

DRSC e.V.
z. H. Frau Dr. Kühne
Zimmerstraße 30

10969 Berlin

8. April 2008

Sehr geehrte Frau Dr. Kühne,

beiliegend finden Sie die Fragebögen der EFRAG Effect Studies im Hinblick auf das Amendment des IFRS 2 „Share-based Payment: Vesting Conditions and Cancellations“ und die neue Interpretation IFRIC 13 „Customer Loyalty Programmes“.

Nach momentanem Kenntnisstand sind diese Neuerungen für die adidas AG nicht einschlägig. Es wird folglich seitens der adidas AG lediglich eine allgemeine Einschätzung der Neuerungen gegeben.

Sollten Sie noch weitere Fragen haben, zögern Sie bitte nicht, mich anzurufen.

Mit freundlichen Grüßen

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European Financial Reporting Advisory Group ■

INVITATION TO COMMENT ON THE EFRAG'S ASSESSMENTS OF THE AMENDMENT TO IFRS 2 SHARE-BASED PAYMENT: VESTING CONDITIONS AND CANCELLATIONS

Comments should be sent to commentletter@efrag.org or uploaded via our website by 14 April 2008

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the endorsement of the Amendment to IFRS 2 Share-based Payment: *Vesting Conditions and Cancellations* ('the Amendment'). In order to do that, EFRAG has been carrying out a technical assessment of the Amendment against the criteria for endorsement set out in Regulation (EC) No 1606/2002 and has also been assessing the costs and benefits that would arise from its implementation in the EU.

A brief summary of the Amendment is set out in Appendix 1.

Before finalising its two assessments, EFRAG would welcome your views on the issues set out below. Please note that all responses received will be placed on the public record unless the respondent requests confidentiality. EFRAG is a transparent organisation and will wish to discuss the responses it receives in a public meeting, so we would prefer to be able to publish all the responses received.

1 Please provide the following details about yourself:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

adidas AG

- (b) Are you/Is your organisation or company a:

Preparer User Other (please specify)

- (c) Please provide a short description of your activity/ the general activity of your organisation or company:

Sporting Goods Industry

- (d) Country where you/your organisation or company is located:

Germany

(e) Contact details including e-mail address:

adidas AG, Attn. Mr. Herbert Frank, Adi-Dassler-Platz 1-2,

91074 Herzogenaurach, Germany, email to: herbert.frank@adidas-group.com

2 EFRAG's initial assessment of the Amendment is that it meets the technical criteria for endorsement. In other words, it is not contrary to the true and fair principle and it meets the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning is set out in Appendix 2.

(a) Do you agree with this assessment?

Yes

No

If you do not, please explain why you do not agree and what you believe the implications of this should be for EFRAG's endorsement advice.

(b) Are there any issues that are not mentioned in Appendix 2 that you believe EFRAG should take into account in its technical evaluation of the Amendment? If there are, what are those issues and why do you believe they are relevant to the evaluation?

No

3 EFRAG is carrying out a separate assessment of the costs that will arise for preparers and for users to implement the Amendment, both in year one and in subsequent years. Some initial work has been carried out and the need for further targeted work has been identified. The responses to this Invitation to Comment and the results of the additional targeted work will be used to complete the assessment.

The results of the initial assessment are set out in Appendix 3. To summarise, EFRAG's initial assessment is that the Amendment will:

- (a) involve many preparers incurring some year one costs—in order to read, understand and implement the new requirements retrospectively. For some of those preparers the year one costs could be significant, but EFRAG's initial assessment is that, across preparers as a whole, the year one costs will not be significant (Appendix 3, paragraphs 4 - 7);
- (b) involve preparers incurring only insignificant incremental ongoing costs (Appendix 3, paragraphs 4 and 5); and
- (c) involve users incurring no incremental year one or ongoing costs (Appendix 3, paragraph 8).

Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

- 4 EFRAG believes (as explained in Appendix 3, paragraph 9) that the Amendment will to improve the quality of the financial information provided and its implementation will involve on an overall level additional costs that will not be significant. Its initial assessment furthermore is that the benefits to be derived from applying the Amendment will exceed the costs involved (Appendix 3, paragraph 10).

Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and what you think the implications should be for EFRAG's endorsement advice?

EFRAG is not aware of any other factors that should be taken into account in reaching a decision as to what endorsement advice it should give the European Commission on the Amendment.

Do you agree that there are no other factors?

Yes No

If you do not, please explain why you do not and what you think the implications should be for EFRAG's endorsement advice?

