

**ADIDAS**  
**A COMPANY PROFILE**

**Report for the ETUC-TCL in Brussels**

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**STICHTING ONDERZOEK MULTINATIONALE ONDERNEMINGEN (SOMO)**

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## Introduction

Adidas is a well-known producer of athletic shoes and sportswear, based in Herzogenaurach in Bavaria, Germany. Its activities are spread around the globe. In sports shoes Adidas is the number 3 in the world, after the USA-based companies Nike and Reebok. Germany is still the most important Adidas market.

Adidas consists of Adidas AG and the Adidas Group. The Adidas Group presents the consolidated sales and results.

### 1. History

Adidas was founded by Adolph (Adi) Dassler.<sup>1</sup> The founder was succeeded by his son, Horst Dassler, who died in 1987. Lack of leadership led to serious financial difficulties and weakened the brand. Adidas lost its position as the leading sportswear producer in the 1980s.

In 1990 the controversial businessman Bernard Tapie purchased the company from the Dassler family. However, he was forced to relinquish control two years later, because he ran into severe political and legal troubles.

The 49-year-old Frenchman Robert Louis-Dreyfus, a former chief executive of the UK advertising group Saatchi & Saatchi, joined two French banks (Credit Lyonnais and Assurances Generales de France) in a bailout of Adidas in 1993 for DM 940 million. He gained majority control of Adidas in December 1994 as he led a group of international investors (Sogedim SA, Belgium and SEBA Investissements, Luxembourg) who bought a 100 percent stake in Adidas International Holding. It has a 96 percent stake in Adidas AG; the remainder is held by Credit Lyonnais (that will probably sell its stake to Sodegim as well).<sup>2</sup>

Mr. Louis-Dreyfus is management board chairman and shareholder. He started in 1993 with a dramatic turnaround process of the company. He started the year with a DM 64 million loss, but returned the company to the black the same year.<sup>3</sup> The restructuring process led to the relocation of production and to the loss of many jobs.

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<sup>1</sup>. Sources both give 1920 and 1948 as founding year. Probably there was a disruption during the Second World War.

<sup>2</sup>. Financieel Dagblad, December 28, 1994; Western Europe Reuter Textline, April 11, 1995 and September 14, 1995; Footwear News Predicasts, September 18, 1995.

<sup>3</sup>. The Times, September 15, 1995.

## 2. Activities

Adidas produces and markets athletic footwear, sportswear and other sports products. Its main products are shoes. Sales of shoes is 52 % of total sales for the Adidas Group in 1993 and 47 % of total sales for Adidas AG in the same year.

Sales of textiles was 38 % for the Adidas Group and 33 % for Adidas AG.

Sales of hardware (i.e. rackets, bags, balls, golf) was both 5 % for the Adidas Group and Adidas AG.

Income from royalties is, of course, quite important for this multinational company. In 1993 3 % of total sales consisted of income from royalties for the Adidas Group and this was 12 % for Adidas AG.

Finally, 'other' sales provided respectively 2 % and 4 % of total sales.

See table 1.<sup>4</sup>

Table 1. **Classification of sales by business segment for the Adidas Group and Adidas AG, 1993 (in DM million)**

	<u>Group</u>	<u>AG</u>
Shoes	1,360	451
Textiles	1,007	317
Hardware	117	43
Royalties	85	118
Other	<u>61</u>	<u>38</u>
Total*	2,630	967

\* Small differences are due to rounding up of figures; total sales of the Group are DM 2,629,293 and of the AG DM 965,931.

Subsidiaries are to be found in Europe, the Americas, Africa, Asia and Australia. Its main market is still Germany. See table 2.<sup>5</sup>

Kids consumer analysis showed in 1994 that 44 % of the German six-to-nine-year-olds have clothes of the brand Adidas, which makes it the number one brand for children of this age group.<sup>6</sup>

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<sup>4</sup>. Adidas AG, Annual Report 1993.

<sup>5</sup>. Adidas AG, Annual Report 1993.

<sup>6</sup>. Textil-Wirtschaft Globalbase, March 2, 1995.

