



adidas International Finance B.V.

(a limited liability company incorporated under the laws of The Netherlands,
having its corporate domicile in Amsterdam, The Netherlands)

€ 1 1 % Notes due 2014

unconditionally and irrevocably guaranteed by

adidas AG

(a stock corporation incorporated under the laws of the Federal Republic of Germany,
having its corporate domicile in Herzogenaurach, Federal Republic of Germany)

Issue Price: 1 %

adidas International Finance B.V., Amsterdam, The Netherlands (the "**Issuer**" or "**adidas Finance**") will issue on or about July 14, 2009 (the "**Issue Date**") € 1 1 % Notes due 2014 (the "**Notes**"). The Notes will be redeemed at par on July 14, 2014. The Notes will bear interest from and including July 14, 2009 to, but excluding, July 14, 2014 at a rate of 1 % per annum, payable annually in arrear on July 14 in each year, commencing on July 14, 2010.

The Notes have the benefit of an unconditional and irrevocable guarantee (the "**Guarantee**") of adidas AG (the "**Guarantor**").

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5 of the Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 (the "**Prospectus Directive**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Prospectus has been approved by the *Commission de Surveillance du Sector Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Luxembourg law relating to prospectuses (*Loi relative aux prospectus pour valeurs mobilières*), which implements Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003. The Issuer has requested the CSSF to provide the competent authority in the Federal Republic of Germany ("**Germany**"), the Republic of Austria and The Netherlands with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg law relating to prospectuses for securities (the "**Notification**").

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the E.C. pursuant to Directive 2004/39/EC of April 21, 2004 on markets in financial instruments.

The Notes are issued in bearer form with a denomination of € 1,000 each.

The Notes have been assigned the following securities codes: ISIN XS0439260398, Common Code 043926039.

The final offer price and amount, the interest rate, the issue proceeds, the commissions, the yield and the expenses of the issue will be included in the Pricing Notice (as defined in "Subscription, Sale and Offer of the Notes" below) which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or prior to the Issue Date of the Notes.

Joint Lead Managers

BNP PARIBAS

Deutsche Bank

Co-Managers

CALYON Crédit Agricole CIB

Commerzbank Corporates & Markets

DZ BANK AG

UniCredit Group (HVB)

RESPONSIBILITY STATEMENT

Each of the Issuer with its registered office in The Netherlands and the Guarantor with its registered office in Germany accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each of the Issuer and the Guarantor further confirms that (i) this Prospectus contains all information with respect to the Issuer and the Guarantor as well as to the Guarantor and its subsidiaries and affiliates taken as a whole (the "**adidas Group**", the "**Group**" or "**adidas**") and to the Notes and the Guarantee which is material in the context of the issue and offering of the Notes and the Guarantee, including all information which, according to the particular nature of the Issuer and the Guarantor and of the Notes and the Guarantee is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Guarantor and the adidas Group and of the rights attached to the Notes and the Guarantee; (ii) the statements contained in this Prospectus relating to the Issuer, the Guarantor, the adidas Group, the Notes and the Guarantee are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Guarantor, the adidas Group, the Notes or the Guarantee the omission of which would, in the context of the issue and offering of the Notes, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.

NOTICE

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor or the Managers (as defined in "Subscription, Sale and offer of the Notes"). Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor or any of their affiliates since the date of this Prospectus, or that the information herein is correct at any time since its date.

Neither the Managers nor any other person mentioned in this Prospectus, except for the Issuer and the Guarantor, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and the Guarantor. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer, the Guarantor or the Managers to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer, the Guarantor or the Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Managers to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to

certain limited exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

IN CONNECTION WITH THE ISSUE OF THE NOTES, BNP PARIBAS (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT BNP PARIBAS (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN AT ANY TIME AFTER THE ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE OF THE RECEIPT OF THE PROCEEDS OF THE ISSUE BY THE ISSUER AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL LAWS, DIRECTIVES, REGULATIONS AND RULES OF ANY RELEVANT JURISDICTION.

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SUMMARY

The following constitutes the summary (the "**Summary**") of the essential characteristics of and risks associated with the Issuer, the Guarantor and the Notes. This Summary should be read as an introduction to this Prospectus. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Any decision by an investor to invest in the Notes should be based on consideration of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to the Issuer and the Guarantor who have tabled this Summary including any translation thereof, and applied for its notification, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Summary in respect of the Notes

Words and expressions defined in the Conditions of Issue of the Notes reproduced elsewhere in this Prospectus shall have the same meanings in this Summary.

The final offer price and amount, the interest rate, the issue proceeds, the commissions, the yield and the expenses of the issue will be included in the Pricing Notice (as defined in "Subscription, Sale and Offer of the Notes" below) which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or prior to the Issue Date of the Notes.

<i>Issuer:</i>	adidas International Finance B.V.
<i>Guarantor:</i>	adidas AG
<i>Lead Managers:</i>	BNP PARIBAS Deutsche Bank AG, London Branch
<i>Co-Managers:</i>	Bayerische Hypo- und Vereinsbank AG Commerzbank Aktiengesellschaft CALYON DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
<i>Principal Paying Agent:</i>	Deutsche Bank Aktiengesellschaft
<i>Luxembourg Listing Agent and Paying Agent:</i>	Deutsche Bank Luxembourg S.A.
<i>Principal Amount:</i>	€ 1
<i>Issue Price:</i>	1 %
<i>Issue Date:</i>	July 14, 2009
<i>Denomination:</i>	The Notes will be issued in a denomination of € 1,000 each.
<i>Form of Notes:</i>	The Notes will initially be represented by a temporary global bearer Note (the " Temporary Global Note ") without interest coupons which will be kept in custody by a common safekeeper on behalf of both, Clearstream Banking société anonyme, Luxembourg and Euroclear Bank SA/NV (together, the " Clearing System "). Notes represented by the Temporary Global Note will be exchangeable for Notes represented by a permanent global bearer Note (the " Permanent Global Note ", and each of the Temporary Global Note and the Permanent Global Note, a " Global Note ") without interest coupons not earlier than 40 days after the Issue Date in accordance with the provisions set out in the Conditions of Issue. In particular

such exchange and any payment of interest on Notes represented by the Temporary Global Note shall only be made upon delivery of certifications as to non-U.S. beneficial ownership in accordance with the rules and operating procedures of the Clearing System. Payments on the Temporary Global Note will only be made against presentation of such certifications. No definitive Notes or interest coupons will be issued.

- Interest:* The Notes will bear interest from and including July 14, 2009 to, but excluding, July 14, 2014 at a rate of 1 % per annum, payable annually in arrear on July 14, in each year, commencing on July 14, 2010.
- Taxation:* Principal and interest shall be payable without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of The Netherlands or Germany or by or on behalf of any political subdivision or authority thereof or therein having power to tax (the "**Withholding Taxes**"), unless such withholding or deduction is required by law. In such event, the Issuer will, subject to the exceptions set out in the Conditions of Issue, pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.
- Early Redemption Taxation Reasons:* for Early redemption of the Notes for reasons of taxation will be permitted, if as a result of any change in, or amendment to, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of The Netherlands or Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, the Issuer will become obligated to pay additional amounts on the Notes, all as more fully set out in the Conditions of Issue.
- Status of the Notes:* The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
- Guarantee:* The Guarantor has given its unconditional and irrevocable guarantee for the due and punctual payment of principal of, and interest on, and any other amounts payable under the Notes.
- Negative Pledge:* In the Conditions of Issue of the Notes the Issuer agrees not to provide any security for any indebtedness of borrowed money and in the Guarantee the Guarantor agrees not to provide any security for any Capital Market Indebtedness.
- Events of Default:* The Notes will provide for events of default entitling Holders to demand immediate redemption of the Notes, all as more fully set out in the Conditions of Issue.
- Cross Default:* The Conditions of Issue contain a cross default clause in relation to non-payment of indebtedness in excess of € 20,000.000.
- Governing Law:* The Notes and the Guarantee will be governed by German law.
- Jurisdiction:* Non-exclusive place of jurisdiction for any legal proceedings arising under the Notes is Frankfurt am Main.

<i>Listing and admission to trading:</i>	Application has been made for admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange and for listing of the Notes on the official list of the Luxembourg Stock Exchange.
<i>Selling Restrictions:</i>	The offer and the sale of the Notes and the distribution of offering materials are subject to specific restrictions. The relevant restrictions applicable in the European Union, the United States of America and the United Kingdom of Great Britain and Northern Ireland are set out under "Subscription, Sale and Offer of the Notes".
<i>Clearance and Settlement:</i>	The Notes will be accepted for clearing through Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank SA/NV.
<i>Availability of documents:</i>	This Prospectus and the documents incorporated by reference herein can either be found on the website of the Luxembourg Stock Exchange (www.bourse.lu) or are obtainable in printed form at the address of the Paying Agent in Luxembourg, Deutsche Bank Luxembourg S.A., 2 Boulevard Konrad Adenauer, 1115 Luxembourg, Luxembourg.

Summary in respect of the Issuer

The Issuer was incorporated on August 22, 2003 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands. The Issuer is a wholly-owned subsidiary of adidas International B.V., which is an indirect wholly-owned subsidiary of the Guarantor. The Issuer has its corporate seat in Amsterdam, The Netherlands, and its address is at Hoogoorddreef 9a, 1101 BA Amsterdam ZO, The Netherlands. The telephone number of its registered office is +31-(0)20-573-4500. The Issuer is registered in the trade register of the chamber of commerce and industries for Amsterdam under file number 34194486. The Issuer acts as a finance company for corporate activities.

The object of the Issuer, as contained in its articles of association, is to be a finance company in the widest sense, including, but not limited to, borrowing and lending money in general, granting loans to group companies, conducting foreign exchange transactions to manage the result of currency risks, raising funds by means of issuance of debt instruments, entering into bank loans, issuing bonds, notes and other debt instruments and borrowing in any other way, providing security or undertaking the obligations of third parties, including guarantees for debts of other persons, and in general rendering services in the fields of trade and finance, as well as participating in, taking an interest in any other way in, and conducting the management of other business enterprises of whatever nature, furthermore financing third parties and all activities which are incidental to or which may be conducive to any of the foregoing.

The managing board of the Issuer currently consists of two members, Jocelyn Robiot and Ingrid Cupers. The auditors of the Issuer are KPMG Accountants N.V., Burgemeester Rijnderslaan 10-20, 1185 MC Amstelveen, The Netherlands.

The following table sets out the key financial information about the Issuer:

	Fiscal year 2008	Fiscal year 2007
	(€ in thousands)	
Total Assets	1,150,369	1,121,101
Shareholders' Equity	6,770	4,995

Summary in respect of the Guarantor

adidas AG is a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany and registered in the commercial register of the local court (*Amtsgericht*) of Fürth under HRB 3868. The Guarantor's address and registered office is at Adi-Dassler-Strasse 1, 91074 Herzogenaurach, Germany. The telephone number of its registered office is +49-(0)9132-84-0. adidas AG is the parent company of the adidas Group. Pursuant to its articles of association, the object of adidas AG is the production and distribution of apparel, footwear and equipment for sports and leisure as well as of products of adjoining fields. adidas AG is entitled to all measures and business transactions which are appropriate to promote the purpose of the company. This also includes the establishment of branches and the acquisition and the establishment of other enterprises as well as of an interest in such enterprises, domestically and abroad.

adidas AG, a German stock corporation, and its subsidiaries design, develop, produce and market – through wholesale and increasingly through own-retail activities – a broad range of athletic and sports lifestyle products. Its product range covers sports footwear and apparel, golf hardware and other sports equipment and accessories. In terms of net sales, the adidas Group today is the market leader in Europe and the world's second largest supplier. adidas Group products can be purchased in many countries around the globe.

The adidas Group has divided its operating activities by major brands into three segments: adidas, Reebok and TaylorMade-adidas Golf.

adidas branded products include footwear, apparel and hardware, such as bags and balls. The products are designed and developed by adidas and are almost exclusively manufactured by subcontractors on behalf of adidas.

Reebok branded products include footwear, apparel and hardware, such as bags and balls. The products are designed and developed by Reebok and are almost exclusively manufactured by subcontractors on behalf of Reebok.

TaylorMade designs, develops and assembles or manufactures high-quality golf clubs, balls and accessories. adidas Golf branded products include footwear, apparel and accessories.

As of December 31, 2008 the adidas Group employs more than 38,000 people worldwide with 52 % of them working in Europe. It has 190 subsidiaries worldwide. The sales and distribution unit is divided into four regions: Europe/Middle East/Africa, North America, Asia/Pacific and Latin America.

adidas Group net sales for the fiscal year 2008 amounted to € 10.799 billion and were regionally divided as follows: Europe 43 %, Asia 25 %, North America 24 % and Latin America 8 %.

The vast majority of adidas Group products are produced by independent manufacturers based on the design and technical specifications provided by the Group. Only a minimum of products is manufactured or, such as TaylorMade golf clubs, assembled by the Group itself. The Group distributes its products primarily to wholesale customers such as specialist sports stores, general sports stores, shoe stores, department stores and mono-branded franchise stores (in particular in Asia). In addition, own-retail stores have become an increasingly important distribution channel over recent years.

The current members of the Guarantor's Executive Board are Herbert Hainer (Chairman), Glenn Bennett, Robin J. Stalker and Erich Stamminger.

The auditors of the Guarantor are KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

The following table sets out the key financial information about the adidas Group:

	Fiscal year 2008	Fiscal year 2007
	(€ in millions)	
Net Sales.....	10,799	10,299
EBITDA	1,277	1,165
Operating profit.....	1,070	949
Total assets.....	9,533	8,325
Shareholders' Equity	3,386	3,023

Summary in respect of Risk Factors

The Issuer

The Issuer is a funding vehicle that raises money through the issue of bonds or notes and on-lends it to the Guarantor. In the future the Issuer may raise further funds to on-lend monies to companies within the adidas Group. In the event that, in the future, the Guarantor or any other group company fails to make a payment under an intra-group loan granted to them by the Issuer, the Issuer may not be able to meet its obligations under the Notes.

The Guarantor

The business of the adidas Group involves the following primary risks: macroeconomic risks, risks from economic and seasonal trends, risks arising because of intense competition in the sporting goods industry and retail consolidation, risks because of changes in consumer preferences, risks in relation to the amount of marketing expenditures, changing customer ordering habits, supplier risks, effects of local working conditions on brand image, currency fluctuation risks, financing and liquidity risks, intellectual property protection risks, in particular against product piracy, risks in connection with legal matters, portfolio integration risks, risks from loss of brand image, own-retail risks, risks from rising input costs, customer risks and product design and development risks.

The Notes

An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, *inter alia*, the following risks: Risk that the Notes may not be a suitable investment for a particular investor, Liquidity Risks, Risk of Early Redemption, Market Price Risk; Risk that the market value of the Notes could decrease if the creditworthiness of the adidas Group worsens, Currency risk and the risk that the price of the Notes decreases as a result of changes in the market interest rate.

GERMAN TRANSLATION OF THE SUMMARY

ZUSAMMENFASSUNG

Der folgende Abschnitt stellt die Zusammenfassung (die "**Zusammenfassung**") der wesentlichen Merkmale und Risiken der Emittentin, der Garantin und der Schuldverschreibungen dar. Die Zusammenfassung ist als Einleitung zu diesem Prospekt zu verstehen. Sie ist keine vollständige Darstellung und im Zusammenhang mit dem Prospekt zu lesen. Der Anleger sollte jede Entscheidung zur Anlage in die Schuldverschreibungen auf die Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der klagende Anleger in Anwendung einzelstaatlicher Rechtsvorschriften die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Die Emittentin und die Garantin, die diese Zusammenfassung einschließlich jede Übersetzung davon vorgelegt und deren Notifizierung beantragt haben, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit anderen Teilen des Prospekts gelesen wird.

Zusammenfassung in Bezug auf die Schuldverschreibungen

Worte und Begriffe, die in den an anderer Stelle in dem Prospekt wiedergegebenen Anleihebedingungen definiert sind, haben in der Zusammenfassung dieselbe Bedeutung.

Der endgültige Ausgabepreis, der Zinssatz, die Kommissionen, die Rendite und die Kosten der Emission werden in der Pricing Notice enthalten sein (definiert unten in "Subscription, Sale and Offer of the Notes"), die auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) am oder vor dem Tag der Begebung der Schuldverschreibungen veröffentlicht wird.

Emittentin:	adidas International Finance B.V.
Garantin:	adidas AG
Konsortialführer:	BNP PARIBAS Deutsche Bank AG, London Branch
Konsortialbanken:	Bayerische Hypo- und Vereinsbank AG Commerzbank Aktiengesellschaft CALYON DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
Hauptzahlstelle:	Deutsche Bank Aktiengesellschaft
Luxemburger Listing- und Zahlstelle:	Deutsche Bank Luxembourg S.A.
Nennbetrag:	€ ●
Ausgabepreis:	● %
Tag der Begebung:	14. Juli 2009
Stückelung:	Die Schuldverschreibungen werden im Nennbetrag von je € 1.000 begeben
Form der Schuldverschreibungen:	Die Schuldverschreibungen werden anfänglich durch eine vorläufige Inhaber-Globalurkunde (die " vorläufige Globalurkunde ") ohne Zinsscheine verbrieft, welche bei einem common safekeeper im Namen von sowohl Clearstream Banking, société anonyme, Luxemburg als auch

Euroclear Bank SA/NV (zusammen, das "**Clearing System**") hinterlegt werden. Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, werden gegen Schuldverschreibungen, die durch eine Inhaber-Dauerglobalurkunde (die "**Dauerglobalurkunde**", und jede der vorläufigen Globalurkunden und der Dauerglobalurkunde, die "**Globalurkunde**") ohne Zinsscheine verbrieft sind, nicht früher als 40 Tage nach dem Tag der Begebung gemäß den in den Anleihebedingungen dargelegten Bestimmungen ausgetauscht. Insbesondere ein solcher Austausch und jegliche Zinszahlung auf durch die vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage von Bescheinigungen, wonach der wirtschaftliche Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person ist, gemäß den Regelungen und Betriebsverfahren des Clearing Systems. Zahlungen auf die vorläufige Globalurkunde erfolgen erst nach Vorlage solcher Bescheinigungen. Es werden keine Einzelurkunden und keine Zinsscheine begeben.

Zinsen:

Die Schuldverschreibungen werden vom 14. Juli 2009 (einschließlich) bis zum 14. Juli 2014 (ausschließlich), mit einem jährlichen Zinssatz von • % verzinst. Die Zinsen sind nachträglich am 14. Juli eines jeden Jahres zahlbar. Die erste Zinszahlung erfolgt am 14. Juli 2010.

Steuern:

Kapital und Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde auferlegt oder erhoben werden (die "**Quellensteuer**"), es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In einem solchen Fall, wird die Emittentin, vorbehaltlich der in den Anleihebedingungen festgelegten Ausnahmen, diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Gläubigern von Schuldverschreibungen zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug bezüglich der Schuldverschreibungen empfangen worden wären.

*Vorzeitige Rückzahlung
aus steuerlichen Gründen:*

Die vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze oder Vorschriften (einschließlich jeder Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) der Niederlande oder der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden, die Emittentin zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist, wie im Einzelnen in den Anleihebedingungen dargelegt.

Status der Schuldverschreibungen:

Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und

nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

- Garantie:* Die Garantin hat die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen und sonstiger auf die Schuldverschreibungen zahlbarer Beträge übernommen.
- Negativverpflichtung:* In den Anleihebedingungen stimmt die Emittentin zu, keine Sicherheiten zur Besicherung von Verbindlichkeiten aus aufgenommenen Geldern zu gewähren und die Garantin stimmt in der Garantie zu, keine Sicherheiten zur Besicherung von Kapitalmarktverbindlichkeiten zu gewähren.
- Kündigungsgründe:* Die Schuldverschreibungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen, wie im Einzelnen in den Anleihebedingungen dargelegt.
- Cross Default:* Die Anleihebedingungen enthalten eine Cross-Default-Klausel (Drittverzugsklausel), in Bezug auf Nichtzahlung von Verbindlichkeiten von mehr als € 20.000.000.
- Anwendbares Recht:* Die Schuldverschreibungen und die Garantie unterliegen deutschem Recht.
- Gerichtsstand:* Nicht ausschließlicher Gerichtsstand für alle gerichtlichen Verfahren im Zusammenhang mit den Schuldverschreibungen ist Frankfurt am Main.
- Börsenzulassung und Notierung:* Für die Schuldverschreibungen wurde die Zulassung zum Handel im regulierten Markt der Luxemburger Wertpapierbörse sowie die Notierung an der *official list* der Luxemburger Wertpapierbörse beantragt.
- Verkaufsbeschränkungen:* Das Angebot und der Verkauf von Schuldverschreibungen sowie die Verteilung von Angebotsmaterialien unterliegen regulatorischen Beschränkungen. Die in der Europäischen Union, den Vereinigten Staaten von Amerika und dem Vereinigten Königreich von Großbritannien und Nordirland geltenden Beschränkungen sind unter "Subscription, Sale and Offer of the Notes" dargestellt.
- Abwicklung und Settlement:* Die Abwicklung der Schuldverschreibungen erfolgt durch Clearstream Banking, *société anonyme*, Luxemburg und Euroclear Bank SA/NV.
- Verfügbarkeit von Dokumenten:* Dieser Prospekt und die hierin einbezogenen Dokumente können entweder auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) abgerufen werden oder sind in gedruckter Form unter der Adresse der Zahlstelle in Luxemburg, Deutsche Bank Luxemburg S.A., 2 Boulevard Konrad Adenauer, 1115 Luxemburg, Luxemburg erhältlich.

