adidas GROUP

– THE SPOKEN WORD SHALL PREVAIL –

Annual General Meeting

May 8th, 2014

Herbert Hainer, CEO of adidas AG

Dear shareholders,
ladies and gentlemen,
dear friends of adidas AG,

On behalf of my colleagues on the Executive Board, I would like to welcome you all to our 2014 Annual General Meeting at the City Hall in Fürth. I also welcome everyone following our AGM online via our live webcast. I am delighted that you are showing such great interest in the development of the adidas Group.

Agenda

In my report today, I would like to cover the following topics:

- Our business development in 2013.
- Our outlook for the current year.
- A look at our Route 2015 strategy.
- And finally: the most recent changes on our Executive Board.

Let's start with how our business developed last year. Please note that all growth rates I mention are on a currency-neutral basis, unless I specifically state otherwise. These are the growth metrics that reflect our actual performance in the various markets and categories.

Business development in 2013

2013 was a good year for the adidas Group. But it was not an outstanding year. We achieved growth in sales and earnings, as well as a record gross margin. But we did not reach the ambitious targets we had set ourselves. For my management team, and for me personally, this obviously was not and is not satisfactory.

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In September, we informed you in detail about the reasons why we had to adjust our guidance for the full year. Just to remind you, the reasons were threefold:

- Firstly, distribution constraints in Russia following the go-live of our new distribution centre.
- Secondly, a stalling global golf market.
- And thirdly, negative currency developments.

But in the end, the devaluation of major currencies versus the euro over the year was the decisive factor. This turned out to be too significant in magnitude to cover operationally. The Russian rouble, Japanese yen, Argentine peso, Brazilian real, Turkish lira, Australian dollar and Canadian dollar all lost significantly in value against the euro in 2013, just to mention a few. Accumulated for the twelve months, currencies alone wiped out more than € 750 million from our top-line result. Unfortunately, the negative effects are continuing this year, so I will have to come back to this topic at various points in my speech today.

Financial results 2013

Let us now take a look together at the key developments of the year from a financial perspective:

- adidas Group sales were up 3% on a currency-neutral basis. In euro terms, however, sales declined 3% to € 14.5 billion.
- Gross margin increased 1.5 percentage points to 49.3%. This is a new record level.
- Operating margin excluding goodwill impairment losses increased 70 basis points to 8.7%.
- Net income attributable to shareholders excluding goodwill impairment losses rose 6% to € 839 million. This, too, is a new record level.
- The equity ratio expanded 1.8 percentage points to 47.3%.
- Net cash at year-end amounted to € 295 million.

As you can see, ladies and gentlemen, the adidas Group is in very good financial shape. We are a profitable, debt-free company.

Dividend proposal: € 1.50 per share

Our healthy balance sheet allows us to further increase the dividend. For 2013, we are proposing to this Annual General Meeting a dividend of € 1.50 per share. This is an improvement of 11% compared to 2012, when we paid a dividend of € 1.35. This represents an increase in the payout ratio to 37.4%, at the upper end of our target corridor which extends to 40%. Our proposal concerning the appropriation of retained earnings means that of the adidas AG retained earnings, which amounted to € 424,075,538.71 at year-end 2013, a total of € 313,824,279.00 will be paid out in dividends to our shareholders, and the remaining amount of € 110,251,259.71 will be carried forward to new account.

When looking at our performance last year, we definitely shouldn't ignore our many operational successes. In my opinion, these clearly outweigh the negatives, as they derive from key wins in strategically important categories and growth markets.

Let me share with you a few examples:

2013 – Year of Running

We called out 2013 as the year of running, and it was exactly that. adidas brand sales in the running category grew an impressive 17%. In particular, our innovative Boost technology has met with an extremely positive response.

Football grows in 2013

In the football category, sales were up 4%, even though 2013 was a so-called bridge year between big football events.

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adidas NEO wins teenagers

With our youngest label, adidas NEO, we continued to win many teenage consumers. adidas NEO sales increased 14% in 2013, with the label now generating almost € 700 million in sales. When you consider that adidas NEO has only been on the market since 2009, that is impressive by any standards.