Table 2. Classification of sales by geographical area for the Adidas Group and Adidas AG, 1993 (in DM million)

	<u>Group</u>	<u>AG</u>
Germany	613	574
Europe	1,216	261
North America	497	16
South America	119	45
Asia	137	60
Africa	33	8
Australia	<u>14</u>	<u>2</u>
Total	2,629	966

In 1995 Adidas sells about 46 million pairs of shoes.<sup>7</sup>

Sales of running shoes are in the doldrums. A new fashion is needed. In October 1995 Adidas launched its new Response TR shoes in the UK. This model is meant for trail running (running over softer ground in fresh air), a relatively new sport, first introduced in the USA. The trail shoes are supposed to hold the ankle more firmly than conventional street models. Adidas hopes the new sport will become a big success in Europe, too. Jack Buckner, marketing manager for Adidas, says: "Trail running has the potential to do for running what mountain biking has done for cycling - breathe new life and excitement into the sport."<sup>8</sup>

Adidas will introduce a women's fitness category, called Workout, in 60 markets in January 1996. Women's apparel and footwear currently account for about 5 percent of sales. Adidas hopes the women's categories eventually will account for 30-35 percent of both its total footwear sales and its total apparel sales. Slogans include: 'Adidas: A woman's brand since 1932.' Mary Peveto, international marketing manager for women's products, says: "This isn't just something we want to do; we have to do it. The opportunities on that side of the business are phenomenal, and we've finally realized that."<sup>9</sup>

Adidas is often going to court to protect its logo and brandname by fighting alleged imitations of its products. A recent example is the lawsuit of Adidas America Inc. against Wal-Mart Stores Inc. accusing the retailer and one of its suppliers of trademark infringement, false representation and unfair competition relating to the sale of footwear resembling Adidas' popular Gazelle casual. The Gazelle suede has been in Adidas' line since 1970. It started as a running shoe, but was later categorized as an indoor soccer shoe. It regained popularity in line with the retro fashion trend and as an apres soccer shoe for youth league players in the

<sup>7</sup>. Financial Times, August 21, 1995.

<sup>8</sup>. Daily Telegraph, September 30, 1995; Telegraph Reuter Textline, September 30, 1995.

<sup>9</sup>. Women's Wear Daily Predicasts, May 11, 1995.

USA. The Wal-Mart models are said to resemble the Gazelle down to the serrated edges on the striping, but are said to be of inferior quality.<sup>10</sup>

The Dassler family of founder Adi Dassler is no longer involved in any of Adidas' operations in Germany or abroad. Adi Dassler, the grandson of the founder, does own AD One in San Mateo, USA, an athletic shoe company, founded in 1991. There are no relations between Adidas and AD One. Adidas claimed, however, that AD One's logo and slogan ("From the World's First Family in Athletic Footwear") might cause confusion among customers. The trademark application for the AD One logo is now before the Trademark Trial and Appeal Board in the United States Patent and Trademark Office.<sup>11</sup>

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<sup>10</sup>. Footwear News Predicasts, March 27, 1995.

<sup>11</sup>. Business Wire Reuter Textline, September 18, 1995.

### 3. Subsidiaries

In 1993 Adidas owned subsidiaries under the names adidas, erima, Sarragan, Le Coq Sportif and Afrisports (see appendix). In Europe Adidas owned companies in Germany, Austria, Switzerland, France, the UK, Ireland, Spain, Norway, Sweden, Hungary, Czech Republic and Russia. In the Americas subsidiaries were to be found in the USA, Canada, Brazil and Mexico. In Africa Adidas owned subsidiaries in South Africa and Morocco. In Asia its subsidiaries were to be found in Hong Kong. Furthermore, there were Adidas subsidiaries in Australia and New Zealand.

In 1993 Adidas America, Inc. acquired Sports Inc., Portland, a marketing company in the sporting goods industry. Adidas paid DM 18 million for the trademark rights for 'Equipment' and 'Mutombo' and DM 15 million for goodwill.

Le Coq Sportif was started in 1929 in France and was acquired by Adidas in 1974. The brand was sold by Adidas in 1991 to the American businessman Andrew Gross and acquired again in 1993. In 1993 the goodwill originating from the repurchase of Le Coq Sportif was depreciated in full by Adidas.

