

adidas-Salomon AG
Clothing, Accessories & Footwear

Company	
Country	Germany
Number of Employees	15'700
Web	www.adidas-Salomon.com

Share	
Market cap (mil)	6'785
Currency	EUR
High 52 week	164.0
Low 52 week	104.0
Last Price	147.3

Key Data	2004	2005E
Sales (mil)	6'267	6'478
EPS	5.72	8.42
P/E Ratio	15.94	17.51

Source: Bloomberg / August 18, 2005

Sales in	
Alcohol	No
Armaments	No
Firearms	No
Tobacco	No
Gambling	No

Source: IRRC, SAM Research

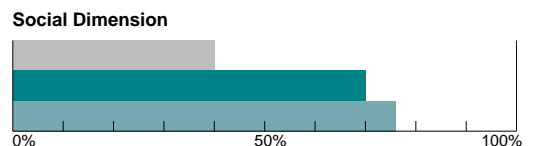
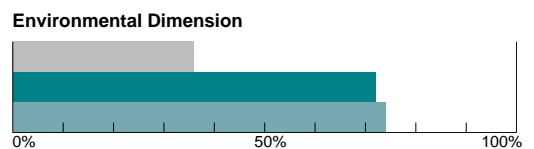
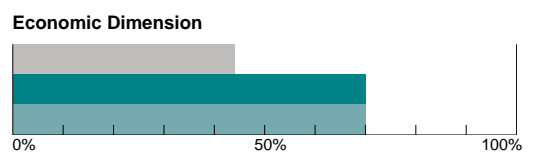
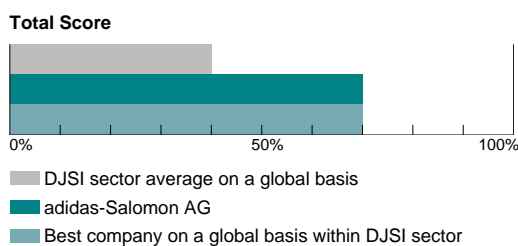
Company Description

adidas-Salomon (adidas) is a global leader in the sporting goods industry and offers a broad portfolio of products. The recently announced combination of adidas and Reebok accelerates the group's strategic intent in the global athletic footwear, apparel and hardware markets. The new group (after the sale of Salomon to Amer Sports, which is planned to close at the end of September) will benefit from a more competitive platform worldwide, well-defined and complementary brand identities, a wider range of products, and an even stronger presence across teams, athletes, events and leagues. The new group has pro forma aggregate 2004 revenues of EUR 8.9 billion (approx. 2/3 adidas, 1/3 Reebok). The brand portfolio will include, besides of adidas and Reebok, TaylorMade-adidas Golf, Rockport, CCM, Jofa, Koho and Greg Norman.

Sustainability Performance

adidas-Salomon, the sustainability leader in the sector, has successfully integrated its sustainability strategy into corporate thinking. The pillars of this are a transparent and comprehensive reporting & accounting framework, a strong and consistent management team as well as strong brand and value creation focus, which is underlined by the sale of Salomon and the purchase of Reebok. Additionally, the company belongs to the leaders in stakeholder engagement (e.g. it has created factory cooperatives in Thailand & other Asian countries) and has a strong labor and environmental compliance system for its supplier base - adidas-Salomon is hereby moving beyond policing by systematically building up suppliers' capacity for self-management. Furthermore, its above average management capabilities in the environmental dimension are highlighted by the convincing performance in product stewardship including the extent to which harmful substances are controlled and environmentally inferior materials are replaced, its policy for controlling and monitoring of hazardous substances being advanced compared to its peers. One of the most critical points for all companies in the sector still is employment practices in the supply chain.

Sustainability Scores



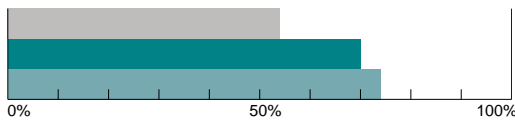
Industry Driving Forces

Fierce competition and fickle consumer tastes require companies to put a lot of effort on brand management, a cost-efficient and adaptable production process that guarantees high quality products, as well as solid customer relationship management. Engagement of contractors and suppliers, active monitoring of labor practices and disclosure of results are pre-requisites to ensure fair working conditions and protect the reputation. Additional challenges arise from the ability to develop products with superior environmental characteristics, like natural fibers and recyclable materials.

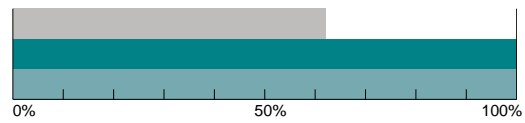
Company Performance for selected Criteria

Economic

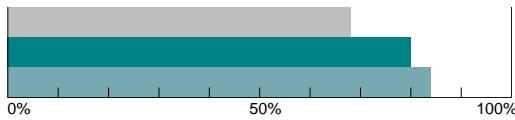
Codes of Conduct/Compliance/Corruption & Bribery



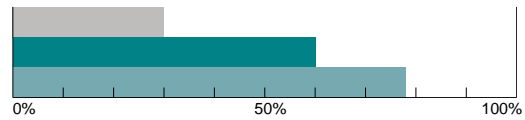
Risk & Crisis Management



Corporate Governance

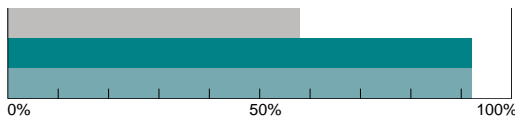


Brand Management

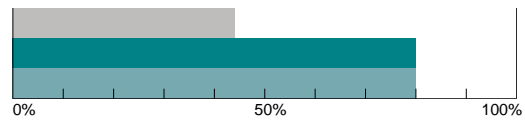


Environmental

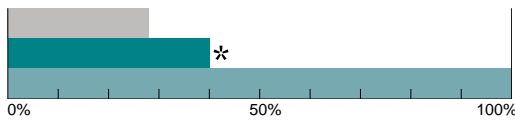
Environmental Policy/Management



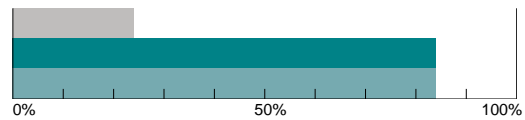
Advanced Environmental Management



Environmental Performance (Eco-Efficiency)

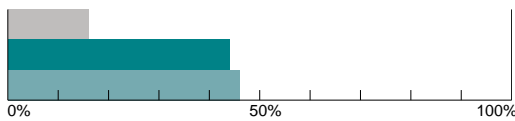


Product Stewardship

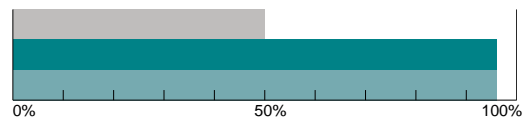


Social

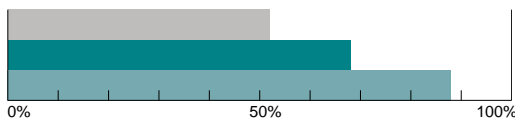
Human Capital Development



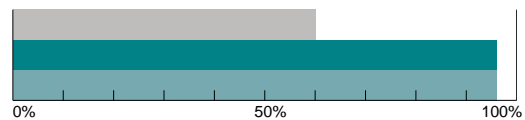
Global Sourcing



Labor Practice Indicators



Stakeholder Engagement



■ DJSI sector average on a global basis
■ adidas-Salomon AG
■ Best company on a global basis within DJSI sector

*) Not enough significant information available



"Corporate Sustainability is a business approach to create long term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments."

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