

THE ECONOMIC CLIMATE IN NORTH AMERICA HAS DETERIORATED IN RECENT MONTHS. HOW DO YOU SEE THE ADIDAS GROUP NAVIGATING THROUGH THESE CHALLENGES IN 2008?

Yes, economic conditions in North America have become more difficult. Nonetheless, I am optimistic we will outperform most of our competitors during this period of relative economic weakness. We are a regionally diversified Group, which is one of our most significant strengths. We have been diligent in managing the adidas brand in the USA over the past few years – which has brought adidas four years of consecutive growth in the world’s largest sporting goods market. Today, we have a much broader distribution base and a significantly improved performance product and partnership portfolio in the region. Therefore, I am confident that the adidas brand will again grow in North America in 2008 – although it is likely to be at lower levels than in recent years. At Reebok, there are still a lot of challenges – and tough market conditions don’t make it any easier. But I am confident the brand has the right initiatives in place to position itself for growth in this market in 2009.

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HOW DO YOU RATE THE PERFORMANCE OF TAYLORMADE-ADIDAS GOLF IN 2007 AND WHAT PRIORITIES HAVE YOU SET FOR THIS BUSINESS GOING FORWARD?

TaylorMade-adidas Golf strives to be the best performance golf business in the world. And nothing highlights this more than our performance in metalwoods last year. Despite fierce competition and technological hype in golf’s most prestigious category, TaylorMade extended its market share lead over its closest competitor to more than ten points. And adidas Golf sales of footwear and apparel grew at double-digit rates for the fifth consecutive year. Segment like-for-like sales, excluding the effects of the Greg Norman Collection wholesale business divestiture, grew 9% on a currency-neutral basis, driven by increases in all major categories. For 2008, increasing profitability is our top priority. We believe there is no reason why TaylorMade-adidas Golf shouldn’t be delivering a double-digit operating margin in the very near future. We sold Maxfli because we now have all the know-how we need to be successful in the premium golf ball category. We are focused on growing our core golf brands: TaylorMade and adidas Golf.

AFTER A SOLID 2007, WHAT CAN WE EXPECT FROM THE GROUP IN TERMS OF FINANCIAL PERFORMANCE IN 2008?

We have worked hard to position ourselves for continued growth in 2008. I am confident our progress will accelerate versus last year and we will reach new heights on both the top and bottom line. We expect high-single-digit currency-neutral sales growth – driven by improvements at all of our brands. Gross margin will range between 47.5% and 48%. And our operating margin will expand to at least 9.5%. Through this strong operational performance, we will increase net income by at least 15%.

“In 2008, we will reach new heights on both the top and bottom line.”