Trading turnover was FFr. 105 million in 1994, while royalties generated FFr. 13 million in revenue. The company never managed to break even at operating level since it was an Adidas subsidiary. Losses reached FFr. 7.2. million in 1994.

In 1995 Adidas sold the Le Coq Sportif brand of athletic and outdoor footwear and apparel to the Brown Group Inc. in the USA.

The Brown Group plans to market this brand through its Pagoda International Division throughout Europe, Latin America and the Far East, while the apparel business in the USA is to be marketed through licensing arrangements.

The final separation procedures from Le Coq Sportif in the USA led to the transfer of the business operations and distribution for Adidas golf shoes to Adidas America in Portland, USA.

The sale leads to the closure of the Schiltigheim headquarters and the Marmoutrier warehouse. All activity is transferred to Ile-de-France. The move will cost around 40 jobs between September and December, 1995.<sup>12</sup>

Adidas has the third position among all consumer goods trademarks in Russia, right after Sony and Coca-Cola. Adidas-Moskva is one of the fastest growing subsidiaries. In 1995 Adidas will expand the number of its stores to 60, including the CIS. Adidas is about to set up a joint venture for the production of sport shoes in Russia.<sup>13</sup>

Adidas Hungarian subsidiary is also booking good results. The number of shops were increased from 5 to 10 in 1994.<sup>14</sup>

Adidas claims to outwin Nike and Reebok with sportswear product sales in the Baltic states.

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<sup>12</sup>. Business Wire Reuter Textline, April 29, 1995; USA Reuter Textline, July 14, 1995; Footwear News Predicasts, July 17, 1995; Les Echos Reuter Textline, August 9, 1995.

<sup>13</sup>. Kommersant-Daily Globalbase, April 14, 1995.

<sup>14</sup>. Figuela Reuter Textline, February 16, 1995.

Adidas opened a concept-store in Tallinn, Estonia in April 1995.<sup>15</sup>

Early in 1995 Adidas Asia/Pacific Ltd. (ADIASPA) opened a new branch office in Taipei, Taiwan. ADIASPA runs nine Southeast Asia offices as the buying, sales and marketing organisation for the region.<sup>16</sup>

Adidas has 8 plants in Fuzhou, Dongguan, Guangzhou and Shenzhen, China with a monthly production capacity of 2 million pairs in 1995.<sup>17</sup>

Adidas also produces in Indonesia. PT Indosepamas Anggun, an Indonesian shoe producer affiliated to the Salim Group, for instance, produces both Reebok and Adidas shoes.<sup>18</sup>

In October 1994 a strike by 4,000 workers began at an Adidas shoe factory near Jakarta, while Mochtar Pakpahan of the independent trade union SBSI (that is denied registration by the Indonesian authorities), was sentenced to eight months jail for 'incitement'.<sup>19</sup>

Adidas used to give Bata in India license to produce and sell Adidas shoes in India, but this has stopped. Now Adidas hopes to set up a joint venture under the name Adidas Trading India Ltd. with Magnum International Trading Ltd of New Delhi, India. Adidas will take a 80 % stake and will invest DM 2.8 million. Magnum will take the remaining 20 % stake and invest DM 0.28 million. The joint venture will produce trainers, sportswear and sports balls largely for the Indian market. The first year about 100,000 pairs of shoes and 150,000 items of clothing are expected to be sold.<sup>20</sup>

In 1995 the number of Adidas subsidiaries is about 35.<sup>21</sup>

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<sup>15</sup>. Pdevaleht Globalbase, April 22, 1995.

<sup>16</sup>. The China Post Globalbase, March 6, 1995.

<sup>17</sup>. China Daily Business Weekly Globalbase, January 29, 1995.

<sup>18</sup>. Jakarta Post Globalbase, January 17, 1995.

<sup>19</sup>. Guardian, October 14, 1995.

<sup>20</sup>. Sueddeutsche Zeitung Reuter Textline, October 19, 1995.