Reebok back on growth track

As promised, we returned to growth with the Reebok brand in 2013, with sales increasing 2%, or 4% on a comparable basis excluding the NFL sales in the prior year. Add to that the increase in gross margin of 4 percentage points to 39.7%. This is a tremendous improvement, which shows that our consumers are buying higher-price Reebok products. This means we are now in touching distance of our long-term goal to lift the brand's gross margin above 40%.

TaylorMade-adidas Golf remains number one in golf

Finally: TaylorMade-adidas Golf is and will remain the undisputed number one in golf. While it was a tough year overall, TaylorMade continues to dominate the metalwoods market. In irons, we were able to extend our market share lead across the globe, and we also gained significant market share in footwear.

Sales by region 2013

From a regional perspective, we again led from the front in key emerging markets. In Latin America, sales grew 19% in 2013. Sales in Greater China were up 7%.

In Latin America, this growth was of course fuelled by the rising anticipation ahead of the 2014 FIFA World Cup™ in Brazil. But it also reflects our continuous investments and improvements in this vibrant part of the world.

adidas takes market share in China

In China, we are leading the way, holding both our major competitor and local brands at bay. Sales in Greater China increased to over € 1.6 billion. Our management team there continues to execute with excellence, blending the appeal and attractiveness of adidas with its understanding of the Chinese consumer. All market research confirms that adidas is one of the hottest brands in China right now, with a fantastic brand footprint, present in over 7,600 stores in more than 1,000 cities.

Sales by region 2013

In our other regions, the Group's development in 2013 was mixed.

In the European Emerging Markets, which includes the key Russian market, sales were up 4% compared to the prior year. In Other Asian Markets outside China, sales increased 5%.

In Western Europe, we saw a sales decline of 6%. On the one hand, this was due to the headwinds from high prior year comparisons related to the major sporting events of 2012 – the European Football Championships and the Olympic Games in London. On the other hand, we also faced intensified competition in Europe.

Challenges in North America

In North America, the adidas brand in particular developed below our expectations, as some lifestyle trends moved against us, and we suffered from lower than expected growth in basketball due to the injury of our star athlete Derrick Rose.

But we have worked hard on our product offerings, in particular for the two last-mentioned regions. Therefore I am confident that we will regain momentum, particularly in the second half of 2014. We have also introduced a number of organisational initiatives to help us become faster and better in these regions. In order to continue to lead the game on our home turf, we have implemented one aligned strategy and a new market structure for Western Europe. In North America, we have united adidas and Reebok under one management team to maximise the

potential of both brands in that region. In addition, with Mark King we will have an outstanding leader at the helm of our North America business. Mark King has been responsible for our golf segment since 1999. He is the architect of TaylorMade's rise to the number one position in the global golf market.

Global leader in the sporting goods industry

The adidas Group has a clear mission: We strive to be the global leader in the sporting goods industry. And for us, ladies and gentlemen, being the leader doesn't necessarily mean being the biggest. As I have said in many interviews, and I am happy to repeat here today: It is not size alone that matters. If that were the case, dinosaurs would still continue to roam the earth, and ants would be extinct. As we all know, it is exactly the other way around.

For us, being the leader means being the best in everything we do. We need to bring the best innovations to market. We want to offer our consumers a first-class service. We intend to foster the closest and deepest relationship with our retail partners.

Being the leader also means providing our top athletes with the best possible products to help them perform at their best. It means being an attractive employer and, last but not least, it means taking care of our planet.

I am proud that the adidas Group has reached the top of our industry in many of these areas already.

adidas Group leader in sustainability

In 2013, for example we won the RobecoSAM Sustainability Award. We were included in the Dow Jones Indexes for the 14th time in a row and named sector leader for the tenth time. At the World Economic Forum in Davos in January this year, it was announced that adidas AG ranks among the 'Global 100 Most Sustainable Corporations in the World'. And that's not all: We even made it into the Top Ten for the first time, heading the list of all DAX-30 companies included in

the ranking. These are great awards. Prestigious organisations confirm that we are leaders in sustainability.

