

TaylorMade-adidas Golf was very resilient in a tough golf market. Will you be able to continue this performance in 2009?

Looking back at the year 2008, we cannot ignore the magnitude of TaylorMade-adidas Golf's success. Sales increased 7% currency-neutral, while most of our major competitors suffered declines. TaylorMade-adidas Golf's progress proves an important point – there is always room to grow even in difficult times. During the year, we extended our market leadership in the critical metalwoods category in each of our main markets. In North America, we lead our closest competitor now by more than ten percentage points thanks to the phenomenal launch of the Burner® and Tour Burner® drivers. In 2008, we have also made solid gains in categories like balls and putters with the highly successful launch of our TP Tour ball and the Spider family of putters which have simultaneously led to a jump in gross margin in these categories.

I do believe the golf industry will be bumpy in 2009. Nevertheless, there is still plenty of opportunity to gain market and mind share. In 2009, TaylorMade will continue to leverage the terrific success of the Burner® golf club line with the launch of new Burner® irons. Our new revolutionary R9™ driver has already become the number one played driver on the European Tour in a few short weeks. With the acquisition of Ashworth, we have supplemented our existing high-tech performance-infused adidas Golf apparel with an authentic golf lifestyle brand. That makes us the undisputed market leader in golf apparel globally. I'm equally excited about the additions we have made to our already impressive list of PGA Tour Staff professionals. We have signed seventeen new players for 2009, providing the ultimate validation for our company's products. With all these great initiatives and the full support of the adidas Group, TaylorMade-adidas Golf is firmly on its way to becoming the number one golf company in the world.

Are there any particular measures you will take to deal with the current macro-economic difficulties?

Staying competitive during this difficult period is of the utmost importance. And this is a time when we must act responsibly for the good of all our stakeholders. We alone cannot remedy the failings of the financial markets nor is this our goal. But this downturn provides a reminder that in every environment – good and bad – we should be constantly challenging ourselves to find ways to make our business stronger.

With a Group our size, becoming faster, leaner and more efficient is paramount and we are always looking for ways to create new efficiencies. Therefore, we already are a step ahead of the field in this time of crisis. As I mentioned before, we have implemented a joint operating model for adidas and Reebok in Europe and Latin America. Also at brand adidas, a year ago we introduced a comprehensive programme to reduce complexity and increase efficiency in the marketing organisation. Across the Group, we have quickly taken some very decisive measures to improve our cost base such as cutting back on travel expenses and external consultants, and implementing a hiring freeze. At the beginning of this year we also reduced our workforce at Reebok and TaylorMade in the US and announced a restructuring of Reebok's operation in the UK.

But we will not cost-cut our way out of this crisis. I believe the real winners of this crisis will be the ones who remain consistent with their long-term strategies and don't get too caught up in short-termism. Our focus in 2009 will therefore be a two-way approach: Strictly reduce all types of costs that do not contribute directly to our business success, while on the other hand investing in our future success. Own retail and controlled space roll-out remain top of the list. We will invest in new long-term promotion partnerships. We will continue to invest in infrastructure projects to create future synergies. With these investments and a tight rein on costs, our position when the economic environment rebounds will be even stronger.