<sup>21</sup>. Figyelo Reuter Textline, February 16, 1995.



#### 4. Social Policy

Adidas has been going through a very difficult period. There have been a number of reorganisations, closures of companies and disposals of companies.

In June 1992 an Adidas plant in the Alsace was occupied by 200 workers in protest against the dismissal of 500 of a total of 700 workers.<sup>22</sup>

The annual report states that in 1993 the Adidas Group saw the "completion of the major restructuring measures in neraly all functional areas".

The number of employees dropped significantly over the years. At the end of 1982 11,591 people were employed by both Adidas AG (2,059 employees) and the Adidas Group (9,532 employees). At the end of 1993 only 6,569 persons were employed by both Adidas AG (1,473 employees) and the Adidas Group (5,096 employees). So in five years time the number of employees has dropped with 5,022 persons (43 %). The largest reduction took place within the Group (47 %, compared to 29 % within the AG).

In 1993 the average number of employees was 5,310 persons working for the Group and 1,494 for the AG, which totals to 6,804 persons. Only 1,532 persons (23 %) of the total was working in the production. See table 3.<sup>23</sup>

Table 3. Average number of employees in adidas Group and AG, 1993

	<u>Group</u>	<u>AG</u>	<u>Total</u>
Production	1,235	297	1,532
Sales companies	3,113	666	3,779
Sourcing	519	106	625
Marketing	233	215	448
Headquarter	<u>210</u>	<u>210</u>	<u>420</u>
Total	5,310	1,494	6,804

In 1993 personnel expenses amounted to DM 320 million for the Group and DM 124 million for the AG.

In May 1995 The Sunday Times in the UK discovered that hand-stitched footballs used in the country are produced by underpaid children in Sialkot, Pakistan. The products in Sialkot are bought by Mitre, Adidas and Reebok.<sup>24</sup>

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<sup>22</sup>. De Volkskrant, June 15, 1992.

<sup>23</sup>. Adidas AG, Annual Report 1993.

<sup>24</sup>. Sunday Times Reuter Textline, May 14, 1995.

## 5. Financial Situation

For a number of years now the financial results of both the Adidas Group and Adidas AG are not well. In 1989 and 1992 losses had to be booked. See table 4 and 5.<sup>25</sup>

Table 4. Sales and results of the Adidas Group (1989-1993), in million DM

	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Sales	2,629	2,750	3,353	3,342	3,197
Results	9	(149)	15	52	(130)

Table 5. Sales and results of Adidas AG (1989-1993), in million DM

	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Sales	966	922	996	1,047	1,007
Results	1	(76)	5	2	(112)

Consolidated sales of the Adidas Group dropped by 4 % in 1993 compared to the previous year. The Adidas Group sees 1993 as a year of turnaround in the earnings situation. The net earnings of DM 9 million in the consolidated financial statements represent an improvement of DM 158 million against a loss of DM 149 million in the year before.

Positive impact on the year-end result had the improved results from especially Germany and the USA. Positive results were also achieved by the Group companies in Austria, Switzerland, Norway, Brazil and the Eastern European countries.

However, expenses for restructuring measures, especially in the USA, (again) had a negative impact on the result. Furthermore, targets were not reached in the UK, Sweden and Spain.

Sales of Adidas AG somewhat improved in 1993 compared to the year before. On its most important market, Germany, Adidas faced a drop in turnover of 8 % (compared to 16 % in 1992). The result was DM 1 million compared to a loss of DM 76 million the year before. For this improvement especially business in Germany was responsible.

Business further improved in 1994 and 1995. The positive result of the Adidas Group in 1994 was DM 128 million (sales: DM 3.3 billion) - the highest ever in the history of the company- and for 1995 even a profit of DM 240 million is expected. Turnover will be up 10 % in 1995 compared to 1994 at DM 3.51 billion.

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<sup>25</sup>. Adidas AG, Annual Report 1993.