We are very pleased about this, but we are equally proud of the many internal sustainability projects through which we ensure that our products are manufactured in the most environmentally friendly way possible.

Growing importance of sustainable products

With the innovative dyeing technology DryDye, we save 50 million litres of water a year. By switching to virtual samples, we now have one million fewer physical samples per year. That saves material as well as transportation and warehousing costs. And, in 2013, all of our newly developed sports footwear contained sustainable elements.

adidas Group awarded as attractive employer

We also lead the way as an employer in national and international rankings. The adidas Group is among the world's 50 most attractive employers. In 2013, we were voted the most popular employer in China and here in Germany. Also in Germany, for the third time in a row, we received the award for outstanding work in recruiting female talent.

More than 50,000 employees worldwide

Last September, we opened our own daycare centre, the World of Kids, in Herzogenaurach, with capacity for 110 children. This way, we are helping our employees to balance work and family life. We created 4,400 new jobs worldwide in 2013, and we now employ 50,700 people altogether. More than 100 of these new jobs were created in Germany, where we now have a workforce of 5,235 employees.

One of the most international companies in Germany

Without any doubt, we are one of the most international companies in Germany. 75 different nationalities are represented at our Group headquarters. Our Executive Board is made up of two

Americans, one New Zealander and two German citizens. As a global company, we will continue to recruit international talent in order to be successful worldwide. With the following video, which won the 2013 International German PR Award, we attract potential employees to Herzogenaurach. See for yourselves:

VIDEO ['Herzo-what' commercial]

Winning the global consumer

Market research in 2013 confirms that adidas is Germany's most popular brand, across all industries. In China, adidas is one of the very few international brands accepted by the Chinese consumer. And Reebok is one of the most popular brands in India.

Our list of awards, prizes and market research recognition is endless. But I believe the examples mentioned impressively underline that we are the leaders in many areas of our industry. They show

- how much consumers love our brands,
- how attractive we are as an employer
- and the great recognition we receive for our sustainability programmes.

Outlook 2014

They also show, ladies and gentlemen, what a solid foundation we have for our business going forward. We have everything we need to continue to be successful in 2014 and beyond.

adidas clear number one in football

As the Official Partner of the 2014 FIFA World Cup™ in Brazil, adidas will be the most visible brand during the event. We equip nine of the qualified teams, including four of the leading teams in the FIFA world ranking: Spain, Argentina, Colombia and, of course, Germany. Overall, we expect to achieve record sales of € 2 billion in the football category in the year of the World Cup, further strengthening our position as the number one in football.

Our World Cup products have been on the market since mid-November and are resonating extremely well with consumers. Sales of federation jerseys as well as the Official Match Ball of the tournament, Brazuca, already surpass the 2010 figures. I am looking forward to the World Cup, and I am sure that Brazil's football enthusiasm will spread to the entire world as soon as the World Cup kicks off. The following video sets the mood for this wave of excitement:

VIDEO (World Cup)

Sustainable growth in running

In running, we will continue to focus on the expansion of the successful Boost franchise, targeting to sell more than eight million pairs of Boost running shoes in 2014. Boost is a unique midsole material that we developed together with BASF, and which we are able to use exclusively. We are further underlining our innovation strength with the Springblade product concept and the miCoach Smart Run watch. We have never before been as well positioned in running, the biggest and most important sports footwear category, as we are today. For 2014, therefore, we expect double-digit sales growth in running shoes for the fourth year in a row.

Global attention for adidas Originals

In adidas Originals, the relaunch of the Stan Smith shoe and the introduction of ZX Flux are set to be major hits at retail with strong sell-throughs to date. We also recently introduced our new store concept, 'Neighbourhood', in Berlin, which we are now rolling out to more than 30 cities. Collaborations with premium retailers such as Topshop, Urban Outfitters or Farm as well as with stars such as Pharrell Williams, Rita Ora and Kanye West will also generate additional excitement for adidas Originals worldwide.

adidas NEO to open more stores

After successfully piloting adidas NEO stores in Germany in 2012 and 2013, we are extending our test phase this year by opening further NEO stores in Poland and the Czech Republic. New

stores will also open their doors in Germany. adidas NEO Label currently has the most fans in China, where our young fashion collection is already available in more than 1,000 stores. This means our long-term goal to grow NEO into a one billion euro business worldwide is not far off.