Zusammenfassung in Bezug auf die Emittentin

Die Emittentin wurde am 22. August 2003 als Kapitalgesellschaft mit beschränkter Haftung (*besloten vennootschap met beperkte aansprakelijkheid*) nach niederländischem Recht gegründet. Die Emittentin ist eine 100%ige Tochtergesellschaft der adidas International B.V., welche eine in indirektem Besitz befindliche 100%ige Tochtergesellschaft der Garantin ist. Der Firmensitz der Emittentin ist in Amsterdam, Niederlande, unter der Adresse Hoogoorddreef 9a, 1101 BA Amsterdam ZO, Niederlande. Die Telefonnummer des Firmensitzes ist +31-(0)20-573-4500. Die Emittentin ist im Handelsregister der Handels- und Industriekammer von Amsterdam unter Nummer 34194486 eingetragen. Die Emittentin fungiert als Finanzierungsgesellschaft für unternehmerische Aktivitäten.

Der Gegenstand der Emittentin gemäß ihrer Satzung ist, die Funktion als Finanzierungsgesellschaft im weitesten Sinne, einschließlich, aber nicht beschränkt auf, Kreditaufnahme und Geldausleihungen im Allgemeinen; Gewährung von Krediten an verbundene Unternehmen; Ausführung von Devisengeschäften um die Folgen von Währungsrisiken zu steuern; Mittelaufnahme durch die Emission von Schuldtiteln, durch die Aufnahme von Bankkrediten, durch Begebung von Anleihen, Schuldverschreibungen und sonstigen Schuldtiteln und Kreditaufnahme in jeder anderen Weise; durch Sicherheitsleistung oder durch Übernahme von Verpflichtungen von Dritten, einschließlich, Garantieübernahme für fremde Verbindlichkeiten; und im Allgemeinen die Erbringung von Dienstleistungen für die Bereiche Handel und Finanzen als auch die Teilnahme und Beteiligung daran in irgend einer Form, und Unternehmensführung von sonstigen Unternehmen aller Art, Drittfinanzierung und des Weiteren sämtliche Nebentätigkeiten oder Tätigkeiten, welche die vorangehenden Tätigkeiten fördern können.

Der Vorstand der Emittentin besteht derzeit aus zwei Mitgliedern: Jocelyn Robiot und Ingrid Cupers. Der Wirtschaftsprüfer der Emittentin ist KPMG Accountants N.V., Burgemeester Rijnderslaan 10-20, 1185 MC Amstelveen, Niederlande.

Die folgende Aufstellung stellt die wichtigsten finanziellen Angaben der Emittentin dar.

	Geschäftsjahr 2008	Geschäftsjahr 2007
	(in T€)	
Bilanzsumme	1.150.369	1.121.101
Eigenkapital	6.770	4.995

Zusammenfassung in Bezug auf die Garantin

adidas AG ist eine Aktiengesellschaft nach deutschem Recht, eingetragen im Handelsregister des Amtsgerichts Fürth unter Nummer HRB 3868. Die Adresse und der Firmensitz der Garantin ist Ad-Dassler-Strasse 1, 91074 Herzogenaurach, Bundesrepublik Deutschland. Die Telefonnummer des Firmensitzes ist +49-(0)9132-84-0. adidas AG ist die Muttergesellschaft des adidas Konzerns. Gemäß der Satzung der Garantin ist der Gegenstand der adidas AG die Herstellung und der Vertrieb von Bekleidung, Schuhwerk und Ausrüstung für Sport und Freizeit sowie von Produkten für angrenzende Bereiche. adidas AG ist berechtigt, alle Maßnahmen zu treffen und alle Geschäfte zu betreiben, welche das Ziel der Gesellschaft zweckmäßig fördern. Dazu gehören auch die Gründung von Filialen, die Akquisition und Gründung von anderen Unternehmen, sowie die Beteiligung an solchen Unternehmen im In- und Ausland.

adidas AG, eine deutsche Aktiengesellschaft, und ihre Tochtergesellschaften entwerfen, entwickeln, produzieren und vermarkten – durch Groß- und zunehmend durch eigenen Einzelhandel – eine breite Auswahl an Sport- und Lifestyle-Artikeln. Das Produktportfolio der adidas AG umfasst Sportschuhe und Bekleidung, Golf- und andere Sportausrüstung sowie Sportzubehör. Hinsichtlich des Nettoumsatzes ist der adidas Konzern heute Marktführer in Europa und der zweitgrößte Anbieter der Welt. Die Artikel des adidas Konzerns können weltweit in vielen Ländern gekauft werden.

Die operativen Aktivitäten des adidas Konzerns sind in drei Segmente hinsichtlich bedeutender Marken gegliedert: adidas, Reebok und TaylorMade-adidas Golf.

Artikel der Marke adidas umfassen Schuhwerk, Bekleidung und Ausrüstung, wie Taschen und Bälle. Die Produkte werden von adidas entworfen und entwickelt und werden nahezu ausschließlich von Subunternehmern im Auftrag von adidas produziert.

Artikel der Marke Reebok umfassen Schuhwerk, Bekleidung und Ausrüstung, wie Taschen und Bälle. Die Produkte werden von Reebok entworfen und entwickelt und werden nahezu ausschließlich von Subunternehmern im Auftrag von Reebok angefertigt.

TaylorMade entwirft, entwickelt und fertigt oder produziert hochwertige Golfschläger, Golfbälle und Zubehör. Artikel der Marke adidas Golf umfassen Schuhwerk, Bekleidung und Zubehör.

Seit dem 31. Dezember 2008 beschäftigt der adidas Konzern weltweit mehr als 38.000 Beschäftigte, davon 52 % in Europa. Der Konzern verfügt weltweit über 190 Tochtergesellschaften. Der Geschäftsbereich Verkauf und Vertrieb ist in vier Regionen aufgeteilt: Europa/Nahost/Afrika, Nordamerika, Asien/Pazifik and Lateinamerika.

Der Nettoumsatz des adidas Konzerns für das Geschäftsjahr 2008 belief sich auf EUR 10,799 Milliarden und teilte sich folgendermaßen auf die Regionen auf: Europa 43 %, Asien 25 %, Nordamerika 24 % und Lateinamerika 8 %.

Die überwiegende Mehrheit der Produkte des adidas Konzerns werden von unabhängigen Herstellern auf Basis von durch den Konzern bestimmtem Design und technischen Vorgaben hergestellt. Nur wenige Produkte werden von dem Konzern selbst hergestellt oder, wie TaylorMade Golfschläger, montiert. Der Konzern vertreibt die Produkte in erster Linie an Großhandelskunden, wie Sportfachgeschäfte, Sportwarenhäuser, Schuhgeschäfte, Kaufhäuser und Einzelmarken-Franchise-Geschäfte (insbesondere in Asien). Darüber hinaus sind eigene Einzelhandelsgeschäfte in den letzten Jahren zunehmend zu wichtigen Vertriebskanälen geworden.

Gegenwärtig setzt sich der Vorstand der Garantin aus Herbert Hainer (Vorstandsvorsitzender), Glenn Bennett, Robin J. Stalker und Erich Stamminger zusammen.

Die Wirtschaftsprüfer der Garantin sind KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

Die folgende Aufstellung stellt die wichtigsten finanziellen Angaben des adidas Konzerns dar.

	Geschäftsjahr 2008	Geschäftsjahr 2007
	(in Mio. €)	
Nettoumsatz	10.799	10.299
EBITDA	1.277	1.165
Operativer Gewinn	1.070	949
Bilanzsumme	9.533	8.325
Eigenkapital	3.386	3.023

Zusammenfassung in Bezug auf die Risikofaktoren

Die Emittentin

Die Emittentin ist eine Finanzierungsgesellschaft, die Gelder durch Begebung von Anleihen oder Schuldtiteln aufnimmt und an die Garantin verleiht. Zukünftig könnte die Emittentin weitere Mittel aufnehmen, um diese an die Gesellschaften des adidas Konzerns zu verleihen. Sollte die Garantin oder jedes andere konzernzugehörige Unternehmen in der Zukunft eine Zahlung auf einen von der Emittentin gewährten konzerninternen Kredit unterlassen, könnte die Emittentin nicht in der Lage sein, ihre Verpflichtungen unter den Schuldverschreibungen zu erfüllen.

Die Garantien

Das Geschäft des adidas Konzerns ist mit den folgenden primären Risiken verbunden: makroökonomische Risiken, Risiken bezüglich wirtschaftlicher und saisonabhängiger Trends, Risiken im Zusammenhang mit dem starken Wettbewerb in der Sportartikelindustrie und der Konsolidierung im Einzelhandel, Risiken bezüglich der Änderung der Präferenzen von Kunden, Risiken im Zusammenhang mit Marketingausgaben, mit der Änderung von Bestellgewohnheiten der Verbraucher, Lieferantenrisiken, die Auswirkung der örtlichen Arbeitsbedingungen auf das Markenprofil, Währungsschwankungsrisiken, Finanzierungs- und Liquiditätsrisiken, Risiken in Zusammenhang mit dem Schutz des geistigen Eigentums insbesondere gegen Produktfälschung, Risiken in Verbindung mit rechtlichen Angelegenheiten, Portfolio-Eingliederungsrisiken, Risiken bezüglich des Verlustes des Markenimages, eigene Einzelhandelsrisiken, Risiken der Erhöhung der Herstellungskosten, Kundenrisiken und Produktdesign- und Entwicklungsrisiken.

Die Schuldverschreibungen

Die Anlage in den Schuldverschreibungen ist mit bestimmten Risiken, welche in Zusammenhang mit den Eigenschaften, Bedingungen und der Art der Schuldverschreibungen stehen, verbunden. Diese Risiken können zu substantziellen Verlusten führen, welche der Gläubiger beim Verkauf der Schuldverschreibungen oder bezüglich des Erhalts von Zinszahlungen und der Rückzahlung des Kapitals zu tragen hat. Die Risiken bezüglich der Schuldverschreibungen beinhalten, *inter alia*, die folgenden Risiken: Risiko, dass die Schuldverschreibungen kein geeignetes Investment für bestimmte Investoren sind; Liquiditätsrisiko; Risiko der vorzeitigen Rückzahlung; Marktpreisrisiko; Risiko, dass der Marktwert der Schuldverschreibungen sinken kann, wenn sich die Kreditwürdigkeit des adidas Konzerns verschlechtert; Währungsrisiko und das Risiko, dass der Wert der Schuldverschreibungen als Folge der Änderung des Marktzinssatzes sinkt.

RISK FACTORS

Risks Relating to the Issuer

The Issuer is a funding vehicle for the adidas Group. As such, it raises finance through the issue of bonds or notes and on-lends it to the Guarantor. In the future, it may raise further finance and on-lend monies to group companies within the adidas Group by way of intra-group loans. The terms of the loan granted to the Guarantor matches the payment obligations of the Issuer under any bonds or notes. The same may apply to further intra-group loans which may be granted by the Issuer to other group companies. In the event that the Guarantor fails to make a payment under any loan granted to it or any group company, in the future, fails to make a payment under any intra-group loan, the Issuer may not be able to meet its payment obligations under the Notes issued by it.

Risks Relating to the Guarantor

Macroeconomic risks

Growth of the sporting goods industry is influenced by consumer confidence and consumer spending. Abrupt economic downturns, in particular in regions where the Group is highly represented, therefore pose a significant short-term risk to sales development. In 2009, adidas expects global economic growth to slow considerably. North America and Europe are expected to remain in recession. Economic expansion in emerging markets, including China and India, is expected to continue, albeit at a more moderate rate compared to prior years. These markets have overtaken North America and Western Europe as the largest contributors to Group revenue growth. As a result of the current global macroeconomic uncertainty, the likelihood and potential financial impact of adverse macroeconomic events has increased compared to prior years.

Economic and Seasonal Trends

The sporting goods industry is subject to changes in the economic environment. Economic downturns in particular and, in some markets, inflation and political instability, as well as current fashion trends can result in considerable fluctuations in consumer preferences and buying behavior.

Cyclical declines in retail sales are regularly also recorded in individual sporting goods markets. Economic fluctuations tend to have an impact in particular on product offerings in the premium price sector, where consumers may trade down to lower priced substitutional products.

Sales and earnings of the adidas Group have exhibited seasonal fluctuations in the past. Sales of footwear and, to a lesser extent, apparel are typically stronger in the first and, in particular, in the third quarters as a result of the seasonal weighting of product launches to these quarters.

Intense Competition in the Sporting Goods Industry and Retail Consolidation

The sporting goods industry is characterised by intense competition. Many of the major markets in which the adidas Group operates have reached a relatively high degree of saturation. In order to achieve further growth in these markets, the adidas Group must expand its market share at the expense of other competitors and develop new products and market segments. On a global level, the adidas Group competes with a number of competitors including Nike and Puma, offering products across multiple categories as well as numerous niche suppliers who concentrate on specific sports categories, product groups or geographical markets (see "General Information on the Guarantor – Business – Competition"). In the golf market, TaylorMade-adidas Golf competes with companies such as Callaway, Fortune Brands and Nike. The current world market leader in the sporting goods industry has greater financial resources than the adidas Group and therefore has the capacity to spend larger amounts on advertising, promotion and sponsoring as well as product development.

Apparel manufacturers of well-known designer brands such as Tommy Hilfiger and Polo Sport are intensifying competition. These companies are penetrating the sports sector with their collections. They have gained market share with fashion products and high-quality casual apparel, profiting from the fact that the boundaries between the fashion and sporting goods markets are becoming

increasingly indistinct. The adidas Sport Style division is especially exposed to this increasing competition as the products of this division target the sports lifestyle market. Additionally, vertically-integrated retailers such as The GAP and Abercrombie & Fitch, who produce (or outsource) and market their own apparel, as well as department store chains with private labels are further intensifying competition in the sector.

Changes in the competitive environment among customers, in particular the increasing consolidation in sporting goods retail, can result in a reduction of the bargaining power of the adidas Group or in harmful competitive behavior such as price wars and can thus reduce profits for the adidas Group. Abnormal product discounting and reduced shelf space availability from retailers are the most common potential outcomes of these risks. Sustained promotional pressure in one of the Group's key markets could threaten the Group's sales and profitability development.

Changes in Consumer Preferences

The market share and profitability of the adidas Group depends on its ability to satisfy the constantly changing requirements of the consumer for attractive products at competitive prices. This requires recognising consumer preferences at an early stage, strengthening of brand image as well as developing and marketing the appropriate products successfully within a short period of time.

Because industry product procurement cycles average 12 to 18 months, the Group faces a risk of short-term revenue loss in cases where it is unable to respond quickly to such changes. Even more critical, however, is the risk of continuously overlooking a new consumer trend or failing to acknowledge its potential magnitude over a sustained period of time.

Although the adidas Group endeavours to minimise the risks associated with changing consumer needs and market conditions by conducting market research and trend marketing, there is no guarantee that the adidas Group will recognise and promote new trends in a timely and profitable way. If the adidas Group wrongly assesses consumer acceptance of its products, it may have to give discounts or price reductions or sell unsold merchandise at reduced prices. This could have a negative impact on adidas Group's results of operations. Given the longer innovation cycles of many products, it is also difficult to react rapidly and flexibly to emerging trends. The importance for the adidas Group to recognise trends at an early stage and the related financial risk have increased over the last five years and will increase in the future, since the adidas Group has started to increase the level of lifestyle items in its product range.

The adidas Group must make substantial up-front investments in product development, advertising and promotion in connection with new product introductions, which are essential to its competitiveness. If the adidas Group does not forecast consumer demand for its products accurately, it may not be able to recoup some of these up-front investments and may be required to incur significantly higher carrying costs and to liquidate excess inventory, possibly at reduced margins.

Amount of Marketing Expenditures

Marketing new products as well as strengthening and expanding a strong brand image require considerable expenditure for brand communication and sports marketing. At the adidas Group, marketing expenses (excluding overhead expenses) in 2008 amounted to about € 1.4 billion, representing 13.2 % of Group net sales (2007: 13.4 %). The success of marketing campaigns is often difficult to assess, therefore making particular product launches subject to considerable financial risk. Since many sponsorship contracts are long-term in nature, marketing expenditure contains a fixed cost component which, when sales decline, can only be reduced to a limited extent, or not at all, in the short term. This could lead to a substantial weakening of profits in the case of a sustained decline in sales. Sponsorship contracts with athletes are based to a considerable extent on the success and image of individual athletes and teams. Should an athlete or team fail to meet expectations or suffer from a loss of image, marketing expenditures may not generate the targeted return to brand equity. The fee structure of promotion contracts therefore generally contains a significant variable component which depends on the attainment of certain goals and results.

Changing Customer Ordering Habits

Customer ordering habits are changing rapidly as a result of macroeconomic uncertainty, supply chain improvements among manufacturers and retailers' desire to react more flexibly on changing consumer demands. Instead of ordering six to nine months in advance of the actual delivery, customers more and more demand short term replenishments. In addition, the Group generates an increasing portion of sales in own retail activities, for which no order backlogs are collected. As a result, order backlogs - which historically served as a reliable indicator of expected future sales development - have lost significance. Consequently, visibility on the Group's future sales development has declined, making it more difficult to manage production volumes. This implies a risk of not holding an appropriate amount of inventory to satisfy customer demand, potentially negatively affecting Group sales or operating working capital development.

Supplier Risks

As is customary in the sporting goods industry, the vast majority of adidas Group products are produced by independent factories in accordance with technical and design specifications. Their delivery performance, pricing and product quality are critical to the Group. Most of these manufacturers are based in Asia, especially in China, Indonesia and Vietnam. If the Group were prevented from purchasing footwear from its largest single supplier or from one of the three largest source countries, this would have a significant impact on the Group's ability to meet consumer demand for footwear products at least in the short term and could therefore potentially adversely affect the Group's financial position and results of operations.

Most of adidas Group's products are made in the newly industrialised countries of Asia and the Group is exposed to the risks associated with business activities in these countries. These risks include the introduction or increase of import duties or customs tariffs, import restrictions or quotas and other trade restrictions, political instability, and problems arising from local production conditions. The business activity of the adidas Group could be significantly adversely affected if, as a result of trade restrictions or other occurrences, production were cut off and the adidas Group were unable to quickly transfer its sourcing to manufacturers in other countries.

Effects of Local Working Conditions on Brand Image

Social factors, such as unsatisfactory working conditions among the Group's suppliers who do not comply with the adidas Group's Standards of Engagement, can seriously impair the image of the Group's brands and products. adidas Group is aware of this responsibility and, to ensure that work processes and products comply with reasonable social, environmental, health and safety standards, has therefore established minimum standards for suppliers that do business with the Group. Ensuring that suppliers comply with these minimum standards is an ongoing process.

Currency Fluctuation Risks

Currency risks for the adidas Group are a direct result of multi-currency cash flows within the Group. The biggest single driver behind this risk results from the mismatch of the currencies required for sourcing its products versus the denominations of its sales. The vast majority of the Group's sourcing expenses are in U.S. dollars while sales are denominated in other currencies to a large extent – most notably the euro.