Turnover is expected to rise by 14 % to DM 4 billion in 1996 and by 8 % to DM 4.3 billion in 1997, largely because of two-digit growth in the USA.<sup>26</sup>

Adidas AG plans to make an initial public offering (IPO) by the end of 1995 or early in 1996, expected to raise about DM 1-1.5 billion. About 40 to 50 percent of shares in Adidas will be offered to the public. The stock market listing will take place in Frankfurt and possibly Paris. Bank analysts calculated Adidas' stock market value at between DM 2.9 billion and DM 3.35 billion.<sup>27</sup>

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<sup>26</sup>. Frankfurter Allgemeine Zeitung, April 12, 1995; Boersen Zeitung, October 13, 1995.

<sup>27</sup>. The Times, September 15, 1995; Boersen Zeitung, October 13, 1995.

## 6. Juridical and Managerial Structure

The shares of Adidas AG are in majority (96 %) held by Adidas International Holding GmbH in Essen. Adidas International Holding was bought in December 1994 by a group of investors. Mr. David Bromilow, a British publisher, is Adidas' biggest single shareholder (45 %), followed by Mr. Louis-Dreyfus (25 %) and the Frenchman Christian Tourres (25 %). Mary Friday and Dr. Tom Russel of the USA are together holding a stake of 5 percent. These persons co-operate in the Belgian based Sogedim (see under 1. History).<sup>28</sup>

Mr. Louis-Dreyfus was financially backed by the Saatchi brothers to take a 15 % stake in Adidas in 1993. The brothers later fell out over the ownership of share options. The dispute that followed was settled by paying Maurice and Charles Saatchi US\$ 40 million. The brothers were forced to leave Saatchi & Saatchi and started a rival agency. Saatchi & Saatchi is suing the brothers to get hold of the 40 million dollars.<sup>29</sup>

Adidas America, Inc. in Spartanburg, USA is the parent company of all Adidas activities in North America.

In 1993 the Board of Directors was formed by 9 persons. Until April 7, 1993 Mr. Gilberte Beaux from France was Chairman of the Board. He was succeeded by Mr. Robert Louis-Dreyfus on that date.

Mr. Louis-Dreyfus changed the management team. In April 1995, for example, Mr. Pierre Galbois was appointed to the managing board, taking over the position of chief financial officer.

In 1993 the Supervisory Board was formed by 13 persons. Since April 7, 1994 Mr. Gilberte Beaux is its Chairman. In April 1995 Mr. David Bromilow (major shareholder, see above) was appointed in the supervisory board.

In 1995 Dr. Hans-Joerg Bauer, manager shareholder of Erima Sportsbekleidung GmbH of Reutlingen since 1992, left Erima and the Adidas Group. Herbert Hainer and Erich Stamminger, managing directors at Adidas Deutschland, too over the management on September 1, 1995. Erima is to continue as an independent trade name.<sup>30</sup>

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<sup>28</sup>. Adidas AG, Annual Report 1993; Handelsblatt Reuter Textline, April 12, 1995; The Times, September 15, 1995; The European FT, February 17, 1995; Daily News Record Predicast, January 4, 1995.

<sup>29</sup>. The Times, February 15, 1995.

<sup>30</sup>. Handelsblatt Reuter Textline, July 13, 1995.

## 7. Strategic Policy

Adidas is going through a long restructuring process. One of the main aims is to restore profitability. One of the strategies to achieve this is to move out lower price segments and to reduce business with special-price items.

Adidas tries to increase its market share. In 1993 its market share in Germany remained more or less the same in a market in decline. In the first half of 1995 Adidas succeeded in increasing its market share in sports shoes in Germany by two percentage points to 37 %. Turnover in Germany is expected to approach DM 700 million in 1995. Its closest competitor in Germany, Nike, saw its market share dropping from 17 to 16 %.<sup>31</sup>

Mr. Louis-Dreyfus has been leading the restructuring process that has seen a revamping of product lines and a near 50 percent cut in the workforce since 1989 as production has been moved from Germany to countries with cheaper labour costs, mainly in the Far East. Adidas is following Nike's example; Nike produces almost all its products in the Far East for many years now. Only 10 % of Adidas' shoes (in volumes) are produced in Germany nowadays.<sup>32</sup> Adidas seems to have had some problems in the Far East in terms of poor delivery times and cloning. It is said the company wants to relocate a third of its production back to Europe if it can.<sup>33</sup>

Adidas is shifting its focus from manufacturing to marketing. Adidas is trying to re-position its brand by focusing on producing the "best sports brand for athletes", just like the founder used to do. To meet this aim a high degree of technology has been introduced into Adidas shoes. Adidas is for example marketing its new Pods technology, which aims to increase shoe comfort and support. Furthermore, Adidas plans to introduce more products for women.