Reebok leverages partnerships

We also have good news to report about Reebok. The brand will continue to grow in 2014, as we leverage our strategic collaborations with the fast-growing fitness movement CrossFit, the obstacle racing series Spartan Race and the world's leading provider of group fitness programmes Les Mills. These partnerships underline Reebok's clear positioning as THE fitness brand.

TaylorMade-adidas Golf sustains leadership

The golf market will remain difficult in 2014. Nevertheless, TaylorMade-adidas Golf will sustain its leadership in the golf market with game-changing products such as the SLDR driver and the adizero One golf shoe, which is the lightest golf shoe in the company's history.

Taking all these developments into account, dear shareholders, the outlook for our Group is as follows:

Further growth expected in 2014

- We expect to further grow our top and bottom line in 2014.
- We will achieve high-single-digit sales growth.
- Gross margin – already at a record level in 2013 – will further improve, driven by a more favourable pricing, product and regional sales mix.
- We also intend to improve our bottom line compared to 2013.

Nevertheless, the currency situation represents a significant risk to the achievement of our goals. We have already included this factor in our guidance for 2014. Right now, currency effects could be of a similar magnitude to what we saw in 2013 and thus again wipe out around € 750

million from our top-line result. On top of that, we will see additional gross margin pressures given the sharp weakening of currencies such as the Argentine peso and the Russian rouble since the beginning of this year. This is because these markets have open exposures against the US dollar, related to our US dollar sourcing costs, which in these markets are too expensive to hedge. We have reflected this situation in our 2014 guidance for net income attributable to shareholders. Therefore we have deliberately set a very wide range for net income in 2014, between € 830 million and € 930 million.

As you will have seen in our results for the first quarter of 2014, which we released the day before yesterday, we have had a slow start to the year:

First quarter 2014 results

- Group revenues remained stable on a currency-neutral basis. The zero sales growth is due to TaylorMade-adidas Golf where, as a result of the ongoing challenging environment in the golf market, sales declined 34%. At our core brands adidas and Reebok, sales increased 5% and 3%, respectively.
- Basic earnings per share decreased 34%.

At first sight, ladies and gentlemen, these are not great figures. But they come as no surprise. We had expected a slow start to the year. But I can assure you that the adidas Group's performance will be a lot more positive in the coming quarters. On Tuesday, therefore, we reconfirmed our guidance for the full year.

In addition, on the occasion of our quarterly results release on Tuesday, we confirmed that in recent months we have been increasingly approached by interested parties with regard to the sale of our Rockport footwear brand. This interest stems from Rockport's positive business performance. As the Group's management, it is our duty to take a closer look at such offers, in the best interests of you, our shareholders. And that is exactly what we are currently doing.

However, nothing has been decided yet. We will of course keep you informed about further developments.

But what do these results and our expectations mean for our strategic business plan, Route 2015?

Route 2015

Well, the centrepiece of this plan was and is to prepare the adidas Group for long-term growth and sustainable success. Now, just after the half-way point of our journey, it's time to reflect on what we have achieved so far and refine our focus.

The most important thing first: After three years, I am satisfied with the way we are implementing our strategies from an operational point of view.

Unfortunately, however, the macroeconomic environment has served up more challenges than we had anticipated. Rising input costs, a persistently weaker European market environment and adverse currency movements have taken their toll on us. And, to be quite frank, I must admit we have also made a few executional mistakes. As I mentioned, we had problems with our new distribution centre in Russia. We didn't respond to market trends quickly enough. And we found ourselves under pressure in Europe and North America.

However, a high-quality management team knows how to tackle challenges. And believe me, we have all the insight, character and determination to do exactly this. Excluding currencies, I am convinced that we will achieve most, if not all, of our Route 2015 operational targets. However, it might take a little longer than we originally anticipated.