In line with IFRS 7 requirements, the adidas Group has estimated the impact on net income and shareholders' equity based on changes in its most important currency exchange rates. The calculated impacts mainly result from fair value changes of the Group's hedging instruments. Based on this analysis, a 10 % increase in the euro versus the U.S. dollar at December 31, 2008, would have led to a € 10 million increase in net income. The more negative market values of the U.S. dollar hedges would have decreased shareholders' equity by € 108 million. A 10 % weaker euro at December 31, 2008 would have led to a € 13 million decrease in net income. Shareholders' equity would have increased by € 133 million.

Although the Group's hedging rates for major currencies in 2009 will be similar to those of 2008, volume forecast variances, greater currency volatility and a larger portion of the Group's business in emerging markets, where hedging markets are often illiquid or overly expensive, create currency challenges in 2009. In addition, translation impacts from the conversion of non-euro-denominated results into the Group's functional currency, the euro, could lead to a material negative or positive impact on the Group's financial performance.

Financing and liquidity risks

Liquidity risks arise from not having the necessary resources available to meet maturing liabilities with regard to timing, volume and currency structure. A breach of covenants included in various financing arrangements could potentially force the Group to repay borrowings prematurely, resulting in an immediate liquidity need. In addition, the adidas Group faces the risk of having to accept unfavourable financing terms due to liquidity restraints. The Group's Treasury department uses an efficient cash management system to manage liquidity risk. At December 31, 2008, Group cash and cash equivalents amounted to € 244 million (2007: € 295 million). Moreover, the Group maintains € 2.7 billion bilateral short-term credit lines and a € 2.0 billion committed medium-term syndicated loan facility with international banks, which does not include a market disruption clause. The € 4.7 billion in credit lines are designed to ensure sufficient liquidity at all times.

Intellectual Property Protection, in particular against Product Piracy

As popular consumer brands which rely on technological and design innovation as defining characteristics, the Group's brands are a frequent target for counterfeiting and imitation. For the adidas Group, the protection of its product innovations, trademark rights, patents, technologies and designs is critical. Counterfeit products manufactured and distributed by third parties violate the adidas Group's intellectual property rights. Some of the product imitations are very difficult to distinguish visually from original products, making it difficult to enforce intellectual property rights, though the Group makes use of extensive legal protection (generally through registration) and works closely with law enforcement authorities, investigators and outside counsel. Any such violations of intellectual property rights in the future will continue to cause a loss of sales for the adidas Group, brand image impairment and legal costs.

Legal Matters

As a global corporation, the adidas Group operates under a wide variety of legal and regulatory frameworks, which can entail risks for the Group, especially in the formulation of contracts, the resolution of corporate legal issues and the taking of legal action. To manage these tasks, internal and external specialists are assigned to these matters. Based on a review of all outstanding litigation, the Group believes that the ultimate liabilities resulting from any claims will not materially affect the consolidated financial position of the Group. The outcome of legal proceedings is, however, difficult to predict. The adidas Group therefore cannot exclude the risk that the resolution of any pending or future claims could have an adverse effect on the Group's business, earnings or financial position.

Portfolio integration risks

The adidas Group is exposed to risks related to the integration of newly acquired businesses. In its ongoing initiatives to integrate businesses, the adidas Group faces a risk of overestimating potential revenue and cost synergies as well as organisational execution risks which relate, for example, to the standardisation of functional business processes across the different brands and harmonisation of the Group's IT systems.

Risks from loss of brand image

Maintaining and enhancing brand image and reputation through the creation of strong brand identities is crucial for sustaining and driving revenue and profit growth. The adidas Group faces considerable risk if it is unable to uphold high levels of consumer awareness, affiliation and purchase intent for its brands.

Own-retail risks

New adidas, Reebok and Rockport own-retail stores require considerable up-front investment in furniture and fittings as well as ongoing maintenance. In addition, own-retail activities often require longer-term lease or rent commitments. Own retail also employs significantly more personnel in relation to net sales than the Group's wholesale business. The higher portion of fixed costs compared to its wholesale business implies a larger profitability impact in cases of significant sales declines. The current macroeconomic situation and its impact on consumer spending increase the risk of lower performance of the Group's retail stores.

Risks from rising input costs

Raw material and labor costs account for approximately 90 % of the Group's cost of sales. Prices of materials such as rubber, and those which closely correlate with the oil price, are especially subject to the risk of price changes. As price negotiations with suppliers usually take place around twelve months in advance of production, the Group's sourcing function has visibility and reaction time to manage and plan for sharp increases in input costs.

During 2008, raw material price volatility, including record oil prices, and the increase in labour costs in Asia negatively impacted the Group's sourcing terms negotiated for 2009 production. As the adidas Group begins planning for 2010, although raw material pricing has eased for the time being, a renewed increase in volatility cannot be ruled out given the current macroeconomic uncertainty.

Customer risks

Customer risks arise from the Group's dependence on key customers who have the ability to exert bargaining power and can therefore cause considerable margin pressure or cancel orders. These risks exist not only due to the relative size of some of its major customers, but also as a result of the Group's limited ability to influence how they conduct business and the external impacts of the consumer environment in which they operate.

Product design and development risks

Innovative and attractive products generate strong sales and – more importantly – create a halo effect for other products. The speed with which new product technologies and fresh designs are brought to market is decisive for maintaining competitive advantage. In 2008, all brands generated the majority of their sales with products which had been brought to market over the last 12 to 18 months. If the adidas Group failed to maintain a strong pipeline of new innovative products over a sustained period of time, it would risk a significant sales decline.

Risks relating to the Notes

An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, *inter alia*, the following risks:

Notes may not be a suitable investment for all Investors

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Liquidity Risk

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

Risk of Early Redemption

The Notes may be redeemed at the option of the Issuer (in whole, but not in part) at the principal amount of the Notes plus accrued interest to the date fixed for redemption, for reasons of taxation, as more fully described in the Conditions of Issue. In the event that the Issuer exercises the option to redeem the Notes, the Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

Market Price Risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Note. The Holders are therefore exposed to the risk of an unfavourable development of market prices of their Notes which materialise if the Holders sell the Notes prior to the final maturity. If a Holder decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the Conditions of Issue.

The market value of the Notes could decrease if the creditworthiness of the adidas Group worsens

If, e.g., because of the materialisation of any of the risks regarding the Issuer or the Guarantor, the likelihood that the Issuer or the Guarantor will be in a position to fully perform all obligations under the Notes or the Guarantee when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer or the Guarantor will be in position to fully perform all obligations under the Notes or the Guarantee when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group could adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of said risk. Under these circumstances, the market value of the Notes will decrease.

Currency Risk

The Notes are denominated in euro. If such currency represents a foreign currency to a Holder, such Holder is particularly exposed to the risk of changes in currency exchange rates which may affect the

yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Fixed Rate Notes

The Notes bear a fixed interest rate. A Holder of fixed rate Notes is particularly exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. While the nominal interest rate of a fixed rate Note as specified in the Conditions of Issue is fixed during the life of the Notes, the current interest rate on the capital market typically changes on a daily basis. As the market interest rate changes, the price of fixed rate Notes also changes, but in the opposite direction. If the market interest rate increases, the price of fixed rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of fixed rate Notes typically increases, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If a Holder of the Notes holds its Notes until maturity, changes in the market interest rate are without relevance to such Holder as the Notes will be redeemed at the principal amount of the Notes.

USE OF PROCEEDS

In connection with the offering of the Notes, the Issuer will receive net proceeds of approximately € ●, after deducting aggregate costs and the underwriting commission aggregating approximately € ●. The Issuer will on-lend the net proceeds to the Guarantor, which intends to use the net proceeds for purposes of its general business.

GENERAL INFORMATION ON THE ISSUER

General Information

adidas International Finance B.V. was incorporated on August 22, 2003 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands. The Issuer is a wholly-owned subsidiary of adidas International B.V., which is an indirect wholly-owned subsidiary of the Guarantor. The Issuer has its corporate seat in Amsterdam, The Netherlands and its address is at Hoogoorddreef 9a, 1101 BA Amsterdam ZO, The Netherlands. The telephone number of its registered office is +31-(0)20-573-4500. The Issuer is registered in the trade register of the chamber of commerce and industries for Amsterdam under file number 34194486.

Fiscal Year

The fiscal year of the Issuer is identical with the calendar year.

Object of the Issuer

The Issuer acts as a finance company for corporate activities. The object of the Issuer, as contained in article 2 of its articles of association, is to be a finance company in the widest sense, including, but not limited to, borrowing and lending money in general, granting loans to group companies, conducting foreign exchange transactions to manage the result of currency risks, raising funds by means of debt instruments, entering into bank loans, issuing bonds, notes and other debt instruments and borrowing in any other way, providing security or undertaking the obligations of third parties, including guarantees for debts of other persons, and in general rendering services in the fields of trade and finance, as well as participating in, taking an interest in any other way in, and conducting the management of other business enterprises of whatever nature, financing third parties and furthermore all activities which are incidental to or which may be conducive to any of the foregoing.

Auditors

The auditors of the Issuer are KPMG Accountants N.V., Burgemeester Rijnderslaan 10-20, 1185 MC Amstelveen, The Netherlands, who have audited the financial statements of the Issuer for the fiscal years 2007 and 2008 and issued an unqualified auditors' report thereon in each case. They are members of the Royal NIVRA (*Koninklijk Nederlands Instituut van Registeraccountants*).

Management

The managing board of the Issuer currently consists of two members, Jocelyn Robiot and Ingrid Cupers. The business address of Mr. Robiot and Ms. Cupers is the same as that of the Issuer. Mr. Robiot is also the Managing Director of adidas International B.V. and of adidas International Marketing B.V. Ms. Cupers is also the CFO of adidas International B.V. and of adidas International Marketing B.V.

The members of the managing board are appointed by the general meeting of shareholders. The general meeting determines the number of managing directors. The general meeting may at any time suspend and dismiss managing directors.

The managing board manages the business of the Issuer and is authorised to represent the Issuer. In the event that more than one managing director is in office, two managing directors acting jointly may also represent the Issuer.

The managing board requires the approval of the general meeting for resolutions which are clearly described in a resolution of the general meeting which are taken for that purpose.

There are no conflicts of interests between the private interests of the members of the managing board and their duties vis-à-vis the Issuer.

No specific Dutch corporate governance code rules are applicable to the Issuer.

Organisational Structure

adidas International Finance B.V. does not have any subsidiaries within the adidas Group.

Legal and Arbitration Proceedings

During the last twelve months, the Issuer was not engaged in governmental, legal or arbitration proceedings which have had or may have significant effects on the Issuer's financial position or profitability.

Share Capital

The authorised and issued share capital of the Issuer amounts to € 2,000,000 divided into 4,000 shares of € 500 each. The capital is paid up in full.

Shareholders

The shares of adidas International Finance B.V. are 100% owned by adidas International B.V., The Netherlands.

Selected Financial Information

The following table sets out the key financial information about the Issuer:

	Fiscal year 2008	Fiscal year 2007
	(€ in thousands)	
Total Assets	1,150,369	1,121,101
Shareholders' Equity	6,770	4,995

Historical Financial Information

The audited financial statements of the Issuer for the fiscal years ending on December 31, 2007 and 2008 and the auditors' report thereon are incorporated by reference into this Prospectus.

GENERAL INFORMATION ON THE GUARANTOR

General Information

adidas AG is a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany and registered in the commercial register of the local court (*Amtsgericht*) of Fürth under HRB 3868. The Guarantor's address and registered office is at Adi-Dassler-Strasse 1, 91074 Herzogenaurach, Germany. The telephone number of its registered office is +49-(0)9132-84-0. adidas AG is the parent company of the adidas Group. The shares of adidas AG are listed at the Frankfurt stock exchange and are traded at the other German stock exchanges. 100 % of the shares are free-float.

Formation

adidas AG was established for an unlimited period of time on April 18, 1989 under the name of adidas Aktiengesellschaft (*Stock Corporation*) by transformation of the previous Adi Dassler Beteiligungsgesellschaft mit beschränkter Haftung (*company with limited liability*) and a subsequent merger with adidas Sportschuhfabriken Adi Dassler Stiftung & Co. KG on May 23, 1989. On May 23, 1989, it was renamed adidas AG. On December 19, 1997, the company was renamed adidas-Salomon AG and on May 29, 2006 it was renamed adidas AG.

Fiscal Year

The fiscal year of the Guarantor is identical with the calendar year.

Object of the Guarantor

Pursuant to § 2 of its articles of association, the object of the Guarantor is the production and distribution of apparel, footwear and equipment for sports and leisure as well as of products of adjoining fields, furthermore the commercialisation of the registered trademark "adidas".

adidas AG is entitled to all measures and business transactions which are appropriate to promote the purpose of the company. This also includes the establishment of branches and the acquisition and establishment of other enterprises as well as of an interest in such enterprises domestically and abroad.

Auditors

KPMG AG Wirtschaftsprüfungsgesellschaft, Marie Curie Strasse 30, 60439 Frankfurt am Main, Germany, which is a member of the *Wirtschaftsprüferkammer*, has audited the consolidated financial statements of the adidas Group as at December 31, 2007 and 2008 and for each of the two years then ended and rendered an unqualified report in each case and has audited the unconsolidated financial statements of adidas AG as at December 31, 2007 and 2008 and for each of the two years then ended and rendered an unqualified report in each case.

Business

Overview

adidas AG is the parent company of the adidas Group. It is a listed German stock corporation and its subsidiaries design, develop, produce and market – increasingly through own-retail activities – a broad range of athletic and sports lifestyle products. It is one of the world's leading sporting goods suppliers. Its product range covers sports footwear and apparel, golf hardware and other sports equipment and accessories. In terms of net sales, adidas Group today is the world's second largest supplier. The Group's products can be purchased in virtually every country around the globe.

The adidas Group has divided its operating activities by major brands into three segments: adidas, Reebok and TaylorMade-adidas Golf.

adidas branded products include footwear, apparel and hardware, such as bags and balls. The products are designed and developed by adidas and are almost exclusively manufactured by subcontractors on behalf of adidas.

Reebok branded products also include footwear, apparel and hardware, such as bags and balls. The products are designed and developed by Reebok and are almost exclusively manufactured by subcontractors on behalf of Reebok.

TaylorMade designs, develops and assembles or manufactures high-quality golf clubs, balls and accessories. adidas Golf branded products include footwear, apparel and accessories.

As of December 31, 2008 the adidas Group employs more than 38,000 people worldwide with 52 % of them working in Europe. It has 190 subsidiaries worldwide. The sales and distribution unit is divided into four regions: Europe/Middle East/Africa, North America, Asia/Pacific and Latin America.

With the business units adidas, Reebok and TaylorMade-adidas Golf, the Group owns very well-known brands and covers a large part of the markets for performance footwear, apparel and accessories. Furthermore, the adidas and Reebok brands increasingly offer sports lifestyle products. The Group has strong regional diversifications.

adidas Group net sales for the fiscal year 2008 amounted to € 10.799 billion and were regionally divided as follows: Europe 43 %, Asia 25 %, North America 24 % and Latin America 8 %.

The business segment adidas, which can be divided into the divisions Sport Performance (approximately 80% of the unit's 2008 revenues) and Sport Style (approximately 20% of the unit's revenues), generated 72% of Group sales in 2008. The Reebok segment represented 20% of the Group's revenues and may be subdivided into the following divisions: Reebok (80% of 2008 segment sales), Reebok-CCM Hockey (9%) and Rockport (11%). In 2008, Reebok recorded a negative operating result of € -7 million. The business segment TaylorMade-adidas Golf accounted for 8 % of Group sales in 2008 and can be divided into the divisions TaylorMade (70 %), adidas Golf (30 %) and Ashworth (acquired in November 2008).

- With net sales of € 7.821 billion in 2008 (2007: € 7.113 billion), the adidas segment is the main contributor to the Group's revenues. The adidas brand is well positioned in sports footwear, apparel and hardware. adidas develops and sells sports products for virtually all types of sport, especially in its five main categories: football, running, training, basketball and Originals.

The adidas segment is divided into two divisions: Sport Performance and Sport Style. While Sport Performance (80 % of net sales in the adidas segment in 2008) is synonymous with performance-driven adidas brand products, Sport Style (20 % of net sales in the adidas segment in 2008) offers consumer products from street fashion to high fashion, all uniquely inspired and linked to sport.

- With net sales of € 2.148 billion in 2008 (2007: € 2.333 billion), Reebok is a global brand committed to developing and marketing innovative products in the areas of women's fitness, men's sport and Classics. The Reebok segment is divided in the divisions Reebok (80% of Reebok segment sales), Reebok-CCM Hockey (9%) and Rockport (11%).
- With net sales of € 812 million in 2008 (2007: € 804 million), TaylorMade-adidas Golf is the world's leading supplier of metalwoods in terms of revenues and offers a full range of high-quality golf hardware in the premium price segment – clubs, balls, footwear, apparel and accessories. TaylorMade-adidas Golf markets products under the brands TaylorMade, adidas Golf and Ashworth. The segment is divided into the divisions TaylorMade (70 % of TaylorMade-adidas Golf sales), adidas Golf (30 % of TaylorMade-adidas Golf sales) and Ashworth (acquired in November 2008).

The vast majority of adidas Group's products are produced by independent manufacturers based on the design and technical specifications provided by the Group. Only a minimum of products is manufactured or, such as TaylorMade golf clubs, assembled by the Group itself. The Group distributes its products primarily to wholesale customers such as specialist sports stores, general sports stores,

shoe stores, department stores and mono-branded franchise stores (in particular in Asia). In addition, own-retail stores have become an increasingly important distribution channel over recent years.

By means of outsourcing production, the Group focuses on its core competence in development and design (permanent innovation being an essential part of the strategy). In 2008, € 81 million were spent on Research and Development (2007: € 84 million), this corresponds to 0.8% of Group revenues and 1.9 % (2007: 2.1 %) of total operating expenditures, respectively.

Brand strength and attractiveness are vital to the commercial success of the adidas Group. Therefore, the adidas Group has to invest considerable resources in marketing. In 2008, the Group spent 13.2 % of sales or € 1.4 billion on marketing working budget expenses (primarily in the areas of promotion partnerships, point-of-sale activities and advertising).

adidas

The adidas segment is the main contributor to net sales of the adidas Group with net sales of € 7.821 billion in 2008 (representing 72 % of consolidated Group net sales). adidas markets footwear, apparel and hardware for virtually every sport category. Additionally, the product offering includes sports-inspired lifestyle footwear, apparel and accessories. adidas headquarters are located in Herzogenaurach, Germany. The adidas segment comprises two divisions: Sport Performance and Sport Style:

- The Sport Performance division is the largest adidas division in terms of net sales. The Sport Performance division is focused on inspiring, supporting and equipping athletes in the best possible way to help them achieve their optimal performance. The adidas Sport Performance division has defined four key categories: football, running, training and basketball.
- With the help of Sport Style, adidas leverages its heritage and credibility as a sports brand in the lifestyle arena. To best tap the potential of the sports lifestyle market, adidas Sport Style has segmented its product offerings into three different categories: Originals, focusing on contemporary lifestyle, the Fashion Group, which includes Y-3, the Porsche Design cooperation as well as the adidas SLVR label, and adidas Style Essentials, focusing on lifestyle products at more accessible price points.

Reebok

In August 2005, adidas announced its intention to acquire Reebok International Ltd. Reebok revenues are consolidated as part of the adidas Group since February 1, 2006. In 2008, the Reebok segment contributed € 2.148 billion to Group net sales, representing 20% of consolidated Group net sales.

Reebok designs and markets sports and fitness products, including footwear, apparel, equipment and accessories. Reebok also designs and markets casual footwear, apparel and accessories for non-athletic use. Reebok's headquarters are located in Canton, Massachusetts, USA. The segment includes the following divisions:

- Reebok aims at developing innovative products based on the brand's roots in sport and women's fitness with a focus on women's fitness, men's sport and Classics;
- Reebok-CCM Hockey, which is one of the world's largest designers, manufacturers and marketers of hockey equipment and apparel with the two brands Reebok Hockey and CCM Hockey; and
- Rockport, which designs and markets dress, casual and outdoor footwear as well as apparel and accessories that fuse dynamic technology and modern style.

TaylorMade-adidas Golf

In 2008, the TaylorMade-adidas Golf segment recorded net sales of € 812 million (8 % of consolidated net sales of the adidas Group). TaylorMade-adidas Golf is the world's leading supplier of metalwoods in terms of revenues and offers a comprehensive range of top-quality golf clubs, hardware, apparel and footwear, primarily in the premium price segment. TaylorMade-adidas Golf products are offered to

golfers of all abilities. Operations are headquartered in Carlsbad, California, USA. The segment comprises the following divisions.