Adidas is opening up new markets in Asia and Latin America. The company wants to increase its market share in the USA, which is currently low at 5 percent (but rising very fast from 3 percent in 1994). The goal is to capture 10-15 percent of the USA market. Its main competitors Nike and Reebok hold market shares of 33 and 21.5 percent respectively. To achieve this Adidas created the new 'competence centre' in Portland with responsibility for marketing, product design and development. Advertising in the USA will be different from the campaigns that Adidas runs in Europe.

At the end of 1995 a big part of Adidas shares will be offered to the public (see under 5. Financial Situation). Mr. Louis-Dreyfus will remain in power and use the proceeds of the issue to pay off debt and launch an ambitious expansion programme.<sup>34</sup>

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<sup>31</sup>. Adidas AG, Annual Report 1993; Die Welt Reuter Textline, August 19, 1995.

<sup>32</sup>. Financial Times, August 21, 1995; Western Europe Reuter Textline, September 14, 1995.

<sup>33</sup>. Figyelo Reuter Textline, October 20, 1994.

<sup>34</sup>. Western Europe Reuter Textline, September 14, 1995.

## **Conclusion**

The German-based multinational Adidas has been going through a very difficult period of restructuring, which led to the loss of almost half of the total number of jobs since 1989. Production has been relocated from Germany to countries in the Far East. The focus of management shifted from manufacturing to marketing.

Mr. Robert Louis-Dreyfus, who is leading the restructuring process, can show increasing profits again. Adidas AG will go public with about half of its shares at the end of 1995 or the beginning of 1996.

Adidas is the number three in the world of sports shoes, after the USA-based multinational companies Nike (nr.1) and Reebok (nr.2). It is aiming to increase its market share in the USA and on other markets.

## Appendix

# Subsidiaries

### EUROPE

*adidas Austria AG*  
Klagenfurt/Austria

*adidas Sarragan France*  
S.a.r.l.  
Landersheim/France

*adidas Sarragan Sports*  
E.u.r.l.  
Troyes/France

*erima Sportbekleidungs*  
GmbH  
Reutlingen/Germany

*adidas (U.K.) Ltd.*  
Poynton/Great Britain

*adidas Budapest Kft.*  
Budapest/Hungary

*adidas (Ireland) Ltd.*  
Cork/Ireland

*adidas Norge A/S*  
Gjovik/Norway

*adidas Sarragan*  
Espana SA  
Zaragoza/Spain

*adidas Sverige AB*  
Hägersten/Sweden

*adidas Sport GmbH*  
Tagelswangen/Switzerland

*adidas Poland Sp.z.o.o.*  
Warsaw/Poland

*LE COQ SPORTIF*  
International SA  
Landersheim/France

*Sarragan SA*  
Fribourg/Switzerland

*adidas CSFR Spol.s.r.o.*  
Prague/Czech Republic

*adidas Moscow Ltd.*  
Moscow/Russia

### AMERICA

*adidas North America Inc.*  
Portland/Oregon (USA)

