

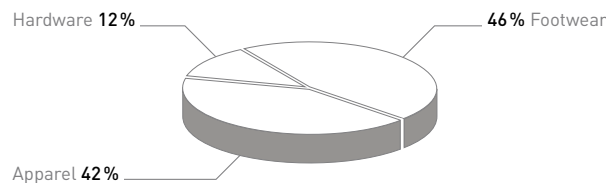
SALES INCREASE IN NEARLY ALL REGIONS adidas Group sales grew in all regions except North America in 2007. Group sales in Europe grew 7% on a currency-neutral basis as a result of strong growth in the region's emerging markets. In North America, Group sales declined 2% on a currency-neutral basis due to lower Reebok sales in the USA. Sales for the adidas Group in Asia increased 18% on a currency-neutral basis, driven by growth in China. In Latin America, sales grew 38% on a currency-neutral basis, with increases coming from all of the region's major markets.

Currency translation effects negatively impacted sales in euro terms in all regions. In euro terms, sales in Europe increased 5% to € 4.369 billion in 2007 from € 4.162 billion in 2006. Sales in North America decreased 9% to € 2.929 billion in 2007 from € 3.234 billion in the prior year. Revenues in Asia grew 12% to € 2.254 billion in 2007 from € 2.020 billion in 2006. Sales in Latin America grew 32% to € 657 million in 2007 from € 499 million in the prior year.

GROUP APPAREL SALES GROW STRONGLY From a product category perspective, Group sales growth in the year was largely driven by the apparel category. Currency-neutral footwear sales grew solidly and increased 5% during the period. Strong increases in the adidas and TaylorMade-adidas Golf segments were partly offset by declines in the Reebok segment. Apparel sales grew 11% on a currency-neutral basis. Increases in the adidas and Reebok segments were partly offset by a decrease at TaylorMade-adidas Golf. In this segment, increases in adidas Golf apparel sales were more than offset by negative impacts from the divestiture of the GNC wholesale business. Currency-neutral hardware sales were stable compared to the prior year. Increases at TaylorMade-adidas Golf were offset by declines in the adidas and Reebok segments.

Currency translation effects negatively impacted sales in all product categories in euro terms. As a result, footwear sales in euros were virtually unchanged at € 4.751 billion in 2007 (2006: € 4.733 billion). Apparel sales in euro terms grew 6% to € 4.365 billion in 2007 from € 4.105 billion in the prior year. Hardware sales in euros decreased 5% to € 1.182 billion in 2007 from € 1.246 billion in 2006.

2007 NET SALES BY PRODUCT CATEGORY



NET SALES BY PRODUCT CATEGORY

€ in millions

	Footwear	Apparel	Hardware	Total
2003	2,767	2,222	1,278	6,267
2004 ¹⁾	2,620	2,462	778	5,860
2005 ¹⁾	2,978	2,798	860	6,636
2006 ²⁾	4,733	4,105	1,246	10,084
2007	4,751	4,365	1,182	10,299

1) Figures reflect continuing operations as a result of the divestiture of the Salomon business segment.

2) Including Reebok business segment from February 1, 2006 onwards.
Including Greg Norman apparel business from February 1, 2006 to November 30, 2006.

COST OF SALES DECLINES 3% Cost of sales is defined as the amount we pay to third parties for expenses associated with producing and delivering our products. Own-production expenses at adidas and Reebok as well as assembling expenses at TaylorMade-adidas Golf are also included in the Group's cost of sales. However, these expenses represent only a very small portion of total cost of sales. In 2007, cost of sales was € 5.417 billion, representing a decrease of 3% from € 5.589 billion in 2006, despite higher sourcing volumes compared to the prior year. This improvement is the result of cost synergies from the combination of adidas and Reebok sourcing activities. The optimization of sourcing processes and efficiency gains within our supply chain more than offset increasing labor and raw material costs.