- TaylorMade. With its high-quality products, the TaylorMade brand is today among the market leaders in premium golf clubs. TaylorMade is the market leader in metalwoods driven by the steady introduction and commercialisation of new and innovative products in recent years. The brand focuses on consumers who seek the most innovative, performance-enhancing golf equipment available.
- adidas Golf. adidas Golf targets active, serious, athletic-minded golfers who look for technologies that help improve the performance of their golf footwear and apparel.
- Ashworth. Ashworth (acquired in November 2008) is a leading designer of men's and women's golf-inspired lifestyle sportswear with a focus on functional cotton products with a modern look.

Strategy

The adidas Group strives to be the global leader in the sporting goods industry with sports brands built on a passion for sports and a sporting lifestyle. With clearly positioned brands targeting well-defined consumer segments, the Group aims at continuously strengthening brand equity and maximising shareholder value. By following a multi-brand strategy, the Group communicates to different consumers with different brands, enabling it to provide distinct and relevant products to a broad spectrum of consumers with diverse needs and attitudes. Across all brands, the Group focuses on its core competence of designing, developing and marketing innovative performance and sports lifestyle footwear, apparel and hardware. Products are distributed via wholesale and own-retail distribution channels. As a global organisation, the Group targets leading market positions in all regions it competes.

Performance is the core value of the Group and its employees. The Group's mission and strategy are rooted in its desire to provide athletes with the best possible equipment to optimise their performance. The Group strives to be closer to consumers than any of its competitors. In support of these efforts, adidas Group continuously optimises its sales and distribution processes and improves its customer service efforts for its retail partners.

Leveraging opportunities across the Group's brand portfolio

The strength of its brands is a key factor in the Group's success. Within its brand portfolio, the Group primarily pursues two strategic priorities:

- Market penetration – gaining market share across all markets in which the Group competes, and
- Market development – expanding into new markets and addressing new consumer segments.

The Group's multi-brand approach allows adidas to tackle opportunities from several perspectives, as both a mass and a niche player, providing distinct and relevant products to a broad spectrum of consumers. In this way, each brand is able to concentrate on its core competencies. Across all brands, the Group focuses on increasing awareness and visibility, providing clear and consistent messaging and supporting product initiatives at the point-of-sale. In addition, the Group's commercial success also depends on leveraging the scale of its organisation and sharing best practice across the Group. In particular, adidas continues to prioritise the development and further integration of its supply chain across all brands, turning it into a long-term competitive advantage for the Group.

Leading through innovation and design

The Group is determined to address every consumer in a specific and unique way – with product and communication initiatives that generate trade and consumer interest. As a result, adidas believes that technological innovation and cutting-edge design are essential to sustainable leadership in its industry.

Innovation plays a significant role in differentiating its product offering in the minds of consumers. It is the Group's objective to launch at least one major new technology or technological evolution per year.

Customising distribution

The Group intends to drive future success by engaging consumers with unique interactive product approaches and rewarding point-of-sale experiences. Its brands must be competitive in this environment where consumers make their final purchase decisions based on availability, convenience and breadth of product offering. As a result, adidas is continuously refining its distribution proposition, concentrating on two areas: expanding controlled space and improving retail relationships.

Controlled space includes the Group's own-retail business comprising e-commerce, mono-branded stores run by retail partners, shop-in-shops that adidas establishes with its key accounts, joint ventures with retail partners and co-branded stores with sports organisations or other brands.

These formats provide the Group with a high level of brand control, as the Group either manages the stores itself (i.e. own retail) or works closely with its partners (mono-branded stores, shop-in-shops, joint ventures, co-branded stores) to ensure the appropriate product offering and presentation at the point of sale. Brand control helps the Group drive sales and profitability increases and expand its market position. The Group intends to generate at least 35 % of its revenues through controlled space in the coming years.

Competition

The sporting goods industry is characterised by intense competition around the globe (see "Risk Factors – Risks Relating to the Guarantor – Intense Competition in the Sporting Goods Industry and Retail Consolidation"). It is subject to rapid changes in consumer preferences, changes in the popularity of different types of sports, changing design trends, technological innovations and changes in general consumer spending behavior. Competition focuses primarily on design, functionality, price, quality, brand image and delivery performance.

The adidas Group competes internationally with an increasing number of companies operating in the sectors of sport, street and fashion and leisure footwear, sports and leisure apparel and sports equipment. Some of the adidas Group's competitors concentrate exclusively on one particular area such as footwear, apparel or equipment. The Group's major international competitors, Nike and Puma, offer an extensive product portfolio covering leisure and sports footwear, leisure and sports apparel, as well as sports equipment and accessories. Other competitors of the Group include the performance-oriented brands Asics, Callaway, Fortune Brands, Li Ning, Mizuno, New Balance, VF Corporation, Saucony and Under Armour and the lifestyle/leisure brands Esprit, H&M, Inditex, Lacoste, Ralph Lauren, The GAP, Tommy Hilfiger and others. There are also smaller niche suppliers in specific sports, who mainly offer sports equipment.

The adidas Group is a global player with strong market positions around the globe. In Europe, the Group is the market leader in terms of sales. It strives to continuously strengthen its position in the major Western European markets through well-coordinated efforts with key account partners. The Group also tries to capitalise on the strong growth opportunities in the region's emerging markets. In North America, which represents the biggest regional market for sporting goods globally, the adidas Group holds the second rank after Nike in terms of revenues with a target to close the gap to its major competitor. In Asia, where the Group believes it is the market leader in terms of sales, the Group is focused on expanding its market share in particular in the two key markets of Japan and China. In Latin America (key markets: Brasil, Argentina, Mexico and Chile), adidas Group intends to take over market leadership from Nike by 2010.

TaylorMade-adidas Golf is one of the leading brands in the golf industry. Its main competitors are Callaway and Acushnet. Callaway is a golf specialist and does not operate in any other sport. Acushnet is a division of US conglomerate Fortune Brands. The brand portfolio of Acushnet includes Titleist (global market leader in golf balls), FootJoy (global market leader in golf footwear), Pinnacle (golf balls) and Cobra (golf clubs). Nike is another competitor in the global golf market with a presence in softgoods, clubs and balls.

Organisational Structure

adidas AG is the parent company of the adidas Group which, at December 31, 2008, consists of the following companies:

Company and Domicile		Share in capital held by ⁷⁾	in %
1	GEV Grundstücksgesellschaft Herzogenaurach mbH & Co. KG Herzogenaurach (Germany)	directly	90
2	GEV Grundstücks-Beteiligungsgesellschaft Herzogenaurach mbH Herzogenaurach (Germany)	directly	100
3	adidas Versicherungs-Vermittlungs GmbH ¹²⁾ Herzogenaurach (Germany)	directly	100
4	adidas Beteiligungsgesellschaft mbH ¹²⁾ Herzogenaurach (Germany)	directly	100
5	Immobilieninvest und Betriebsgesellschaft Herzo-Base Verwaltungs GmbH Herzogenaurach (Germany)	directly	100
6	Immobilieninvest und Betriebsgesellschaft Herzo-Base GmbH & Co. KG Herzogenaurach (Germany)	directly	100
7	World of Commerce Management GmbH ⁶⁾ Herzogenaurach (Germany)	directly	100
8	World of Commerce GmbH & Co. KG ⁶⁾ Herzogenaurach (Germany)	directly	100
9	Hotel Herzo-Base GmbH & Co. KG ⁶⁾ Herzogenaurach (Germany)	directly	100
10	Herzo-Base Management GmbH ⁶⁾ Herzogenaurach (Germany)	directly	100
11	Factory Outlet Herzo-Base GmbH & Co. KG ⁶⁾ Herzogenaurach (Germany)	directly	100
12	Reebok Deutschland GmbH Herzogenaurach (Germany)	76 106	75 25
13	ASL - American Sports & Leisure Vertriebs GmbH ¹²⁾ Herzogenaurach (Germany) Kirchheim-Heimstetten (Germany)	12	100
14	Reebok-CCM Hockey GmbH Herzogenaurach (Germany)	112	100
<u>Europe (incl. Africa and Middle East)</u>			
15	adidas sport gmbh Cham (Switzerland)	directly	100
16	Sarragan AG Cham (Switzerland)	directly	100
17	adidas Austria GmbH Klagenfurt (Austria)	directly	95,89 4,11
18	adidas Holding S.A. Metz-Tessy (France)	65	100
19	adidas France S.a.r.l. Landersheim (France)	18	100
20	adidas International B.V. Amsterdam (Netherlands)	directly	93,97 6,03
21	adidas International Trading B.V. Amsterdam (Netherlands)	20	100
22	adidas International Marketing B.V. Amsterdam (Netherlands)	20	100
23	adidas International Finance B.V. Amsterdam (Netherlands)	20	100
24	adidas Benelux B.V. Amsterdam (Netherlands)	directly	100
25	adidas Belgium N.V. Brussels (Belgium)	24	100
26	adidas (UK) Ltd. 1) Stockport (Great Britain)	65	100

27	adidas (ILKLEY) Ltd. 1) 6)	Stockport (Great Britain)	26	100
28	Larasport (U.K.) Ltd. 1) 6)	Stockport (Great Britain)	26	100
29	Sarragan (U.K.) Ltd. 1) 6)	Stockport (Great Britain)	26	100
30	adidas Trefoil Trading (U.K.) Ltd. 1) 6)	Stockport (Great Britain)	29	100
31	Three Stripes Ltd. 1) 6)	Stockport (Great Britain)	26	50
			27	50
32	Taylor Made Golf Ltd.	Basingstoke (Great Britain)	20	100
33	adidas (Ireland) Ltd.	Dublin (Ireland)	20	100
34	adidas International Re Ltd.	Dublin (Ireland)	20	100
35	adidas Espana S.A.	Zaragoza (Spain)	4	100
36	adidas Italy S.p.A	Monza (Italy)	20	100
37	adidas Portugal S.A.	Lisbon (Portugal)	20	100
38	adidas Norge AS	Lillestrom (Norway)	directly	100
39	adidas Sverige AB	Stockholm (Sweden)	directly	100
40	adidas Suomi Oy	Helsinki (Finland)	20	100
41	adidas Danmark A/S	Them (Denmark)	20	100
42	adidas CR s.r.o.	Prague (Czech Republic)	directly	100
43	adidas Budapest Kft.	Budapest (Hungary)	directly	85
44	adidas Bulgaria EAD	Sofia (Bulgaria)	directly	100
45	adidas Ltd.	Moscow (Russia)	17	100
46	adidas Poland Sp. z o. o.	Warsaw (Poland)	directly	100
47	adidas Romania S.R.L.	Bucharest (Romania)	20	100
48	adidas Baltics SIA	Riga (Latvia)	20	100
49	adidas Slovakia s.r.o.	Bratislava (Slovak Republic)	directly	100
50	adidas Trgovina d.o.o.	Ljubljana (Slovenia)	directly	100
51	SC adidas Ukraine	Kiev (Ukraine)	directly	100
52	adidas Hellas A.E.	Thessaloniki (Greece)	directly	95
53	adidas Spor Malzemeleri Satis ve Pazarlama A.S.	Istanbul (Turkey)	20	100
54	a-RET Tekstil ve Deri Ürünleri Tic. A.S.	Istanbul (Turkey)	21	100
55	adidas Emerging Market L.L.C.	Dubai (United Arab Emirates)	19	49
			indirectly	51
56	adidas Emerging Markets FZE	Dubai (United Arab Emirates)	20	100
57	adidas Imports & Exports Ltd.	Cairo (Egypt)	58	100
58	adidas Sporting Goods Ltd.	Cairo (Egypt)	21	10
			20	90
59	adidas Egypt Ltd. ⁶⁾	Cairo (Egypt)	directly	100
60	adidas Israel Ltd.	Tel Aviv (Israel)	directly	100
61	adidas (South Africa) (Pty) Ltd.	Cape Town (South Africa)	directly	100
62	adidas (Cyprus) Limited	Nicosia (Cyprus)	directly	100
63	Rockport (Europe) B.V.	Amsterdam (Netherlands)	107	100
64	Reebok Finance Limited ^{6) 11)}	Bolton (Great Britain)	106	100
65	Reebok International Limited ¹¹⁾	Bolton (Great Britain)	20	65,1

		106	34,9
66	Reebok Spain S.A.	Alicante (Spain)	106 75
67	American Sports & Leisure (CZ) s.r.o	Prague (Czech Republic)	directly 100
68	Reebok Poland S.A.	Warsaw (Poland)	106 100
69	RBK Holdings Limited ¹¹⁾	Bolton (Great Britain)	106 89
			125 11
70	Reebok International Finance B.V.	Amsterdam (Netherlands)	106 100
71	Reebok Sports Limited	Bolton (Great Britain)	65 100
72	J.W. Foster & Sons (Athletic Shoes) Limited ^{6) 11)}	Bolton (Great Britain)	65 100
73	The Rockport Company Limited ^{6) 11)}	Bolton (Great Britain)	65 100
74	Reebok Eastern Trading Limited ⁶⁾	Bolton (Great Britain)	65 100
75	Reebok Pensions Management Limited ¹¹⁾	Bolton (Great Britain)	65 100
76	Reebok Europe Holdings Private Unlimited Company	Bolton (Great Britain)	65 100
77	Reebok Austria GmbH	Bergheim (Austria)	71 1
			76 99
78	ASL American Sports and Leisure Vertriebs GmbH	Bergheim (Austria)	77 100
79	Reebok Italia Srl	Monza (Italy)	36 100
80	Reebok Europe B.V.	Amsterdam (Netherlands)	76 100
81	Reebok Nederland (Retail) B.V.	Amsterdam (Netherlands)	24 100
82	Reebok Ireland Limited	Dublin (Ireland)	33 100
83	Reebok France S.A.	Voisins Le Bretonneux (France)	76 100
84	Reebok France Retail SARL	Voisins Le Bretonneux (France)	83 100
85	Reebok Belgium S.A.	Brussels (Belgium)	76 100
86	Reebok Portugal, Artigos Desportivos, S.A.	Povoa de Santo Adriaio (Portugal)	76 100
87	Nordic Hockey Company AB 10)	Malung (Sweden)	113 100
88	Reebok Jofa AB	Malung (Sweden)	87 100
89	Reebok Jofa AS	Gressvik (Norway)	87 100
90	Reebok Finland OY	Forssa (Finland)	87 100
91	adidas LLP	Almaty (Republic of Kazakhstan)	directly 100
92	adidas Serbia d.o.o.	New-Belgrade (Serbia)	20 100
93	adidas Croatia d.o.o.	Zagreb (Croatia)	20 100
94	adidas Levant Ltd.	Dubai (United Arab Emirates)	56 55
			45
	<u>North America</u>		
95	adidas North America, Inc.	Portland, Oregon (USA)	20 100
96	adidas America, Inc.	Portland, Oregon (USA)	95 100
97	adidas Promotional Retail Operations, Inc.	Portland, Oregon (USA)	95 100
98	adidas Sales, Inc.	Portland, Oregon (USA)	95 100
99	adidas Village Corporation	Portland, Oregon (USA)	95 100
100	adidas International, Inc.	Portland, Oregon (USA)	95 100

101	adidas Team, Inc.	Portland, Oregon (USA)	95	100
102	Taylor Made Golf Co., Inc. ¹³⁾	Carlsbad, California (USA)	95	100
103	adidas Canada Ltd.	Concord, Ontario (Canada)	directly	100
104	Campus Athletic, Inc.	Brantford, Ontario (Canada)	103	100
105	Saxon Athletic Manufacturing, Inc.	Brantford, Ontario (Canada)	103	99,85
			104	0,15
106	Reebok International Ltd. ²⁾	Canton, Massachusetts (USA)	95	100
107	The Rockport Company, LLC	Wilmington, Delaware (USA)	106	100
108	RC Investments Ltd.	Montreal (Kanada)	106	100
109	Reebok Canada Inc.	Montreal (Canada)	106	100
110	The Reebok Worldwide Trading Company, LLC	Wilmington, Delaware (USA)	106	100
111	Reebok-CCM Hockey, Inc. ⁹⁾	Wilmington, Delaware (USA)	106	100
112	Sports Holdings Corp. ¹⁰⁾	Wilmington, Delaware (USA)	111	100
113	WAP Holdings Inc. ¹⁰⁾	Wilmington, Delaware (USA)	112	100
114	Reebok-CCM Hockey U.S., Inc.	Montpelier, Vermont (USA)	111	64
			112	36
115	Sport Maska Inc.	New Brunswick (Canada)	111	100
116	SLM Trademark Acquisition Corp. ^{9) 6)}	Dover, Delaware (USA)	111	100
117	SLM Trademark Acquisition Canada Corporation ^{9) 6)}	New Brunswick (Canada)	116	100
118	CCM Holdings (1983) Inc.	Montreal (Canada)	117	100
119	Consumer Infomarketing, Inc. ^{9) 6)}	Delaware (USA)	111	100
120	Smedley Industries, Inc. ^{9) 6)}	Delaware (USA)	111	100
121	Toy Factory, Inc. ^{9) 6)}	New Jersey (USA)	120	100
122	Reebok Aviation, LLC ⁶⁾	Wilmington, Delaware (USA)	106	100
123	Reebok CHC, Inc. ^{6) 2)}	Stoughton, Massachusetts (USA)	106	100
124	RFC, Inc.	Wilmington, Delaware (USA)	106	100
125	Reebok Securities Holdings LLC ²⁾	Wilmington, Delaware (USA)	106	100
126	Sports Licensed Division of the adidas Group, LLC	Boston, Massachusetts (USA)	106	99
			125	1
127	Onfield Apparel Group, LLC ⁸⁾	Dover, Delaware (USA)	106	99
			128	1
128	Reebok Onfield, LLC ⁸⁾	Dover, Delaware (USA)	106	100
129	RBK Thailand, Inc. ²⁾	Boston, Massachusetts (USA)	106	100
130	Textronics, Inc.	Wilmington, Delaware (USA)	100	100
131	Ashworth, Inc. ¹³⁾	Carlsbad, California (USA)	102	100
132	Ashworth Acquisition Corp. ¹³⁾	Wilmington, Delaware (USA)	131	100
133	Ashworth U.K. Ltd. ¹³⁾	Bristol (Great Britain)	131	100

134	Ashworth Store I, Inc. ¹³⁾	Wilmington, Delaware (USA)	131	100
135	Ashworth Store II, Inc. ¹³⁾	Wilmington, Delaware (USA)	131	100
136	Ashworth EDC, LLC ¹³⁾	Wilmington, Delaware (USA)	131	100
137	Gekko Brands, L.L.C. ¹³⁾	Montgomery, Alabama (USA)	132	100
138	Kudzu, LLC ¹³⁾	Montgomery, Alabama (USA)	137	100
139	The Game, LLC ¹³⁾	Montgomery, Alabama (USA)	137	100
140	Sunice Holdings, Inc. ¹³⁾	Wilmington, Delaware (USA)	131	100

Asia

141	adidas Sourcing Ltd.	Hong Kong (China)	21	100
142	adidas Services Limited	Hong Kong (China)	20	100
143	adidas Hong Kong Ltd.	Hong Kong (China)	directly	100
144	adidas (Suzhou) Co. Ltd.	Suzhou (China)	4	100
145	adidas Sports (China) Co. Ltd.	Suzhou (China)	4	100
146	adidas (China) Ltd.	Shanghai (China)	20	100
147	adidas Japan K.K.	Tokyo (Japan)	65	100
148	Taylor Made Golf Co., Ltd.	Tokyo (Japan)	65	100
149	adidas Korea Ltd.	Seoul (Korea)	directly	100
150	adidas Korea Technical Services Ltd.	Pusan (Korea)	141	100
151	Taylor Made Korea Ltd.	Seoul (Korea)	directly	100
152	adidas India Private Ltd. ³⁾	New Delhi (India)	20	1
			directly	99
153	adidas India Marketing Private Ltd. ³⁾	New Delhi (India)	20	8,6
			152	91,4
154	P.T. adidas Indonesia Ltd.	Jakarta (Indonesia)	20	99
			directly	1
155	adidas (Malaysia) Sdn. Bhd.	Kuala Lumpur (Malaysia)	directly	60
			20	40
156	adidas Philippines Inc.	Manila (Philippines)	directly	100
157	adidas Singapore Pte. Ltd.	(Singapore)	directly	100
158	adidas Taiwan Limited	Taipei (Taiwan)	20	100
159	adidas Holding (Thailand) Co., Ltd.	Bangkok (Thailand)	directly	49
			indirectly	51
160	adidas (Thailand) Co., Ltd.	Bangkok (Thailand)	directly	49,99
			159	50,01
161	adidas Australia Pty. Ltd.	Mulgrave (Australia)	20	100
162	adidas New Zealand Ltd.	Auckland (New Zealand)	directly	100
163	adidas Technical Services Private Limited	New Delhi (India)	141	100
164	Reebok Korea Ltd.	Seoul (Korea)	65	100
165	RIL Shanghai Company Limited	Shanghai (China)	65	100
166	Reebok India Company Unlimited	New Delhi (India)	173	93,15
167	Smedley Industries (Hong Kong) Limited ^{9) 6)}	Hong Kong (China)	120	100
168	Reebok Trading (Far East) Ltd.	Hong Kong	106	100