**INVITATION TO COMMENT ON THE COSTS AND BENEFITS OF IFRIC 13
*Customer Loyalty Programmes***

Comments should be sent to commentletter@efrag.org or uploaded onto the EFRAG website at www.efrag.org by 14 April 2008

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the endorsement of IFRIC 13 *Customer Loyalty Programmes* (IFRIC 13). In order to do that, EFRAG has been carrying out a technical assessment of IFRIC 13 against the criteria for endorsement set out in Regulation (EC) No 1606/2002 and is now carrying out a separate assessment of the costs and benefits that would arise from its implementation in the EU.

A brief summary of IFRIC 13 is set out in Appendix 1.

Although EFRAG has not yet finalised its technical assessment of IFRIC 13, its near-final conclusion is that IFRIC 13 is not contrary to the true and fair principle and that it meets the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning in reaching this near-final view is explained in Appendix 2.

Before finalising its two assessments, EFRAG would welcome your views on the issues set out below. Please note that all responses received will be placed on the public record unless the respondent requests confidentiality. EFRAG is a transparent organisation and will wish to discuss the responses it receives in a public meeting, so we would prefer to be able to publish all the responses received.

1 Please provide the following details about yourself:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

adidas AG

- (b) Are you/ls your organisation or company a:

Preparer User Other (please specify) _____

- (c) Please provide a short description of your activity/ the general activity of your organisation or company:

Sporting Goods Industry

- (d) Country where you/your organisation or company is located:

Germany

IFRIC 13: Invitation to comment on Costs and Benefits



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(e) Contact details including e-mail address:

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2 EFRAG is carrying out an assessment of the costs and benefits that will arise for preparers and for users to implement IFRIC 13, both in year one and in subsequent years. Some initial work has been carried out and the need for further consultation with individual entities has been identified. The results of the initial assessment are set out in Appendix 3. To summarise,

EFRAG believes that IFRIC 13 will involve preparers and users in incurring different levels of cost depending upon how closely entities' current approach is to that required by IFRIC 13. EFRAG believes, in particular, that the adoption of IFRIC 13 will:

- (a) involve all preparers incurring some year-one costs—in order to read, understand and implement the new requirements retrospectively—but those costs will be not be significant except as described at (b) below (Appendix 3 paragraphs 2 to 6);
- (b) involve some of those preparers that currently use the cost-provisioning approach incurring significant costs to modify or create appropriate systems in year one (Appendix 3 paragraph 5);
- (c) involve many preparers incurring incremental ongoing costs, although those costs will not be significant (Appendix 3 paragraph 7); and
- (d) involve users incurring only insignificant incremental year-one, and no incremental ongoing, costs (Appendix 3 paragraph 8).

Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be (ie a description of the type(s) of cost involved, and an indication of what you estimate the costs to be). Please also tell us the turnover of your company to enable to give us a basis for judging the significance of the costs.

IFRIC 13: Invitation to comment on Costs and Benefits

- 3 It has been suggested that the adoption of IFRIC 13 will require companies who currently apply the cost-provisioning approach to accounting for award credits to adjust their key performance indicators to reflect the IFRIC 13 approach.

Do you believe that this will result in significant incremental costs for your company?

Yes No

If you do, please explain broadly what you believe the costs involved will be. Please include figures for your estimate of the costs, and also the turnover of your company to give us a basis for judging the significance of the costs.

- 4 EFRAG believes (as explained in Appendix 3 paragraph 9) that, when the overall position of preparers and users is taken into account, the benefits that will arise from implementing IFRIC 13 will exceed the costs involved.

Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and what you think the implications should be for EFRAG's endorsement advice?

IFRIC 13: Invitation to comment on Costs and Benefits

- 5 EFRAG is not aware of any factors other than those mentioned in appendices 2 and 3 that should be taken into account in reaching a decision as to what endorsement advice it should give the European Commission on IFRIC 13.

Do you agree that there are no other factors?

Yes No

If you do not, please explain why you do not and what you think the implications should be for EFRAG's endorsement advice?

- 6 EFRAG's near-final technical assessment of IFRIC 13 is that it is not contrary to the true and fair principle and it meets the criteria of understandability, relevance, reliability and comparability. EFRAG's reasoning in reaching this near-final view is set out in Appendix 2.

Do you agree with this assessment?

Yes No

If you do not agree, it is presumably because you have a significant concern about IFRIC 13 when judged against the technical criteria. Please would you explain what that concern is, why you have it now (at this late stage in the process) but did not have it earlier, and what you think the implications should be for EFRAG's endorsement advice.
