	377	389	(3.1) %	18.5 %
adidas	2,826	2,858	(1.1) %	5.4 %
Reebok	358	378	(5.3) %	3.0 %
TaylorMade-adidas Golf	264	423	(37.7) %	(34.5) %
Rockport	53	61	(12.1) %	(6.9) %
Reebok-CCM Hockey	32	31	5.1 %	12.7 %

Rounding differences may arise in percentages and totals.

adidas AG Consolidated Statement of Financial Position (IFRS)

€ in millions	31 March 2014	31 March 2013	Change in %	31 December 2013
Cash and cash equivalents	1,198	1,021	17.3	1,587
Short-term financial assets	5	84	(94.2)	41
Accounts receivable	2,176	2,328	(6.5)	1,809
Other current financial assets	159	233	(31.6)	183
Inventories	2,505	2,346	6.8	2,634
Income tax receivables	87	99	(12.1)	86
Other current assets	516	574	(10.0)	506
Assets classified as held for sale	11	11	1.0	11
Total current assets	6,658	6,696	(0.6)	6,857
Property, plant and equipment	1,313	1,092	20.3	1,238
Goodwill	1,203	1,301	(7.5)	1,204
Trademarks	1,419	1,529	(7.2)	1,419
Other intangible assets	156	161	(3.1)	164
Long-term financial assets	125	115	8.9	120
Other non-current financial assets	29	25	18.0	30
Deferred tax assets	507	535	(5.1)	486
Other non-current assets	77	107	(28.2)	81
Total non-current assets	4,831	4,865	(0.7)	4,742
Total assets	11,488	11,561	(0.6)	11,599
Short-term borrowings	801	69	1,066.4	681
Accounts payable	1,401	1,351	3.8	1,825
Other current financial liabilities	114	54	113.5	113
Income taxes	293	316	(7.2)	240
Other current provisions	440	513	(14.2)	450
Current accrued liabilities	1,105	1,135	(2.6)	1,147
Other current liabilities	347	386	(10.3)	276
Total current liabilities	4,503	3,824	17.8	4,732
Long-term borrowings	655	1,216	(46.1)	653
Other non-current financial liabilities	15	14	5.9	22
Pensions and similar obligations	259	256	1.3	255
Deferred tax liabilities	351	398	(11.8)	338
Other non-current provisions	17	59	(71.1)	25
Non-current accrued liabilities	56	36	55.1	64
Other non-current liabilities	28	28	2.0	29
Total non-current liabilities	1,382	2,007	(31.1)	1,386
Share capital	209	209	-	209
Reserves	239	772	(69.0)	321
Retained earnings	5,162	4,762	8.4	4,959
Shareholders' equity	5,610	5,743	(2.3)	5,489
Non-controlling interests	(7)	(13)	47.3	(8)
Total equity	5,603	5,730	(2.2)	5,481
Total liabilities and equity	11,488	11,561	(0.6)	11,599
Additional balance sheet information				
Operating working capital	3,280	3,324	(1.3)	2,618
Working capital	2,155	2,872	(25.0)	2,125
Net total borrowings	254	180	41.3	(295)
Financial leverage	4.5%	3.1%	1.4 pp	(5.4)%

Rounding differences may arise in percentages and totals.