	(China)		
169	Reebok (China) Services Limited	Hong Kong (China)	168 100
170	Zhuhai adidas Technical Services Ltd.	Zhuhai (China)	141 100
171	RIL Taiwan Services Ltd.	Hong Kong (China)	168 100
172	RIL Indonesia Services Limited	Hong Kong (China)	168 100
173	Reebok (Mauritius) Company Limited	Port Louis (Mauritius)	106 99
			110 1
<u>Latin America</u>			
174	adidas Argentina S.A.	Buenos Aires (Argentina)	20 95
			4 5
175	adidas do Brasil Ltda.	Sao Paulo (Brazil)	4 100
176	ASPA do Brasil Ltda.	Sao Paulo (Brazil)	141 100
177	adidas Chile Ltda.	Santiago de Chile (Chile)	directly 99
			3 1
178	adidas Colombia Ltda.	Bogota (Columbia)	directly 100
179	adidas de Mexico S.A. de C.V. 4)	Mexico City (Mexico)	directly 100
180	adidas Industrial S.A. de C.V. 4)	Mexico City (Mexico)	directly 100
181	adidas Latin America S.A.	Panama City (Panama)	directly 100
182	Concept Sport S.A.	Panama City (Panama)	20 100
183	3 Stripes S.A. (adidas Uruguay) 6)	Montevideo (Uruguay)	directly 100
184	adidas Corporation de Venezuela, S.A. 6)	Caracas (Venezuela)	directly 100
185	Reebok de Mexico, S.A. de C.V. 5)	Neucalpan de Juarez (Mexico)	106 100
186	Amserv, S.A. de C.V. 5)	Neucalpan de Juarez (Mexico)	185 100
187	Vector Servicios, S.A. de C.V. 5)	Neucalpan de Juarez (Mexico)	185 100
188	Reebok Productos Esportivos Brasil Ltda.	Jundiai (Brazil)	20 99,99
189	adisport Corporation	San Juan (Puerto Rico)	20 100
190	Reebok Argentina S.A.	Buenos Aires (Argentina)	20 89,99
			21 10,00

- 1) Sub-group adidas UK
- 2) Sub-group Reebok International Ltd.
- 3) Sub-group India
- 4) Sub-group Mexico, adidas
- 5) Subgroup Mexico, Reebok
- 6) Companies with no active business
- 7) The number refers to the number of the company.
- 8) Sub-group Onfield
- 9) Teilkonzern Reebok-CCM Hockey, Inc.
- 10) Sub-group Sports Holdings Corporation
- 11) Sub-group Reebok International Limited
- 12) Profit and loss transfer agreement
- 13) Sub-group Taylor Made Golf Co., Inc.

Investments

In 2009, investments in tangible and intangible assets are expected to amount to € 300 million to € 400 million (2008: € 380 million). Investments will focus on adidas and Reebok controlled space initiatives, in particular in emerging markets. These investments will account for almost 50 % of total investments in 2009. Other areas of investment include the further development of the adidas Group headquarters in Herzogenaurach, Germany.

Legal and Arbitration Proceedings

adidas AG and its subsidiaries are and have been frequent parties to litigation in the ordinary course of business. Group litigation focuses primarily on product liability and infringement of trademarks and patents. There are currently and have been in the previous twelve months no lawsuits, governmental, legal or arbitration proceedings which have had or which adidas Group believes could have in the future a substantial impact on the financial position of the Group.

Management and Administrative Bodies

Executive Board

The members of the Executive Board, which currently consists of four members, are appointed by the Supervisory Board. Pursuant to adidas's articles of association, the Executive Board must consist of at least two members. The Supervisory Board is authorised to increase the number of members of the Executive Board. The maximum term of office of the members of the Executive Board is five years. Re-appointment for or extension of their term of office of up to another five years is permitted. The Supervisory Board may remove members of the Executive Board prior to the expiration of their term for good cause. Such cause is deemed to exist, in particular, in the event of gross negligence in the discharge of their duties, or withdrawal of confidence by the General Meeting.

The Executive Board manages the business of the Group. The Guarantor is represented by two members of the Executive Board or one member of the Executive Board acting jointly with a holder of statutory powers of attorney (*Prokurist*). A member of the Executive Board cannot represent the Guarantor in connection with the conclusion of agreements between him- or herself and the Guarantor. The Executive Board must report regularly to the Supervisory Board on the proposed corporate policy and other major strategic issues of future group management, profitability (especially the return on equity), the progress of business (in particular turnover), and the general condition of the Group, as well as on transactions that could have a significant effect on the Guarantor's profitability or liquidity. The Executive Board also reports to the chairman of the Supervisory Board on any other matters of importance. The Supervisory Board adopted by-laws pursuant to which certain transactions with a threshold determined for each transaction require the approval of the Supervisory Board.

The current members of the Guarantor's Executive Board are as follows:

Name	Responsibility	Other Positions outside the Guarantor
Herbert Hainer (Chairman)	Chairman of the Executive Board	- Member of the Supervisory Board of Allianz Deutschland AG, Munich, Germany - Deputy Chairman of the Supervisory Board of FC Bayern München AG, Munich, Germany - Member of the Supervisory Board, Engelhorn KGaA, Mannheim, Germany
Glenn Bennett	Global Operations	none
Robin J. Stalker	Finance	none
Erich Stamminger	President and CEO of adidas Brand	none

The business address of the members of the Executive Board is the same as that of the Guarantor.

There are no conflicts of interests between the private interests of the members of the Executive Board and their duties vis-à-vis the Guarantor.

Supervisory Board

The Supervisory Board of the Guarantor consists of twelve members, of which six members are appointed by the employees pursuant to the German Co-determination Act of 1976 and six members are elected by the shareholders in the Annual General Meeting pursuant to the provisions of the German Stock Corporation Act. Those members of the Supervisory Board who are appointed by the shareholders may be removed from office by the shareholders with a majority of at least three quarters of the votes cast at the relevant Annual General Meeting. Members of the Supervisory Board may not be elected for a period extending beyond the end of the Annual General Meeting which discharges the members of the Supervisory Board from their responsibilities for the fourth fiscal year following the year in which such members took office, not including the fiscal year during which the term of office began. Re-election is permitted. The members of the Supervisory Board elect a chairperson and, pursuant to the articles of association, two deputy chairpersons from amongst themselves. The chairperson of the Supervisory Board convenes and chairs meetings of the Board. Unless otherwise provided for by law, the Supervisory Board makes decisions by a simple majority of the votes cast.

As at the date of this Prospectus, the names, the year of their appointment and the principal occupations of the present members of adidas's Supervisory Board are as follows:

Name	Member since	Main profession / other positions
Igor Landau Chairman	2004	Former Chief Executive Officer of Aventis S.A., Paris, France - Member of the Supervisory Board, Allianz SE, Munich, Germany - Member of the Board of Directors, Sanofi-Aventis S.A., Paris, France - Member of the Board of Directors, HSBC France S.A., Paris, France
Sabine Bauer Deputy Chairwoman (employee representative)	1999	Senior Manager Quality Analysis & Reporting, Global Operations, adidas AG
Willi Schwerdtle Deputy Chairman	2004	Managing Director, Procter & Gamble GmbH, Schwalbach am Taunus, Germany
Dieter Hauenstein (employee representative)	2009	Chairman of the Works Council Herzogenaurach, adidas AG
Dr. Wolfgang Jäger (employee representative)	2009	Managing Director, Hans-Böckler-Stiftung, Düsseldorf, Germany
Dr. Stefan Jentzsch	2007	Partner Perella Weinberg Partners UK LLP, London, United Kingdom - Member of the Supervisory Board, Premiere AG, Unterföhring, Germany
Herbert Kauffmann	2009	Management Consultant, Stuttgart, Germany
Roland Nosko (employee representative)	2004	District Manager, Mining, Chemical and Energy Industrial Union, District of Nuremberg, Nuremberg, Germany - Member of the Supervisory Board, CeramTec AG, Plochingen, Germany

Alexander Popov	2009	Chairman, RFSO "Lokomotiv", Moscow, Russia
Hans Ruprecht (employee representative)	2002	Sales Director Customer Service, Area Central West, adidas AG
Heidi Thaler-Veh (employee representative)	1994	Member of the Central Works Council, adidas AG
Christian Tourres	2001	Former Member of the Executive Board of adidas AG - Member of the Board of Directors, Beleta Worldwide Ltd., Guernsey, Channel Islands

The Supervisory Board has established five regular committees: the Steering Committee, the General Committee, the Audit Committee, the Mediation Committee and the Nomination Committee.

The Steering Committee discusses major issues and prepares resolutions of the Supervisory Board. The Steering Committee may in lieu of the Supervisory Board resolve in a meeting on the approval required for certain measures of the Executive Board provided that such matter allows no delay and that a resolution of the Supervisory Board cannot be taken in a meeting in due time. The Steering Committee is composed of Igor Landau (Chairman), Sabine Bauer and Willi Schwerdtle.

The General Committee prepares the decisions of the Supervisory Board with respect to employment issues of the Executive Board. Subject to the mandatory responsibilities of the Supervisory Board, the General Committee takes certain resolutions in lieu of the Supervisory Board. Further, the General Committee discusses on a regular basis the long-term succession planning for the Executive Board. Members of the Executive Board or of the Supervisory Board shall disclose any conflicts of interest to the General Committee in lieu of the Supervisory Board. The General Committee is composed of four members, Igor Landau (Chairman), Sabine Bauer, Roland Nosko as well as Willi Schwerdtle.

The Audit Committee deals with issues with respect to accounting and risk management and prepares the resolutions of the Supervisory Board on the annual financial statements and consolidated annual financial statements and on the agreements with the auditors (in particular the audit mandate, the definition of auditing focal points and the fee agreement). The Audit Committee takes appropriate measures to assess and supervise the auditors' independence. Further, the Audit Committee discusses the business planning of the Executive Board. The Audit Committee is composed of four members, i.e. two Supervisory Board members representing the shareholders and two Supervisory Board members representing the employees. Neither the Chairman of the Supervisory Board nor any former member of the Executive Board of the Corporation shall be appointed the Chairman of the Audit Committee. The current members of the Audit Committee are Dr. Wolfgang Jäger, Dr. Stefan Jentzsch, Herbert Kauffmann and Hans Ruprecht.

The Mediation Committee is formed pursuant to § 27 Section 3 of the German Co-Determination Act to perform the functions as defined in § 31 section 3 sentence 1 of the German Co-Determination Act. The Mediation Committee is composed of Igor Landau (Chairman), Sabine Bauer, Willi Schwerdtle as well as Heidi Thaler-Veh.

The Nomination Committee was established in May 2008 and met for the first time in November 2008. In addition to organisational aspects of its future work, the committee discussed the composition of the Supervisory Board and defined requirements for the future composition of the shareholders' representatives with regard to the required competencies and qualifications. The Nomination Committee is composed of Igor Landau, Willi Schwerdtle as well as Christian Tourres.

The members of the Supervisory Board listed above have been appointed until the end of the Annual General Meeting that resolves on their discharge from responsibilities for the fiscal year 2013. The business address of the members of the Supervisory Board is the same as that of the Guarantor.

There are no conflicts of interests between the private interests of the members of the Supervisory Board and their duties vis-à-vis the Guarantor.

Corporate Governance Code

In 2008 the Executive Board and Supervisory Board were informed regularly by the Group's Corporate Governance Officer on the latest corporate governance developments and devoted particular attention to fulfilling the provisions of the German Corporate Governance Code (the "**Code**"), especially the latest provisions of June 6, 2008. As a result of these consultations, the Executive Board and Supervisory Board issued an updated Declaration of Compliance on February 11, 2009, pursuant to § 161 of the German Stock Corporation Act (*Aktiengesetz – AktG*).

Until August 8, 2008, the Declaration refers to the Code as amended on June 14, 2007 and subsequently to the Code as currently applicable. All recommendations of the Code have been and are fulfilled to a large extent. adidas AG deviates from the recommendations with regard to the following:

- Section 3.8 of the Code recommends including an appropriate deductible in the directors' and officers' (D&O) liability insurance concluded by the Guarantor for the Executive Board and Supervisory Board. The D&O liability insurance policy for the Group's Executive Board and Supervisory Board members does not provide for a deductible as this is not common practice outside of Germany. In addition, it is a group insurance for a large number of executives in Germany and abroad for which a differentiation between Executive Board and Supervisory Board members and other executives does not seem appropriate.
- Section 4.2.3 of the Code recommends that a severance payment cap for the premature termination of the contract without serious cause be agreed when concluding employment contracts with the Executive Board. The contracts that are currently to be newly concluded do not provide for a formal severance payment cap due to the three-year term of the contract. adidas believes that the contract term agreed already offers sufficient protection from inappropriate severance payments.
- Section 5.4.1 of the Code recommends setting an age limit for Supervisory Board members. The Group does not set an age limit for Supervisory Board members as this is, in its opinion, an unnecessary limitation of the rights of its shareholders and employees when electing their representatives to the Supervisory Board.
- Section 5.4.6 of the Code recommends that Supervisory Board members receive performance-oriented compensation in addition to their fixed compensation. The members of the Group's Supervisory Board do not receive any performance-oriented compensation in order to allow for the independent supervisory functions of the Supervisory Board.

The Group's Executive Board and Supervisory Board have decided to comment not only on the deviations from the recommendations of the Code but, in addition, also on the non-binding suggestions. On February 11, 2009, adidas AG complies with the suggestions of the Code with one exception: Pursuant to section 3.6 of the Code, Supervisory Board meetings should be prepared separately by the Supervisory Board members representing the shareholders and by those representing the employees. The members of its Supervisory Board do not meet for such preparation meetings as standard practice but only if required.

Share Capital

As of December 31, 2008 the stock capital of adidas AG amounts to € 193,515,512 and is divided into the same number of no-par-value bearer shares with a pro-rata amount in the stock capital of € 1 each.

Shareholders

The shares of adidas AG are 100 % in free float. adidas currently estimates the total number of shareholders of adidas AG at approximately 70,000. As at the date of this Prospectus, the Capital Research and Management Company is currently the biggest single shareholder with a voting share of 5.01 %. The proportion of shares held by investors based in North America amounted to 30 %. German institutional investors held 10 % of the shares of adidas AG.

Selected Financial Information

The following table sets out the key financial information about adidas Group:

	Fiscal year 2008	Fiscal year 2007
	(€ in millions)	
Net Sales.....	10,799	10,299
EBITDA	1,277	1,165
Operating profit.....	1,070	949
Total assets.....	9,533	8,325
Shareholders' Equity	3,386	3,023

Historical Financial Information

The audited consolidated financial statements of adidas Group for the fiscal years ending on December 31, 2007 and 2008 and the auditors' report thereon are incorporated by reference into this Prospectus.

The unaudited consolidated interim financial statements of adidas Group for the period ending on March 31, 2009 are incorporated by reference into this Prospectus.

Recent Developments and Outlook

In 2009, recessionary pressures in most key global markets are expected to have a negative impact on overall consumer demand and the sporting goods industry. Despite its strong market positions in most major markets, a regionally balanced sales mix and strength in innovation, the Group expects these developments to have a negative impact on the development of the adidas Group's financial results in 2009. As a result, adidas forecasts adidas Group sales and earnings per share to decline in 2009.

Subsequent changes in the Group structure

Effective January 2009, the adidas Group acquired the remaining 5 % of shares of its subsidiary in Greece, adidas Hellas A.E., Thessaloniki. Also effective January 2009, the adidas Group acquired the remaining 25 % of shares of Reebok's subsidiary in Spain, Reebok Spain S.A., Alicante. Both transactions reflect the Group's strategy to gain control over distribution in maturing markets.

Further changes in the Group structure after December 31, 2008 are listed below:

Companies	Remarks
Reebok Deutschland GmbH	merged into adidas AG effective April 17, 2009
ASL - American Sports and Leisure Vertriebs GmbH (Deutschland)	merged into adidas AG effective March 13, 2009
Reebok Nederland Retail B.V.	merged into adidas BeNeLux B.V. effective April 22, 2009
American Sports and Leisure (CZ) s.r.o.	merger into adidas CR s.r.o. effective as of July 1, 2009
Life Sport Ltd. (in Israel)	Date of acquisition of 51% shareholding: March 4, 2009

adidas Levant Limited Jordan-	Foundation January 12, 2009
Reebok Spain SA	JV-buyout, transfer of shares from JV Partner (Jatupe SA and Doscamer SA) to aIBV, January 29, 2009
adidas Vietnam Limited	Foundation March 13, 2009
Ashworth UK. Ltd.	merged with and into Taylor Made Golf Limited (UK) effective January 1, 2009
Gekko Brands, LLC	sold to Delta Apparel effective March 29, 2009
Kudzu, LLC	sold to Delta Apparel effective March 29, 2009
The Game, LLC	sold to Delta Apparel effective March 29, 2009
Saxon Manufacturing Athletic, Inc.	amalgamated into a-Canada effective January 1, 2009
Campus Athletic, Inc.	amalgamated into a-Canada effective January 1, 2009
adidas Trading Paraná Ltda.	Incorporated on April 6, 2009

Low consumer spending to negatively impact the development of the global sporting goods industry

In 2009, the Group expects the global sporting goods industry to decline. In mature markets such as the USA and Western Europe, the decline is expected to be more pronounced due to low levels of consumer confidence and difficult trading conditions for retailers. This is likely to lead to a highly promotional environment in these markets. Emerging markets such as China are expected to be more resilient as opportunity for distribution expansion continues in these markets.

Consolidation of new businesses supports TaylorMade-adidas Golf and Reebok sales

Sales recorded in the TaylorMade-adidas Golf segment will be supported by the consolidation of Ashworth, Inc. revenues for the full twelve-month period. Ashworth, Inc., a U.S.-based golf lifestyle apparel brand, has been consolidated within the adidas Group as of November 20, 2008. In addition, sales in the Reebok segment are expected to be positively influenced by the consolidation of sales from the brand's new companies in Latin America for the full twelve-month period.

adidas Group sales and earnings per share to decrease in 2009

The Group expects adidas Group sales to decline at a low- to mid-single-digit rate on a currency-neutral basis in 2009. Sales development will be negatively impacted by weaker consumer demand due to low levels of consumer confidence and rising unemployment in many major markets. Group currency neutral sales in the emerging markets of Europe, Asia and Latin America are forecasted to develop better relative to mature markets such as Western Europe and North America.

Brand adidas sales to decline in 2009

The Group projects a low- to mid-single-digit sales decline on a currency-neutral basis for brand adidas in 2009. Revenues in both the adidas Sport Performance and adidas Sport Style divisions are forecasted to decrease. In the Sport Performance division, revenues in the football category in particular are forecasted to decline as a result of the non-recurrence of strong sales in connection with the UEFA EURO 2008™. Sport Style sales are expected to be negatively affected by challenging market conditions in many major markets. Incremental sales from the further segmentation of the brand's product range to effectively address specific consumer groups are forecasted to partly offset this development.

Reebok segment sales to be at least stable

Reebok segment sales are projected to be at least stable compared to the prior year on a currency-neutral basis in 2009. The brand's key focus categories, Women's Fitness and Men's Sport, are expected to develop significantly better compared to other categories due to new product launches and campaigns in 2009. In the Classics category, the Group will continue to visibly upgrade and improve the brand's product offering. The consolidation of sales from Reebok's new companies in Latin America for the full twelve-month period is projected to support revenue development.

