

ADIDAS GROUP 2008 TARGETS

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|-------------------------------|-------------------|
| Currency-neutral sales growth | high-single-digit |
| Gross margin | 47.5 to 48% |
| Operating margin | at least 9.5% |
| Net income growth | at least 15% |

ADIDAS SEGMENT 2008 TARGETS

| | |
|---|-------------------|
| Currency-neutral sales growth | high-single-digit |
| Gross margin | increase |
| Operating expenses as a percentage of sales | increase |
| Operating margin | increase |

REEBOK SEGMENT 2008 TARGETS

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|---|--------------------------|
| Currency-neutral sales growth | low- to mid-single-digit |
| Gross margin | increase |
| Operating expenses as a percentage of sales | increase |
| Operating margin | increase |

TAYLORMADE-ADIDAS GOLF SEGMENT 2008 TARGETS

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|---|------------------|
| Currency-neutral sales growth | mid-single-digit |
| Gross margin | increase |
| Operating expenses as a percentage of sales | increase |
| Operating margin | increase |

MODEST INCREASE IN OPERATING OVERHEAD COSTS EXPECTED

The adidas Group's operating overhead costs as a percentage of sales are expected to grow modestly due to increases in all brand segments, largely as a result of the expansion of own-retail activities at adidas and Reebok in fast-growing emerging markets such as Russia. This will more than offset cost synergies related to the Reebok integration into the adidas Group. Operating overhead costs as a percentage of sales at TaylorMade-adidas Golf are also expected to increase modestly due to our plans to expand TaylorMade's presence in the golf ball category. A portion of the operating overhead increases at the brands will be offset by lower costs in the HQ/Consolidation segment. These are expected to decline as a percentage of sales due to increasing cost synergies resulting from the Reebok integration.

Primarily as a result of the anticipated strong retail expansion and growth in the emerging markets, we expect the number of employees within the adidas Group to grow modestly. Accordingly, personnel expenses for the adidas Group will also increase.

The adidas Group will continue to spend around 1% of sales on research and development in 2008. Areas of particular focus include running, football, basketball and training at the adidas and Reebok brands, as well as golf hardware at TaylorMade-adidas Golf. The number of employees working in research and development throughout the Group will increase in 2008 to support our increasing number of innovation projects.

Accounting effects related to purchase price allocation following the Reebok acquisition are expected to impact Group operating expenses in a range of € 10 million to € 20 million in 2008 (2007: € 12 million).

OPERATING MARGIN TO SHOW IMPROVEMENT In 2008, we expect the operating margin for the adidas Group to increase to at least 9.5% from 9.2% in 2007 as a result of operating margin improvements in all segments. Gross margin improvements are expected to more than compensate operating overhead increases as a percentage of sales in all segments.

NET INCOME FOR THE ADIDAS GROUP TO GROW AT LEAST 15%

Net income attributable to shareholders is projected to grow by at least 15% in 2008 versus the 2007 level of € 551 million. This represents the eighth consecutive year of double-digit net income growth. Top-line improvement and an increased operating margin will be the primary drivers of this positive development. In addition, we expect slightly lower interest expenses as a result of a reduction in average debt to also have a positive impact on net income. However, this effect will be partially offset by a higher tax rate versus the prior year as a result of small changes in the earnings mix. Minority interests are expected to remain broadly unchanged in 2008.

WORKING CAPITAL MANAGEMENT TO IMPROVE BALANCE SHEET

Operating working capital management is a major focus of our efforts to improve the Group's balance sheet. [see Internal Group Management System, p. 056](#) Our goal is to further reduce operating working capital as a percentage of sales in 2008. Inventory management in particular will be an important mechanism for the realization of further improvements. Optimizing inventory levels for fast replenishment and rigorous control of inventory aging are the top priorities for our Working Capital Task Force in 2008. We also target further improvement in accounts receivable by improving collection efforts, and in accounts payable by optimizing payment terms with our suppliers.