But please don't misunderstand me, ladies and gentlemen:
The next two years will be successful years for the adidas Group.

- We will drive high-single-digit currency-neutral sales growth.
- In euro terms, we will grow our bottom line at a much faster rate than the top line.
- I am also confident that we will achieve our target of a double-digit compound annual growth rate for our earnings per share within the Route 2015 period. However, this is assuming that currencies do not worsen materially.

Therefore, if there is one message I would like you to take away with you from today's Annual General Meeting, ladies and gentlemen, it is this: The adidas Group, in which you have invested your money, is and will remain a healthy, profitable growth company.

adidas AG share outperforms DAX-30 in 2013

I am proud we have been able to achieve many successes together with you. Since 2010, we have generated a 14% compound annual earnings growth rate. You have shown your confidence in us and in our Group's potential, which is also clearly reflected in our strong share price development.

In 2013, our share price rose 38% and again outperformed the DAX-30, which gained 25% in the same period. With a market capitalisation of € 19.4 billion at year-end 2013, adidas AG has never been more valuable.

Looking at our performance over the past five years, our share price has increased 200%, while the DAX-30 gained only 97% in the same period. We have also clearly outperformed our main competitor.

As you all know, our share price has come under pressure since the beginning of the year, due to the continuing negative currency movements and the Crimea crisis. But with consistent implementation of our strategy, I am convinced that we will improve here again, too.

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For the love of sport

We are a high-performance company, and we want to achieve more, for ourselves and for you. We will make sure we do what is right for the long-term success of our Group. While currencies may interfere with our financial results in the short term, they will not deter our willpower to fulfil the long-term vision of the Group: to be the leading sporting goods company in the world.

We are all here for the love of sport. Sport is our passion, and it is my passion, too. Therefore, we will always work in a way that makes us proud of our results.

New members on the Executive Board

As you may have heard or read in the media, I will remain at the helm of the adidas Group for a further two years beyond my original contract, until 2017. I am very pleased about this. In this period, we will continue to drive the achievement of our Route 2015 goals. In the coming months, we will also be defining a new long-term strategy for the period up to 2020. And we will continue to pursue the generation change which has already been initiated with the Group's top management team.

I have always highlighted that our Group has a wide range of international talents and that we are committed to giving our next generation of leaders more responsibility. I am very pleased to be able to introduce two new Executive Board members here today. Roland Auschel assumed responsibility for Global Sales on a Board level last October. Eric Liedtke succeeded Erich Stamminger in March and is responsible for the Global Brands function. Both Roland Auschel and Eric Liedtke are true home-grown adidas players with many years of international management experience. Both have made a significant contribution to the positive development of adidas AG. And I am convinced that they will help us to lead our Group and its brands into the next era of desirability, success and growth. Welcome to the Board, Roland and Eric.

Thank you for your contribution to adidas Group's success

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At the same time, on behalf of the adidas Group, I would like to sincerely thank Erich Stamminger. He has done a fantastic job for adidas since 1983 and has now left our company at his own request. I would also like to thank Christian Tourres and Alexander Popov, who today retire from our Supervisory Board, for their many contributions to the success of the adidas Group over the years. Before joining the Supervisory Board, Christian Tourres also played a decisive role in the success of adidas AG as Deputy Chairman of the Executive Board.

adidas Group a profitable growth company

Ladies and gentlemen, I hope that, with this report, I have been able to show you how well the adidas Group is positioned.

- Despite external and internal challenges, we closed 2013 with record results.
- And we will continue to grow in 2014 and 2015.
- We are ready to make full use of the World Cup this year.
- And we feel fit enough to successfully complete the last stages of our Route 2015 journey.

And when I say we, I mean we.

We, that is the 50,000 adidas Group employees who dedicate themselves to this company with their love of sport day in and day out. Therefore I would like to close my report today with a sincere thank you to all our employees.

We all very much hope that you, dear shareholders, will continue to place your trust in us.

Thank you for your attention.