TaylorMade-adidas Golf sales to increase at a low-single-digit rate

The Group expects the consolidation of Ashworth, Inc. for the full 12-month period to support a currency-neutral low-single-digit-sales increase at TaylorMade-adidas Golf in 2009. On a comparable basis, however, excluding Ashworth, sales are projected to decline despite a strong product pipeline. This will be a result of the challenging market situation in North America.

adidas Group earnings per share to decrease in 2009

In 2009, the adidas Group gross margin is forecasted to decline. A promotional environment in mature markets, as well as expected higher sourcing costs due to increased raw material and wage costs, in particular in the first half of the year, will contribute to this development. Further own-retail expansion at both adidas and Reebok is expected to partially offset these developments. The Group's operating expenses as a percentage of sales are expected to increase. Higher expenses for controlled space initiatives in the adidas and Reebok segments will drive increases, partially compensated by positive effects from efficiency improvements throughout the organisation. Marketing working budget expenses as a percentage of sales are forecasted to be at or below the prior year level. The Group's operating margin is expected to decline in 2009. This forecast reflects the projection of a Group gross margin decline and an increase in operating expenses as a percentage of sales. As a result of these developments, net income attributable to shareholders is projected to decline in 2009. Basic and diluted earnings per share are expected to decline at a lower rate than net income attributable to shareholders due to a lower weighted average number of shares outstanding compared to the prior year.

Consolidated balance sheet (IFRS) adidas Group
€ in millions

	Note	Dec. 31, 2008	Dec. 31, 2007	Change in %
Cash and cash equivalents	5	244	295	(17.3)
Short-term financial assets	6	141	86	64.1
Accounts receivable	7	1,624	1,459	11.3
Inventories	8	1,995	1,629	22.5
Income tax receivables	28	110	60	82.9
Other current assets	9	789	529	49.1
Assets classified as held for sale	3	31	80	(60.2)
Total current assets		4,943	4,138	19.3
Property, plant and equipment	10	886	702	26.2
Goodwill	11	1,499	1,436	4.3
Trademarks	12	1,390	1,291	7.6
Other intangible assets	12	204	194	4.9
Long-term financial assets	13	96	103	(6.8)
Deferred tax assets	28	344	315	9.2
Other non-current assets	14	180	147	24.9
Total non-current assets		4,599	4,188	9.8
Total assets		9,533	8,325	14.5
Short-term borrowings	15	797	186	328.3
Accounts payable		1,218	849	43.5
Income taxes	28	321	285	12.9
Accrued liabilities and provisions	16	1,008	1,025	(1.7)
Other current liabilities	17	295	266	10.6
Liabilities classified as held for sale	3	6	4	33.8
Total current liabilities		3,645	2,615	39.3
Long-term borrowings	15	1,776	1,960	(9.4)
Pensions and similar obligations	18	132	124	6.3
Deferred tax liabilities	28	463	450	2.9
Non-current accrued liabilities and provisions	16	65	73	(11.3)
Other non-current liabilities	19	52	69	(23.3)
Total non-current liabilities		2,488	2,676	(7.0)
Share capital		194	204	(5.0)
Reserves		(10)	161	(104.9)
Retained earnings		3,202	2,658	20.4
Shareholders' equity	21	3,386	3,023	12.0
Minority interests	20	14	11	25.5
Total equity		3,400	3,034	12.1
Total liabilities and equity		9,533	8,325	14.5

Rounding differences may arise in percentages and totals.

The Notes are an integral part of these consolidated financial statements.

Consolidated income statement (IFRS) adidas Group
€ in millions

	Note	Year ending Dec. 31, 2008	Year ending Dec. 31, 2007	Change in %
Net Sales	30	10,799	10,299	4.9
Cost of sales		5,543	5,417	2.3
Gross profit		5,256	4,882	7.7
(% of net sales)		48.7%	47.4%	1.3pp
Royalty and commission income		89	102	(12.7)
Other operating income	10,12,24	103	80	28.4
Other operating expenses	10,12,25	4,378	4,115	6.4
(% of net sales)		40.5%	40.0%	0.6pp
Operating profit		1,070	949	12.7
(% of net sales)		9.9%	9.2%	0.7pp
Financial income	27	37	36	5.4
Financial expenses	27	203	170	19.2
Income before taxes		904	815	11.0
(% of net sales)		8.4%	7.9%	0.5pp
Income taxes	28	260	260	0.4
(% of income before taxes)		28.8%	31.8%	(3.0pp)
Net income		644	555	16.0
(% of net sales)		6.0%	5.4%	0.6pp
Net income attributable to shareholders		642	551	16.4
(% of net sales)		5.9%	5.4%	0.6pp
Net income attributable to minority interests		2	4	(38.9)
Basic earnings per share (in €)	29	3.25	2.71	19.9
Diluted earnings per share (in €)	29	3.07	2.57	19.6

Rounding differences may arise in percentages and totals.
The Notes are an integral part of these consolidated financial statements.

CONDITIONS OF ISSUE

*These terms and conditions of the notes (the "**Conditions of Issue**") are written in the German language and provided with an English language translation. The German text shall be the legally binding version. The English language translation is provided for convenience only. Diese Anleihebedingungen (die "**Anleihebedingungen**") sind in deutscher Sprache abgefasst und mit einer englischen Übersetzung versehen. Der deutsche Wortlaut ist rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

ANLEIHEBEDINGUNGEN

§ 1

WÄHRUNG, NENNBETRAG, FORM, BESTIMMTE DEFINITIONEN

(1) *Währung; Nennbetrag.* Die Anleihe der adidas International Finance B.V. (die "**Emittentin**"), begeben am 14. Juli 2009 im Gesamtnennbetrag (vorbehaltlich § 1 Absatz (6)) von EUR 1 ist eingeteilt in 1 unter sich gleichberechtigte, auf den Inhaber lautende Schuldverschreibungen im Nennbetrag von je EUR 1.000 (die "**Schuldverschreibungen**" oder die "**Anleihe**").

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in den festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und trägt die eigenhändige Kontrollunterschrift der Hauptzahlstelle. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Begebung der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Der Austauschtag darf nicht weniger als 40 Tage nach dem Tag der Begebung liegen. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind

CONDITIONS OF ISSUE

§ 1

CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

(1) *Currency; Principal Amount.* The issue by adidas International Finance B.V. (the "**Issuer**") issued on July 14, 2009 in the aggregate principal amount, subject to § 1(6) of EUR 1 is divided into 1 notes in the principal amount of EUR 1,000 each payable to bearer and ranking *pari passu* with each other (the "**Notes**" or the "**Issue**").

(2) *Form.* The Notes are being issued in bearer form.

(3) *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denominations represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Issuer and shall bear a manual control signature of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Notes represented by the Temporary Global Note. The Exchange Date will not be earlier than 40 days after the date of issue. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of

(ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 Absatz (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 6 Absatz (2) definiert) geliefert werden.

(4) *Clearing System.* Die Globalurkunde, die die Schuldverschreibung verbrieft, wird von einem oder für ein Clearing Systems verwahrt. "**Clearing System**" bedeutet jeweils folgendes: Clearstream Banking, société anonyme (42 Avenue JF Kennedy, 1855 Luxemburg, Luxemburg) ("**CBL**") and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgien) ("**Euroclear**") (CBL und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**") sowie jeder Funktionsnachfolger.

Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem common safekeeper im Namen beider ICSDs verwahrt.

(5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

(6) *Register der ICSDs.* Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen die Register zu verstehen sind, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind definitiver Nachweis des Nennbetrages der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine für zu diesem Zweck von einem ICSD jeweils ausgestellte Bescheinigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist definitive Bestätigung des Inhalts des Registers des betreffenden ICSD zu dem fraglichen Zeitpunkt.

interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1(3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 6(2)).

(4) *Clearing System.* The global note representing the Notes will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means each of the following: Clearstream Banking, société anonyme (42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) ("**CBL**") and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium) ("**Euroclear**") (CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**") and any successor in such capacity.

The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

(6) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the global note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the global note and, for these purposes, a statement issued by a ICSD stating the aggregate principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

Bei jeder Tilgung oder Zahlung einer Rückzahlungsrate oder einer Zinszahlung auf die durch die Globalurkunde verbrieften Schuldverschreibungen bzw. beim Kauf und der Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten der Rückzahlung, Zahlung oder des Kaufs und der Entwertung bezüglich der Globalurkunde entsprechend in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Nennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.

Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs entsprechend in die Register der ICSDs aufgenommen werden.

§ 2
STATUS, NEGATIVVERPFLICHTUNG,
GARANTIE UND NEGATIVVERPFLICHTUNG
DER GARANTIN

(1) *Status.* Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(2) *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Hauptzahlstelle zur Verfügung gestellt worden sind, keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder dingliche Sicherheiten oder sonstige Sicherungsrechte (jedes ein "**Sicherungsrecht**") in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Besicherung von Verbindlichkeiten für aufgenommene Mittel zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht zu gewähren.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the global note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the global note shall be entered accordingly in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the global note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered accordingly in the records of the ICSDs.

§ 2
STATUS, NEGATIVE PLEDGE OF THE
ISSUER, GUARANTEE AND NEGATIVE
PLEDGE OF THE GUARANTOR

(1) *Status.* The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

(2) *Negative Pledge.* The Issuer undertakes, as long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, not to provide any mortgage, charge, pledge, lien or other form of encumbrance or security interest (each a "**Security Interest**") over the whole or any part of its assets to secure any indebtedness for borrowed money without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest, provided, however, that this undertaking shall not apply with respect to any Security Interest existing on property at the time

of the acquisition thereof by the Issuer.

(3) *Garantie und Negativverpflichtung der Garantin.* Die Garantin hat die unbedingte und unwiderrufliche Garantie (die "**Garantie**") für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen und sonstiger auf die Schuldverschreibungen zahlbarer Beträge übernommen. Die Garantin hat sich außerdem in einer Negativverpflichtung (die "**Negativverpflichtung**") verpflichtet, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Hauptzahlstelle zur Verfügung gestellt worden sind, keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder dingliche Sicherheiten oder sonstige Sicherungsrechte (jedes ein "**Sicherungsrecht**") in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Sicherung von anderen Kapitalmarktverbindlichkeiten (wie nachstehend definiert) zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht zu gewähren; diese Verpflichtung gilt jedoch nicht für zum Zeitpunkt des Erwerbs von Vermögenswerten durch die Garantin bereits an solchen Vermögenswerten bestehende Sicherungsrechte, soweit solche Sicherungsrechte nicht im Zusammenhang mit dem Erwerb oder in Erwartung des Erwerbs des jeweiligen Vermögenswerts bestellt wurden und der durch das Sicherungsrecht besicherte Betrag nicht nach Erwerb des betreffenden Vermögenswertes erhöht wird.

Für Zwecke dieses § 2 bedeutet "**Kapitalmarktverbindlichkeit**" jede bestehende oder zukünftige Verbindlichkeit (gleich ob Kapital, Aufgeld, Zinsen oder andere Beträge) der Garantin oder einer ihrer wesentlichen Tochtergesellschaften (bezeichnet eine Tochtergesellschaft, an der die Garantin einen Anteil von mindestens 10 % hält) bezüglich Geldaufnahmen in Form von, oder verbrieft durch, Schuldverschreibungen, Anleihen oder ähnliche Wertpapiere, soweit sie an einer Börse oder im Freiverkehr notiert sind oder gehandelt werden oder deren Notierung oder Handel dort beabsichtigt ist oder Schuldscheindarlehen nach deutschem Recht.

Die Garantie und die Negativverpflichtung stellen einen Vertrag zugunsten jedes Gläubigers als begünstigtem Dritten gemäß § 328 BGB dar, welcher das Recht jedes Gläubigers begründet, Erfüllung aus der Garantie und der Negativverpflichtung unmittelbar von der Garantin

(3) *Guarantee and Negative Pledge of the Guarantor.* The Guarantor has given its unconditional and irrevocable guarantee (the "**Guarantee**") for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note. The Guarantor has further undertaken in a negative pledge (the "**Negative Pledge**"), so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, not to provide any mortgage, charge, pledge, lien or other form of encumbrance or security interest (each a "**Security Interest**") over the whole or any part of its assets to secure any Capital Market Indebtedness (as defined below) without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest, provided, however, that this undertaking shall not apply with respect to any Security Interest existing on property at the time of the acquisition thereof by the Guarantor, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

For the purposes of this § 2, "**Capital Market Indebtedness**" shall mean any present or future indebtedness (whether being principal, premium, interest or other amounts) of the Guarantor or any of the Guarantor's material subsidiaries (being a subsidiary in which the Guarantor holds a share of 10 % or more) in respect of borrowed money which is in the form of, or represented by, bonds, notes or any similar securities which are or are intended to be quoted, listed or traded on any stock exchange or over-the-counter securities market or certificates of indebtedness governed by German law.

The Guarantee and Negative Pledge constitute a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328 German Civil Code (*Bürgerliches Gesetzbuch, BGB*), giving rise to the right of each Holder to require performance of the Guarantee

zu verlangen und die Garantie und die Negativverpflichtung unmittelbar gegen die Garantin durchzusetzen.

and the Negative Pledge directly from the Guarantor and to enforce the Guarantee and the Negative Pledge directly against the Guarantor.

§ 3 ZINSEN

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom 14. Juli 2009 (einschließlich) bis zum Fälligkeitstag (wie in § 5 Absatz (1) definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]**%. Die Zinsen sind nachträglich am 14. Juli eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung erfolgt am 14. Juli 2010.

(2) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen. Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

(3) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

(4) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**") die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in der jeweiligen Zinsperiode.

§ 4 ZAHLUNGEN

(1) *Zahlungen auf Kapital und von Zinsen.* Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

Die Zahlung von Zinsen auf

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of **[insert Rate of Interest]**% per annum from (and including) July 14, 2009 to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on July 14 in each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on July 14, 2010.

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law. The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time; §§ 288(1), 247(1) German Civil Code (*Bürgerliches Gesetzbuch, BGB*).

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

(4) *Day Count Fraction.* "**Day Count Fraction**" means with regard to the calculation of interest on any Note for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.

§ 4 PAYMENTS

(1) *Payment of Principal and Interest.* Payment of principal and interest in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

Payment of interest on Notes represented by the

Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz (3)(b).

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in Euro.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag, der ein Tag (außer einem Samstag oder Sonntag) ist, an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) ("**TARGET**") betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten.

(5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

(6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet

Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in euro.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) ("**TARGET**") are operational to forward the relevant payment.

(5) *References to Principal and Interest.* References in these Conditions of Issue to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes; the Early Redemption Amount of the Notes; and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Conditions of Issue to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall

wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin. cease.

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 14. Juli 2014 (der "**Fälligkeitstag**") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Hauptzahlstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zum Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin oder die Garantin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Niederlande oder der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 Absatz (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger, der Emittentin oder der Garantin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin oder die Garantin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

§ 5 REDEMPTION

(1) *Final Redemption.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on July 14, 2014 (the "**Maturity Date**"). The Final Redemption Amount in respect of each Note shall be its principal amount.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of The Netherlands or the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer or the Guarantor is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer or the Guarantor, as the case may be, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Principal Paying Agent and, in accordance with § 12 to the Holders, at the principal amount together with interest accrued to the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umständen darlegt.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

§ 6
DIE HAUPTZAHLSTELLE UND DIE
ZAHLSTELLE

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Hauptzahlstelle und die anfänglich bestellten Zahlstelle und deren bezeichnete Geschäftsstellen lauten wie folgt:

Hauptzahlstelle: Deutsche Bank
Aktiengesellschaft
Trust & Securities Services
Große Gallusstraße 10–14
60272 Frankfurt am Main
Deutschland

Zahlstelle: Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
1115 Luxembourg
Luxembourg

Die Hauptzahlstelle und die Zahlstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Hauptzahlstelle oder einer Zahlstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Hauptzahlstelle unterhalten und (ii) solange die Schuldverschreibungen an der *official list* der Luxemburger Börse notiert sind, eine Zahlstelle (die die Hauptzahlstelle sein kann) mit Geschäftsstelle in Luxemburg und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden. Für die Zwecke dieser Anleihebedingungen bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien

§ 6
THE PRINCIPAL PAYING AGENT AND THE
PAYING AGENT

(1) *Appointment; Specified Office.* The initial Principal Paying Agent and the initial Paying Agents and their initial specified offices shall be:

Principal Paying Agent: Deutsche Bank
Aktiengesellschaft
Trust & Securities Services
Grosse Gallusstrasse 10–14
60272 Frankfurt am Main
Germany

Paying Agent: Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
1115 Luxembourg
Luxembourg

The Principal Paying Agent and the Paying Agent reserve the right at any time to change their specified offices to some other office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or any Paying Agent and to appoint another Principal Paying Agent or additional or other Paying Agents. The Issuer shall at all times maintain (i) a Principal Paying Agent and (ii) so long as the Notes are listed on the official list of the Luxembourg Stock Exchange, a Paying Agent (which may be the Principal Paying Agent) with an office in Luxembourg and/or in such other place as may be required by the rules of such stock exchange. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 12. For the purposes of these Conditions of Issue, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and

(einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

(3) *Erfüllungsgehilfe(n) der Emittentin.* Die Hauptzahlstelle und die Zahlstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(3) *Agent of the Issuer.* The Principal Paying Agent and the Paying Agent act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

§ 7 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in den Niederlanden oder der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in den Niederlanden oder der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort

§ 7 TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of The Netherlands or the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If such withholding is required by law, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with The Netherlands or the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, The Netherlands or the Federal Republic of Germany, or

besichert sind; oder

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|--|---|
| <p>(c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Niederlande oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder</p> <p>(d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 12 wirksam wird; oder</p> <p>(e) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können.</p> | <p>(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or The Netherlands or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or</p> <p>(d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 12, whichever occurs later, or</p> <p>(e) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction.</p> |
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Die seit dem 1. Januar 1993 in der Bundesrepublik Deutschland geltende Zinsabschlagsteuer (seit dem 1. Januar 2009: Kapitalertragsteuer) und der seit dem 1. Januar 1995 darauf erhobene Solidaritätszuschlag sind keine Steuer oder sonstige Abgabe im oben genannten Sinn, für die zusätzliche Beträge seitens der Emittentin zu zahlen wären.

The tax on interest payments (Zinsabschlagsteuer, since January 1, 2009: Kapitalertragsteuer) which has been in effect in the Federal Republic of Germany since January 1, 1993 and the solidarity surcharge (Solidaritätszuschlag) imposed thereon as from January 1, 1995 do not constitute a tax on interest payments as described above in respect of which Additional Amounts would be payable by the Issuer.

§ 8 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

§ 8 PRESENTATION PERIOD

The presentation period provided in § 801 paragraph 1, sentence 1 German Civil Code (*Bürgerliches Gesetzbuch, BGB*) is reduced to ten years for the Notes.

§ 9 KÜNDIGUNG

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem Nennbetrag zuzüglich (etwaiger) bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:

§ 9 EVENTS OF DEFAULT

(1) *Events of default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at par plus accrued interest (if any) to the date of repayment, in the event that

- (a) *Nichtzahlung*: die Emittentin Kapital oder Zinsen oder sonstige auf die Schuldverschreibungen zahlbaren Beträge nicht innerhalb von 15 Tagen nach dem betreffenden Fälligkeitsdatum zahlt; oder
- (a) *Non-Payment*: the Issuer fails to pay principal or interest or any other amounts due on the Notes within 15 days after the relevant due date, or
- (b) *Verletzung einer sonstigen Verpflichtung*: die Emittentin die ordnungsgemäße Erfüllung einer anderen Verpflichtung aus den Schuldverschreibungen oder der Garantin die Erfüllung einer Verpflichtung aus der Garantie unterlässt und diese Unterlassung länger als 30 Tage fort dauert, nachdem die Hauptzahlstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
- (b) *Breach of other Obligation*: the Issuer fails to duly perform any other obligation arising from the Notes or the Guarantor fails to perform any obligation arising from the Guarantee and such failure continues unremedied for more than 30 days after the Principal Paying Agent has received notice thereof from a Holder, or
- (c) *Drittverzugs Klausel*: (i) wenn eine bestehende oder zukünftige Zahlungsverpflichtung der Emittentin oder die Garantin im Zusammenhang mit einer Kredit- oder sonstigen Geldaufnahme infolge einer Nichtleistung (unabhängig davon, wie eine solche definiert ist) vorzeitig fällig wird, oder (ii) wenn eine solche Zahlungsverpflichtung bei Fälligkeit oder nach Ablauf einer etwaigen Nachfrist nicht erfüllt wird, oder (iii) wenn die Emittentin oder die Garantin einen Betrag, der unter einer bestehenden oder zukünftigen Garantie oder Gewährleistung im Zusammenhang mit einer Kredit- oder sonstigen Geldaufnahme, zur Zahlung fällig wird, bei Fälligkeit oder nach Ablauf einer etwaigen Nachfrist nicht zahlt, vorausgesetzt, dass der Gesamtbetrag der betreffenden Zahlungsverpflichtungen, Garantien oder Gewährleistungen, bezüglich derer eines oder mehrere der in diesem Absatz (c) genannten Ereignisse eintritt, mindestens dem Betrag von EUR 20.000.000 oder dessen Gegenwert in einer anderen Währung entspricht oder diesen übersteigt und der jeweilige Kündigungsgrund nicht innerhalb von 30 Tagen, nachdem die Emittentin oder die Garantin eine diesbezügliche Mitteilung durch den Gläubiger nach Maßgabe von Absatz (3) erhalten hat, behoben wird. Dieser Absatz (c) ist jedoch nicht anwendbar, wenn die Emittentin oder die Garantin ihre betreffenden Zahlungsverpflichtungen in gutem Glauben bestreitet; oder
- (c) *Cross-Default*: (i) any present or future payment obligation of the Issuer or the Guarantor in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity for reason of the occurrence of a default (howsoever defined), or (ii) any such payment obligation is not met when due or, as the case may be, within an applicable grace period, or (iii) any amounts due under any present or future guarantee or warranty by the Issuer or the Guarantor for moneys borrowed or raised are not paid when due or, as the case may be, within an applicable grace period, provided that the relevant aggregate amount of the payment obligation, guarantee or warranty in respect of which one or more of the events mentioned above in this subsection (c) has or have occurred equals or exceeds EUR 20,000,000 or its equivalent in any other currency and such default continues for more than 30 days after the Issuer or the Guarantor has received notice thereof from a Holder, such notice being substantially in the form as specified in paragraph (3), provided however, that this paragraph (c) shall not apply, where the Issuer contests its relevant payment obligation in good faith, or
- (d) *Zahlungseinstellung*: die Emittentin oder die Garantin ihre Zahlungsunfähigkeit bekanntgibt oder ihre Zahlungen allgemein einstellt; oder
- (d) *Ceasation of Payment*: the Issuer or the Guarantor announces its inability to meet its financial obligations or ceases its payments generally, or
- (e) *Insolvenz u.ä.*: ein Gericht ein
- (e) *Insolvency etc.*: a court opens insolvency

Insolvenzverfahren gegen die Emittentin oder die Garantin eröffnet, oder die Emittentin oder die Garantin ein solches Verfahren einleitet oder beantragt oder eine allgemeine Schuldenregelung zu Gunsten ihrer Gläubiger anbietet oder trifft, oder die Emittentin ein "*surseance van betaling*" (im Sinne des niederländischen Insolvenzrechts) beantragt, oder ein Dritter ein Insolvenzverfahren gegen die Emittentin oder die Garantin beantragt und ein solches Verfahren nicht innerhalb einer Frist von 60 Tagen aufgehoben oder ausgesetzt worden ist; oder

- (f) *Liquidation*: die Emittentin oder die Garantin in Liquidation geht (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, sofern die andere oder neue Gesellschaft oder gegebenenfalls die anderen neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der Emittentin oder die Garantin übernimmt oder übernehmen); oder
- (g) *Erlöschung der Garantie*: die Garantie nicht länger rechtswirksam und bindend ist oder die Garantin ihre Verpflichtungen aus der Garantie nicht erfüllt.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(2) *Benachrichtigung*. Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß Absatz (1) ist schriftlich in deutscher oder englischer Sprache gegenüber der Hauptzahlstelle zu erklären zusammen mit dem Nachweis durch eine Bescheinigung der Depotbank (wie in § 13 Absatz (4) definiert) oder in einer anderen geeigneten Weise, dass der Benachrichtigende zum Zeitpunkt der Benachrichtigung ein Gläubiger der betreffenden Schuldverschreibung ist und persönlich oder per Einschreiben an dessen bezeichnete Geschäftsstelle zu übermitteln.

§ 10 ERSETZUNG

(1) *Ersetzung*. Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger entweder die Garantin

proceedings against the Issuer or the Guarantor or the Issuer or the Guarantor applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or the Issuer applies for a "*surseance van betaling*" (within the meaning of The Bankruptcy Act of The Netherlands), or a third party applies for insolvency proceedings against the Issuer or the Guarantor and such proceedings are not discharged or stayed within 60 days, or

- (f) *Liquidation*: the Issuer or the Guarantor enters into liquidation (except in connection with a merger or other form of combination with another company or in connection with a reconstruction and such other or new company or, as the case may be, companies effectively assume substantially all of the assets and liabilities of the Issuer or the Guarantor), or
- (g) *Expiration of the Guarantee*: the Guarantee ceases to be legally valid and binding or the Guarantor fails to fulfil its obligations under the Guarantee.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) *Notice*. Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Principal Paying Agent together with a proof that such notifying Holder at the time of such notice is a holder of the relevant Notes by means of a statement of his Custodian (as defined in § 13(4)) or any other appropriate manner.

§ 10 SUBSTITUTION

(1) *Substitution*. The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate (as defined below) of the Issuer either the Guarantor

oder ein mit der Garantin verbundenes Unternehmen (wie unten definiert) an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;
- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;
- (d) sichergestellt ist, dass sich die Verpflichtungen der Garantin aus der Garantie und der Negativverpflichtung auch auf die Schuldverschreibungen der Nachfolgeschuldnerin erstrecken; und
- (e) der Hauptzahlstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

Für die Zwecke dieses § 10 bedeutet "**verbundenes Unternehmen**" ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die

or any Affiliate (as defined below) of the Guarantor as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (d) it is guaranteed that the obligations of the Guarantor from the Guarantee and the Negative Pledge apply also to the Notes of the Substitute Debtor; and
- (e) there shall have been delivered to the Principal Paying Agent one opinion for each jurisdiction affected of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied.

For purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions of Issue to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation

Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

In § 7 und § 5 Absatz (2) gilt eine alternative Bezugnahme auf die Niederlande als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat).

purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

In § 7 and § 5(2) an alternative reference to The Netherlands shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor.

§ 11 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN UND ANKAUF

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Hauptzahlstelle zwecks Entwertung eingereicht werden.

§ 12 MITTEILUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen durch elektronische Publikation auf der Internetseite der Luxemburger Börse (www.bourse.lu). Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.

(2) *Mitteilungen an das Clearing System.* Solange Schuldverschreibungen an der *official list* der Luxemburger Börse notiert sind, findet Absatz (1) Anwendung. Soweit die Mitteilung den Zinssatz betrifft oder die Regeln der Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

§ 11 FURTHER ISSUES AND PURCHASES

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Principal Paying Agent for cancellation.

§ 12 NOTICES

(1) *Publication.* All notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.

(2) *Notification to Clearing System.* So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Rate of Interest or, if the Rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been validly given on the seventh day after the

day on which the said notice was given to the Clearing System.

(3) *Form der Mitteilung.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit der oder den betreffenden Schuldverschreibung(en) per Kurier oder per Einschreiben an die Hauptzahlstelle geleitet werden. Solange Schuldverschreibungen durch eine Global-Schuldverschreibung verbrieft sind, kann eine solche Mitteilung von einem Gläubiger an die Hauptzahlstelle über das Clearing System in der von der Hauptzahlstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

(3) *Form of Notice.* Notices to be given by any Holder shall be made by means of a written declaration to be delivered by hand or registered mail together with the relevant Note or Notes to the Principal Paying Agent. So long as any of the Notes are represented by a global note, such notice may be given by any Holder of a Note to the Principal Paying Agent through the Clearing System in such manner as the Principal Paying Agent and the Clearing System may approve for such purpose.

§ 13

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main.

(3) *Bestellung von Zustellungsbevollmächtigten.* Für etwaige Rechtsstreitigkeiten vor deutschen Gerichten bestellt die Emittentin adidas AG, Adi-Dassler-Strasse 1, 91074 Herzogenaurach, Deutschland, zu ihrem Zustellungsbevollmächtigten in der Bundesrepublik Deutschland.

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem

§ 13

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

(3) *Appointment of Authorised Agent.* For any Proceedings before German courts, the Issuer appoints adidas AG, Adi-Dassler-Strasse 1, 91074 Herzogenaurach, Germany as its authorised agent for service of process in the Federal Republic of Germany.

(4) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System,

Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

§ 14 SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

§ 14 LANGUAGE

These Conditions of Issue are written in the German language. The German text shall be controlling and binding. The English language translation is provided for convenience only.

GUARANTEE

The Guarantee is written in the German language and provided with an English language translation. The German text shall be the legally binding version. The English language translation is provided for convenience only.

Die Garantie ist in deutscher Sprache abgefasst und mit einer englischen Übersetzung versehen. Der deutsche Wortlaut ist rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

GARANTIE

der

adidas AG, Herzogenaurach, Bundesrepublik Deutschland, zu Gunsten der Gläubiger der

€ 1 1 % Schuldverschreibungen fällig 2014 (die "Schuldverschreibungen"),

die von der adidas International Finance B.V., Amsterdam, Niederlande begeben werden (die "Garantie")

PRÄAMBEL

Die adidas AG ("adidas" oder "Garantin") übernimmt gegenüber jedem Gläubiger der von der adidas International Finance B.V. ("adidas Finance") begebenen Schuldverschreibungen die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße Zahlung von Kapital und Zinsen auf die Schuldverschreibungen sowie von jeglichen sonstigen Beträgen, die in Übereinstimmung mit den Anleihebedingungen auf die Schuldverschreibungen zahlbar sind, und zwar zu den in den Bedingungen bestimmten Fälligkeiten.

HIERMIT WIRD FOLGENDES VEREINBART:

1. Diese Garantie begründet eine unbedingte, unwiderrufliche, nicht nachrangige und (vorbehaltlich der Bestimmungen in Ziffer 3 dieser Garantie) nicht besicherte Verbindlichkeit der Garantin, die mit allen sonstigen nicht nachrangigen und nicht besicherten Verbindlichkeiten der Garantin wenigstens im gleichen Rang steht (soweit nicht zwingende gesetzliche Bestimmungen entgegenstehen).
2. Sämtliche auf diese Garantie zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von

GUARANTEE

of

adidas AG, Herzogenaurach, Federal Republic of Germany, for the benefit of the holders of the

€ 1 1 % Notes due 2014 (the "Notes"),

issued by adidas International Finance B.V., Amsterdam, The Netherlands (the "Guarantee")

WHEREAS:

adidas AG ("adidas" or the "Guarantor") unconditionally and irrevocably guarantees to each Holder of the Notes issued by adidas International Finance B.V. ("adidas Finance") the due and punctual payment of the principal of, and interest on, the Notes and any other amounts which may be expressed to be payable under the Notes, as and when the same shall become due, in accordance with the Conditions of Issue.

IT IS AGREED AS FOLLOWS:

1. This Guarantee constitutes an unconditional, irrevocable, unsecured (subject to paragraph 3. hereunder) and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other present or future unsecured and unsubordinated obligations of the Guarantor outstanding from time to time, subject to any obligations preferred by law.
2. All amounts payable in respect of this Guarantee shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or

oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Garantin diejenigen zusätzlichen Beträge (die "zusätzlichen Beträge") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass adidas Finance oder die Garantin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder

deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Guarantor will pay such additional amounts (the "Additional Amounts") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Guarantor from payments of principal or interest made by it, or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany or another member state of the European Union and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or

- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß den Bedingungen wirksam wird; oder
- (e) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können.
3. Die Garantin verpflichtet sich gegenüber jedem Gläubiger, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Hauptzahlstelle zur Verfügung gestellt worden sind, keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder dingliche Sicherheiten oder sonstige Sicherungsrechte (jedes ein "**Sicherungsrecht**") in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Sicherung von anderen Kapitalmarktverbindlichkeiten (wie nachstehend definiert) zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht zu gewähren.
- Für diese Zwecke bedeutet "**Kapitalmarktverbindlichkeit**" jede bestehende oder zukünftige Verbindlichkeit (gleich ob Kapital, Aufgeld, Zinsen oder andere Beträge) der Garantin oder einer ihrer wesentlichen Tochtergesellschaften (bezeichnet eine Tochtergesellschaft, an der die Garantin einen Anteil von mindestens 10 % hält) bezüglich Geldaufnahmen in Form von, oder verbrieft durch, Schuldverschreibungen, Anleihen oder ähnliche Wertpapiere, soweit sie an einer Börse oder im Freiverkehr notiert sind oder gehandelt werden oder deren Notierung oder Handel dort beabsichtigt ist oder Schuldscheindarlehen nach deutschem Recht.
4. Die Verpflichtungen der Garantin aus dieser Garantie (i) sind selbständig und unabhängig von den Verpflichtungen der adidas Finance aus den Schuldverschreibungen und (ii) bestehen
- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with the Conditions, whichever occurs later, or
- (e) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction.
3. The Guarantor undertakes towards each Holder, so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, not to provide any mortgage, charge, pledge, lien or other form of encumbrance or security interest (each a "**Security Interest**") over the whole or any part of its assets to secure any Capital Market Indebtedness (as defined below) without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest.
- For these purposes, "**Capital Market Indebtedness**" shall mean any present or future indebtedness (whether being principal, premium, interest or other amounts) of the Guarantor or any of the Guarantor's material subsidiaries (being a subsidiary in which the Guarantor holds a share of 10 % or more) in respect of borrowed money which is in the form of, or represented by, bonds, notes or any similar securities which are or are intended to be quoted, listed or traded on any stock exchange or over-the-counter securities market or certificates of indebtedness governed by German law.
4. The obligations of the Guarantor under this Guarantee (i) shall be separate and independent from the obligations of adidas Finance under the Notes, and (ii) shall exist irrespective of the legality, validity and

- ohne Rücksicht auf die Rechtmäßigkeit, Gültigkeit, Verbindlichkeit und Durchsetzbarkeit der im Rahmen des Programms begebenen Schuldverschreibungen.
5. Die Verpflichtungen der Garantin aus dieser Garantie erstrecken sich, ohne dass eine weitere Handlung durchgeführt werden oder ein weiterer Umstand entstehen muss, auf solche Verpflichtungen jeglicher nicht mit der Garantin identischen neuen Emittentin, die infolge einer Schuldnerersetzung gemäß den anwendbaren Bestimmungen der Anleihebedingungen in Bezug auf die Schuldverschreibungen entstehen.
6. Diese Garantie und alle hierin enthaltenen Vereinbarungen sind ein Vertrag zu Gunsten der Gläubiger der Schuldverschreibungen als begünstigte Dritte gemäß § 328 Abs. 1 BGB und begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen.
- Ein Gläubiger einer Schuldverschreibung kann im Falle der Nichterfüllung von Zahlungen auf die Schuldverschreibungen zur Durchsetzung dieser Garantie unmittelbar gegen die Garantin Klage erheben, ohne dass zunächst ein Verfahren gegen die adidas Finance eingeleitet werden müßte.
7. Die Deutsche Bank Aktiengesellschaft, mit der die hierin enthaltenen Vereinbarungen getroffen werden, handelt als Hauptzahlstelle nicht als Beauftragte, Treuhänderin oder in einer ähnlichen Eigenschaft für die Gläubiger von Schuldverschreibungen.
8. Die hierin verwendeten und nicht anders definierten Begriffe haben die ihnen in den Anleihebedingungen zugewiesene Bedeutung.
9. Diese Garantie unterliegt dem Recht der
- binding effect or enforceability of the Notes.
5. The obligations of the Guarantor under this Guarantee shall, without any further act or thing being required to be done or to occur, extend to the obligations of any Substitute Debtor which is not the Guarantor arising in respect of any Note by virtue of a substitution pursuant to the Conditions of Issue.
6. This Agreement and all undertakings contained herein constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328 (1) *BGB* (German Civil Code)⁽¹⁾. They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor.
- Any Holder has the right in case of non-performance of any payments on the Notes to enforce the Guarantee by filing a suit directly against the Guarantor without the need to take prior proceedings against adidas Finance.
7. Deutsche Bank Aktiengesellschaft which accepted this Guarantee, in its capacity as Principal Paying Agent does not act in a relationship of agency or trust, a fiduciary or in any other similar capacity for the Holders.
8. Terms used herein and not otherwise defined herein shall have the meaning attributed to them in the Conditions of Issue.
9. This Guarantee shall be governed by, and

¹ An English language translation of § 328 (1) *BGB* (German Civil Code) reads as follow: "A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance."

Bundesrepublik Deutschland.	construed in accordance with, German law.
10. Diese Garantie ist in deutscher Sprache abgefasst und in die englische Sprache übersetzt. Die deutschsprachige Fassung ist verbindlich und allein maßgeblich.	10. This Guarantee is written in the German language and attached hereto is a non-binding English translation.
11. Das Original dieser Garantie wird der Deutsche Bank Aktiengesellschaft ausgehändigt und von dieser verwahrt.	11. The original version of this Guarantee shall be delivered to, and kept by, Deutsche Bank Aktiengesellschaft.
12. Ausschließlicher Gerichtsstand für alle Rechtsstreitigkeiten gegen die Garantin aus oder im Zusammenhang mit dieser Garantie ist Frankfurt am Main.	12. Exclusive place of jurisdiction for all legal proceedings arising out of or in connection with this Guarantee against the Guarantor shall be Frankfurt am Main.
13. Jeder Gläubiger einer Schuldverschreibung kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine aus dieser Garantie hervorgehenden Rechte auf der Grundlage einer von einer vertretungsberechtigten Person der Deutsche Bank Aktiengesellschaft beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen.	13. On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of Deutsche Bank Aktiengesellschaft each Holder may protect and enforce in his own name his rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties, without the need for production of this Guarantee in such proceedings.
14. Juli 2009 adidas AG	July 14, 2009 adidas AG
Wir akzeptieren die Bestimmungen der vorstehenden Garantie ohne Obligo, Gewährleistung oder Rückgriff auf uns.	We accept the terms of the above Guarantee without recourse, warranty or liability.
14. Juli 2009 Deutsche Bank Aktiengesellschaft	July 14, 2009 Deutsche Bank Aktiengesellschaft
Anlage: Anleihebedingungen	Attachment: Conditions of Issue

TAXATION

The following is a general description of certain tax considerations relating to the Notes in Germany, Luxembourg and The Netherlands. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their tax advisers as to the consequences, under the tax laws of the country in which they are resident for tax purposes and under the tax laws of Germany, Luxembourg and The Netherlands of acquiring, holding and disposing of Notes and receiving payments of principal, interest and other amounts under the Notes. This summary is based upon the laws in force and their interpretation on the date of this Prospectus and is subject to any change in law or interpretation that may take effect after such date.

Federal Republic of Germany

Income tax

Notes held by German tax residents as private assets

- Taxation of interest

Payments of interest on the Notes to Holders who are tax residents of Germany (*i.e.*, persons whose residence or habitual abode is located in Germany) are subject to German income tax, and, if applicable, church tax. In each case where German income tax arises, a solidarity surcharge (*Solidaritätszuschlag*) is levied in addition.

Payments of interest on the Notes to individual tax residents of Germany will generally be subject to a flat income tax at a rate of 25 % (plus solidarity surcharge in an amount of 5.5 % of such tax, resulting in a total tax charge of 26.375 %). The total investment income of an individual will only be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of € 801 (€ 1,602 for married couples filing jointly), not by a deduction of expenses actually incurred.

If the Notes are held in a custodial account which the Holder maintains with a German branch of a German or non-German bank or financial services institution or with a securities trading business or bank in Germany (the "**Disbursing Agent**"), the flat income tax will be levied by way of withholding from the gross interest payment to be made by the Disbursing Agent.

In general, no withholding tax will be levied if the Holder is an individual (i) whose Note do not form part of the property of a German trade or business and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If no Disbursing Agent (as defined above) is involved in the payment process, the Holder will have to include its income on the Notes in its tax return and the flat income tax of 25 % plus solidarity surcharge plus church tax, if any, will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 %.

- Taxation of capital gains

Capital gains from the disposition or redemption of the Notes acquired after December 31, 2008 are subject to the flat income tax on investment income, irrespective of any holding period. This applies also to Notes on which the principal is effectively repaid in whole or in part although the repayment was not guaranteed.

Losses from the disposal or redemption of the Notes can only be offset against other investment

income. In the event that an off-set is not possible in the assessment period in which the losses have been realised, such losses will be carried forward into future assessment periods and can be off-set against investment income generated in future assessment periods subject to minimum taxation rule.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above), the flat income tax will be levied by way of withholding from the difference between the redemption amount (or the proceeds from the disposition) and the issue price (or the purchase price) of the Notes. If the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the Disbursing Agent by the bank, financial services institution or domestic securities trading business or bank with which the Holder previously maintained its custodial account, withholding tax will be levied on 30 % of the proceeds from the disposition, assignment or redemption of the Notes.

If no Disbursing Agent is involved in the payment process, the Holder will have to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax of 25 % plus solidarity surcharge plus church tax, if any, will be collected by way of assessment.

Payment of the flat income tax will generally satisfy any income tax liability of the Holder in respect of such investment income. Holders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 %.

The rules set out above with respect to the taxation of capital gains apply accordingly to (i) the proceeds from the disposition of coupons or interest claims (minus sales costs, if any) in case that such coupons or interest claims are disposed of separately (i.e., without the Notes) and (ii) the proceeds from the redemption of coupons or interest claims if the Note is disposed of separately.

Notes held by German tax residents as business assets

Payments of interest on Notes, capital gains from the disposition or redemption of Notes, or proceeds from the disposition or redemption of coupons or interest claims held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge). The interest and capital gain will also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Notes are held in a custodial account which the Holder maintains with a Disbursing Agent (as defined above), tax at a rate of 25 % (plus a solidarity surcharge of 5.5 % of such tax) will also be withheld from interest payments on Notes and generally also from capital gains from the disposition of Notes and from proceeds from the disposition or redemption of coupons or interest claims held as business assets. In these cases the withholding tax does not satisfy the income tax liability of the Holder, as in the case of the flat income tax, but will be credited as advance payment against the personal income or corporate income tax liability and the solidarity surcharge of the Holder. With regard to capital gains no withholding will generally be required under certain circumstances in the case of Notes held by corporations resident in Germany and upon application in the case of Notes held by individuals or partnerships as business assets in a business situated in Germany.

Notes held by German non-tax residents

Interest and capital gains are not subject to German taxation in the case of non-residents, *i.e.*, persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in Germany, unless the Notes form part of the business property of a permanent establishment maintained in Germany. Interest may, however, also be subject to German income tax if it otherwise constitutes income taxable in Germany, such as income from the letting and leasing of certain German-situs property or income from certain capital investments directly or indirectly secured by German situs real estate.

Non-residents of Germany are in general exempt from German withholding tax on interest and capital gains and from solidarity surcharge thereon. However, if the interest or capital gain is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account

with a Disbursing Agent (as defined above), withholding tax will be levied as explained above at "Notes held by German tax residents as private assets". However, no withholding tax should be levied on the capital gains from the disposition of the Notes or the proceeds from the disposition of the coupons or interest claims if (i) the Notes or the coupons or interest claims were held as business assets in a permanent establishment situated in Germany and (ii) the Holder notifies the Disbursing Agent accordingly.

In addition, if the Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition of a coupon, or proceeds from the disposition or redemption of a Note are paid by a Disbursing Agent to a non-resident of Germany, such payments will also be subject to withholding tax to the extent and at a rate as explained above under "Notes held by German tax residents as private assets".

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under German law, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in Germany.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in the Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

Luxembourg

Non-Residents

Under the existing laws of Luxembourg and except as provided for by the Luxembourg law of June 21, 2005 implementing the EU Savings Tax Directive (as defined below), there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Notes made to non-residents of Luxembourg.

Under the Luxembourg law of June 21, 2005 implementing the EU Savings Tax Directive and as a result of ratification by Luxembourg of certain related Accords with the relevant dependent and associated territories, payments of interest or similar income made or ascribed (*attribuér*) by a paying agent established in Luxembourg to or for the immediate benefit of an individual or certain residual entities, who, as a result of an identification procedure implemented by the paying agent, are identified as residents or are deemed to be residents of an EU Member State other than Luxembourg or certain of those dependent or associated territories referred to under "EU Savings Tax Directive" below, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or deemed residence or has provided a tax certificate from his/her fiscal authority in the format required by law to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 20 % until June 30, 2011 and at a rate of 35 % thereafter.

Residents

According to the law of December 23, 2005, as amended, interest on Notes paid by a Luxembourg paying agent or paying agents established in the EU or EEA to an individual holder of a Note who is a resident of Luxembourg or to a foreign residual entity securing the payment for such individual will be subject to a withholding tax of 10 %. In case of payment by paying agents established in the EU or EEA, the individual holder of a Note must under a specific procedure remit the 10 % tax to the Luxembourg Treasury.

If the individual Holder holds the Notes in the course of the management of his or her private wealth, the aforementioned 10 % withholding tax will operate a full discharge of income tax due on such payments. Interest on Notes paid by a Luxembourg paying agent to a holder of a Note who is not an individual is not subject to withholding tax.

When used in the preceding paragraphs "interest", "paying agent" and "residual entity" have the meaning given thereto in the Luxembourg laws of June 21, 2005 (or the relevant Accords) and December 23, 2005, as amended. "Interest" will include accrued or capitalised interest at the sale, repayment or redemption of the Notes.

Payments of interest or similar income under the Notes to Clearstream Banking AG, Clearstream Banking, société anonyme and Euroclear Bank SA/NV and payments by or on behalf of Clearstream Banking, société anonyme to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

The Netherlands

General

The following is a general summary of the Dutch tax consequences as at the date hereof in relation to the acquisition, holding or disposal of Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder of Notes or a prospective holder and in view of its general nature, it should be treated with corresponding caution. Holders should consult their tax advisers with regard to the tax consequences of investing in the Notes.

Except as otherwise indicated, this summary only addresses the tax legislation as in effect at the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Taxes on income and capital gains

This paragraph does not describe the Dutch tax consequences of the acquisition, holding and disposal of the Notes if a holder of Notes or individuals related to such holder (statutorily defined term) and certain of their relatives by blood or marriage in the direct line (including foster children) have a substantial interest or deemed substantial interest (statutorily defined terms) in the Issuer.

Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder, alone or, in case of individuals, together with his/her partner (statutorily defined term), directly or indirectly, holds (i) an interest of 5 % or more of the total issued and outstanding capital of that company or of 5 % or more of the issued and outstanding capital of a certain class of shares of that company or (ii) holds rights to acquire, directly or indirectly, such interest or (iii) holds certain profit sharing rights in that company that relate to 5 % or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Residents of The Netherlands

Generally speaking, if the holder of the Notes is an entity that is a resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes, any payment under the Notes or any gain realised on the disposal or deemed disposal of the Notes is subject to corporate income tax at a rate of 25.5 % (a corporate income tax rate of 20.0 % applies with respect to taxable profits up to € 200,000 in 2009 and 2010. For 2011 and later years, a corporate income tax rate of 20.0 % applies with respect to taxable profits up to € 40,000 and 23.0 % over the following € 160,000).

A Dutch qualifying pension fund and a Dutch qualifying tax exempt investment fund (in Dutch: "*vrijgestelde beleggingsinstelling*") are in principle not subject to Dutch corporate income tax. A qualifying Dutch investment fund (in Dutch "*fiscale beleggingsinstelling*") is subject to corporate income tax at a special rate of zero per cent.

If a holder of the Notes is an individual, resident or deemed to be resident of the Netherlands for Dutch income tax purposes (including the non-resident individual holder who has made an election for the application of the rules of the Dutch Income Tax Act 2001 as they apply to residents of the Netherlands), any payment under the Notes or any gain realised on the disposal or deemed disposal of the Notes is taxable at the progressive income tax rates (with a maximum of 52%) and any loss may be deductible, if:

- (a) the Notes are attributable to an enterprise from which the holder of the Notes derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise, without being a shareholder, as defined in the Dutch Income Tax Act 2001; or
- (b) the holder of the Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (in Dutch "*normaal vermogensbeheer*") or derives benefits from the Notes that are (otherwise) taxable as benefits from other activities (in Dutch "*resultaat uit overige werkzaamheden*").

If the above-mentioned conditions (a) and (b) do not apply to the individual holder of the Notes, such holder will be taxed annually on a deemed income of 4% of his or her net investment assets for the year at an income tax rate of 30 %. The net investment assets for the year is the average of the fair market value of the investment assets less the allowable liabilities at the beginning of that year and the fair market value of the investment assets less the allowable liabilities at the end of that year. The Notes are included as investment assets. A tax free allowance may be available. Actual results (gains/losses) derived from the Notes are as such not subject to Dutch income tax.

Non-residents of The Netherlands

A holder of the Notes will not be subject to Dutch taxes on income or capital gains in respect of any payment under the Notes or in respect of any gains or losses realised on the disposal or deemed disposal of the Notes, provided that:

- (a) such holder is neither resident nor deemed to be resident of the Netherlands nor has made an election for the application of the rules of the Dutch Income Tax Act 2001 as they apply to residents of the Netherlands; and
- (b) such holder does not have an interest in an enterprise or deemed enterprise (statutorily defined term) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and
- (c) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary active asset management (in Dutch "*normaal vermogensbeheer*") and does not derive benefits from the Notes that are (otherwise) taxable as benefits from other activities in the Netherlands (in Dutch "*resultaat uit overige werkzaamheden*").

A holder of the Notes will not become subject to taxation on income and capital gains in the Netherlands by reason only of the execution, delivery and/or enforcement of the Notes or the performance by the Issuer of its obligations under the Notes.

Gift and estate taxes

Residents of The Netherlands

Gift, estate or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident of the Netherlands at the time of the gift or his or her death.

Non-residents of The Netherlands

No Dutch gift, estate or inheritance taxes will arise on the transfer of Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless:

- (a) such holder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that, in whole or in part, is or was either effectively managed in the Netherlands or carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are or were attributable; or
- (b) in the case of a gift of a Note by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For purposes of Dutch gift, estate and inheritance taxes, amongst others, a person that holds the Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the 12 months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Other taxes and duties

No Dutch VAT and no Dutch registration tax, customs duty, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by the holders of the Notes in respect or in connection with the issue of the Notes or with respect to the payment of principal by the Issuer under the Notes.

EU Savings Tax Directive

Under the EU Council Directive 2003/48/EC dated June 3, 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**") each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 20 % since July 1, 2008, and of 35 % from July 1, 2011.

In Germany, provisions for implementing the EU Savings Tax Directive have been enacted by legislative regulations of the Federal Government. These provisions apply since July 1, 2005.

SUBSCRIPTION, SALE AND OFFER OF THE NOTES

General

adidas International Finance B.V. has agreed in an agreement to be signed prior to the Issue Date to sell to Deutsche Bank AG, London Branch and BNP PARIBAS (the "**Lead Managers**") and Bayerische Hypo- und Vereinsbank AG, Commerzbank Aktiengesellschaft, CALYON and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main (together with the Lead Managers, the "**Managers**"), and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on July 14, 2009 at a price of 1 % of their principal amount (the "**Issue Price**"). Proceeds to the Issuer will be net of commissions of 1 % of the principal amount of the Notes payable to the Managers. The Issuer has furthermore agreed to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes.

The Managers are entitled, under certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Notes will be delivered to investors. Furthermore, each of adidas International Finance B.V. and adidas AG has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Guarantor and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer or the Guarantor involved in the issue, including conflicting ones, that are material to the issue.

Offer of the Notes

Offer Period and determination of Pricing Details

The Notes will be offered to investors by the Joint Lead Managers during an offer period which will commence on July 6, 2009 and will be open for until the Issue Date. During the offer period, investors may submit orders to the Joint Lead Managers. On the basis of the order received by the Joint Lead Managers the issue price, the rate of interest, the number of notes to be issued, the aggregate nominal amount, the commissions, the yield and the expenses of the issue will be determined on the pricing date which is expected to be on or about July 7, 2009 which will be communicated to investors. The results of the offer will be included in a notification which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) after the date of pricing and prior to the Issue Date (the "**Pricing Notice**"). Should the Issuer, the Guarantor and the Joint Lead Managers determine any shortening or extension of the offer period, which could be the result of changing market conditions, such changes will be notified in the same manner as the pricing details will be published.

Notification of the Prospectus approval

The issue of the Notes will be made to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Union. A public offer to retail investors may be made in Germany, Austria and The Netherlands following the effectiveness of the notification of the Prospectus by the CSSF according to Article 18 of the Prospectus Directive.

Conditions and technical details of the Offer

The following sets out details of the offer which is required to comply with the requirements of the applicable prospectus regulation. There are no conditions to which the offer is subject. Any offer to purchase Notes to investors will be made through, and investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Following the publication of the Pricing Notice the Joint Lead Managers will offer the Notes upon request through banking institutions in Germany. Subscription rights for the Notes will not be issued. Therefore, there are no procedures for the exercise of any right of pre-emption, the negotiability of subscription rights

and the treatment of subscription rights not exercised. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes. Before an investor receives a confirmation from the Joint Lead Managers that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. Any investor will receive relating to the respective allotment of the Notes a confirmation relating to the results of the offer. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount.

Confirmation relation to an order and allotments

Following the pricing of the Notes and confirmation which orders have been accepted and which amounts have been allotted to particular investors, the Issue Date, which is expected to be July 14, 2009 will be determined and included in the Pricing Notice. Delivery and payment of the Notes will be made within five business days after the date of pricing of the Notes and the confirmation of the allotment to investors.

Charges and costs relating to the Offer

The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

Method of determination of the Issue Price and the Rate of Interest

The Rate of Interest and the Issue Price for the Notes will be determined at the time of pricing on the basis of a yield which is determined by adding a credit spread to the level of the Midswaps at the time of pricing. The pricing spread will be determined on the basis of the orders of the investors which are received by the Joint Lead Managers during the marketing period. The level of the Midswaps will be determined as the average yield of the bid and ask prices of Interest-Swap Transactions ("**Midswaps**") with a maturity similar to the maturity of the Notes shown on the Reuters page ICAPEURO or on any other screen page which is conventionally used to price Eurobond transactions at the time of pricing. The resulting yield will be used to determine an Issue Price (which is expected to be less than par) and a Rate of Interest (which is expected to be a percentage figure which can be evenly divided by 1/8 of a full per cent. and which will be correspondingly higher if a higher Issue Price is determined and which will be correspondingly lower if a lower Issue Price is determined), all to correspond to the yield which reflects the level of the Midswaps and the pricing spread. In the event that the figures for the relevant Midswaps shall not be shown as set out above and the relevant figures shall be determined in a manner which banks and other institutional market participants apply at that time. The resulting figure will represent the yield of the Notes and such yield will be used to determine the Rate of Interest and the issue price of the Notes.

Selling Restrictions

General

In addition to the specific restrictions set out below, the Managers have agreed that they will observe all applicable provisions of law in each jurisdiction in or from which it may offer Notes or distribute any offering material.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State in

accordance with the Prospectus Directive or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last fiscal year; (2) a total balance sheet of more than € 43,000,000 and (3) an annual net turnover of more than € 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer or Managers to publish a Prospectus pursuant to Article 3 of the Prospectus Directive or supplement a Prospectus pursuant to Articles 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United States of America and its Territories

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act. Each Manager has represented and agreed that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all the Notes only in accordance with Rule 903 of the Regulation S under the Securities Act. Neither the Managers, their affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. Each Manager has also agreed that at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the restricted period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes as determined and certified by each Manager, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in the preceding paragraphs have the meaning given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions

permitted by U.S. tax regulations. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

In addition, each Manager has represented and agreed that:

- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5 (c)(2)(i)(D) (the "**TEFRA D Rules**"), (i) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Notes in bearer form that are sold during the restriction period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United State person, except as permitted by a TEFRA D Rules;
- (c) if it was considered a United States person, that is acquiring the Notes for purposes of resale in connection with their original issuance and agrees that if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of TEFRA D Rules; and
- (d) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period that it will either (i) repeat and confirm the representations and agreements contained in sub-clauses (a), (b) and (c); or (ii) obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c).

Terms used in the preceding paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

United Kingdom of Great Britain and Northern Ireland

Each Manager has represented and agreed that, if applicable:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended ("**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION / INCORPORATION BY REFERENCE

Authorisation and Issue Date

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 1 2009. The giving of the Guarantee of the Notes has been authorised by resolutions of the Executive Board of the Guarantor dated 1 2009 and the Supervisory Board of the Guarantor dated 1 2009. The Issue Date of the Notes is expected to be July 14, 2009.

Clearance and Settlement

The Notes have been accepted for clearance by Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank SA/NV. The Notes have been assigned the following securities codes: ISIN XS0439260398, Common Code 043926039.

Yield

The yield of the Notes is 1 . Such yield is calculated in accordance with the ICMA (*International Capital Markets Association*) method.

Expenses

The total expenses of the issue of the Notes are expected to amount to 1 .

Significant change in the financial or trading position

There has been no significant change in the financial or trading position of the Issuer since December 31, 2008 and of the Guarantor since March 31, 2009.

Trend Information

There has been no material adverse change in the prospects of each of the Issuer and the Guarantor since December 31, 2008.

Incorporation by Reference

The following documents are incorporated by reference into this Prospectus:

- (1) The audited unconsolidated financial statements of adidas International Finance B.V. for the fiscal year ended on December 31, 2008 consisting of
 - Balance Sheet (page 4 in the Annual Report 2008),
 - Profit and loss account (page 5 in the Annual Report 2008),
 - Statement of cash flows for the years 2007 and 2008 (page 6 in the Annual Report 2008),
 - Notes (pages 7 to 13 in the Annual Report 2008).
- (2) Auditors' Report to the Issuers' financial statements (pages 14 to 15 in the Annual Report 2008).
- (3) The audited unconsolidated financial statements of adidas International Finance B.V. for the fiscal year ended on December 31, 2007 consisting of
 - Balance Sheet (page 4 in the Annual Report 2007),
 - Profit and loss account (page 5 in the Annual Report 2007),
 - Notes (pages 6 to 11 in the Annual Report 2007),
 - Statement of cash flows for the years 2007 and 2008 (page 6 in the Annual Report 2008),
- (4) Auditors' Report to the Issuer's financial statements (pages 13 to 14 in the Annual Report 2007).
- (5) The audited consolidated financial statements of the adidas Group for the fiscal year ended on December 31, 2008 consisting of

- Consolidated Balance Sheet (page 152 in the Annual Report 2008),
 - Consolidated Statement of Income (page 153 in the Annual Report 2008),
 - Consolidated Statement of Cash Flows (pages 154 to 155 in the Annual Report 2008),
 - Notes (pages 157 to 195 in the Annual Report 2008).
- (6) Auditors' Report to the Guarantor's financial statements (page 151 in the Annual Report 2008).
- (7) The audited consolidated financial statements of adidas Group for the fiscal year ended on December 31, 2007 consisting of
- Consolidated Balance Sheet (page 152 in the Annual Report 2007),
 - Consolidated Statement of Income (page 153 in the Annual Report 2007),
 - Consolidated Statement of Cash Flows (pages 154 to 155 in the Annual Report 2007),
 - Notes (pages 157 to 191 in the Annual Report 2007).
- (8) Auditors' Report to the Guarantor's financial statements (page 151 in the Annual Report 2007).
- (9) The unaudited consolidated interim financial statements of adidas Group for the three months ended on March 31, 2009 consisting of
- Consolidated Balance Sheet (page 28 in the First Quarter Report 2009),
 - Consolidated Statement of Income (page 29 in the First Quarter Report 2009),
 - Consolidated Statement of Cash Flows (page 32 in the First Quarter Report 2009),
 - Notes (page 33 to 34 in the First Quarter Report 2009).

The documents incorporated by reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and may be inspected and are available free of charge at Deutsche Bank Luxembourg S.A. as long as any Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of such stock exchange so require.

Documents on Display

For so long as any Note is outstanding, copies of the following documents may be inspected during normal business hours at the specified office of the Paying Agent and as long as the Notes are listed on the official list of the Luxembourg Stock Exchange the documents set out under (e) and (f) below will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (free of charge) at the head office of the listing agent in Luxembourg:

- (a) the Agency Agreement;
- (b) the Guarantee;
- (c) the articles of association of the Issuer;
- (d) the articles of association of the Guarantor;
- (e) the Prospectus;
- (f) documents incorporated by reference.

NAMES AND ADDRESSES**ISSUER**

adidas International Finance B.V.
 Hoogoorddreef 9a
 1101 BA Amsterdam ZO
 The Netherlands

GUARANTOR

adidas AG
 Adi-Dassler-Strasse 1
 91074 Herzogenaurach
 Germany

PRINCIPAL PAYING AGENT

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