*adidas America Inc.*  
Spartanburg/USA

*LE COQ SPORTIF*  
America Inc.  
Jamesburg USA

*adidas (Canada) Ltd.*  
Toronto/Canada

*adidas do Brasil Ltda.*  
São Paulo/Brazil

*adidas de Mexico S.A.*  
de C.V.  
Mexico City/Mexico

### AFRICA/ASIA

*Afrisports SA*  
Mohammedia/Morocco

*adidas (South Africa)*  
(Pty) Ltd.  
Cape Town/South Africa

*adidas Asia Pacific Ltd.*  
Hong Kong

*adidas Hong Kong Ltd.*  
Hong Kong

### AUSTRALIA

*adidas Australia Pty Ltd.*  
Victoria/Australia

*adidas New Zealand Pty Ltd.*  
Auckland/New Zealand

Source: Adidas AG, Annual Report 1993

**Appendix**  
**Subsidiaries**

**EUROPE**

*adidas Austria AG*  
*Klagenfurt/Austria*

*adidas Sarragan France*  
*S.a.r.l.*  
*Landersheim/France*

*adidas Sarragan Sports*  
*E.u.r.l.*  
*Troyes/France*

*erima Sportbekleidungs*  
*GmbH*  
*Reutlingen/Germany*

*adidas (U.K.) Ltd.*  
*Poynton/Great Britain*

*adidas Budapest Kft.*  
*Budapest/Hungary*

*adidas (Ireland) Ltd.*  
*Cork/Ireland*

*adidas Norge A/S*  
*Gjovik/Norway*

*adidas Sarragan*  
*Espana SA*  
*Zaragoza/Spain*

*adidas Sverige AB*  
*Hägersten/Sweden*

*adidas Sport GmbH*  
*Tagelswangen/Switzerland*

*adidas Poland Sp.z.o.o.*  
*Warsaw/Poland*

*LE COQ SPORTIF*  
*International SA*  
*Landersheim/France*

*Sarragan SA*  
*Fribourg/Switzerland*

*adidas CSFR Spol.s.r.o.*  
*Prague/Czech Republic*

*adidas Moscow Ltd.*  
*Moscow/Russia*

**AMERICA**

*adidas North America Inc.*  
*Portland/Oregon (USA)*

*adidas America Inc.*  
*Spartanburg/USA*

*LE COQ SPORTIF*  
*America Inc.*  
*Jamesburg/USA*

*adidas (Canada) Ltd.*  
*Toronto/Canada*

*adidas do Brasil Ltda.*  
*São Paulo/Brazil*

*adidas de Mexico S.A.*  
*de C.V.*  
*Mexico City/Mexico*

**AFRICA/ASIA**

*Afrisports SA*  
*Mohammedia/Morocco*

*adidas (South Africa)*  
*(Pty) Ltd.*  
*Cape Town/South Africa*

*adidas Asia Pacific Ltd.*  
*Hong Kong*

*adidas Hong Kong Ltd.*  
*Hong Kong*

**AUSTRALIA**

*adidas Australia Pty Ltd.*  
*Victoria/Australia*

*adidas New Zealand Pty Ltd.*  
*Auckland/New Zealand*

Source: Adidas AG, Annual Report 1993



ADIDDAS INTERNATIONAL HOLDING GMBH

Adres:  
Pelmanstrasse 46  
45131 Essen  
tel.: 0201 782061

dochter van: Sogedim S.A., Belgie:  
rue du Serpentin 33,  
B-1050 Brussel, Belgie

Geschiedenis:

opgericht: 1948 door Adolf Dassler  
1990: Bernard Tapie neemt bedrijf over  
1991: verkoopt Le Coq Sportif  
1993: koopt Le Coq Sportif weer terug  
1993: Robert Louis-Dreyfus koopt Adidas uit samen met 2 Franse banken  
1995: verkoopt Le Coq Sportif opnieuw, aan Brown Group Inc.  
1995: presentatie van Response TR schoenen in Ver. Koninkrijk  
uitbreiding van aantal winkels tot 60  
opening van concept-store in Talinn, Estonia  
opening afd.kantoor in Taipei: ADIASPA  
wil JV opzetten i.s.m. Magnum International Trading Ltd.  
(20%) in New Delhi, India (Adidas Trading India Ltd.)  
1995/96: Adidas AG gaat publiek met ongeveer de helft vd aandelen  
1996: introductie 'Workout', vrouwen fitness categorie (deze categorie moet groeien van 5% van verkoop naar 30-35%)

Dochterbedrijven:

Adidas	AG	Duitsland	
	Austria AG	Oostenrijk	Klagenfurt
	do Brasil Ltda.	Brazilië	Sao Paulo
	Budapest Kft.	Hongarije	Boedapest
	CSFR Spol.s.r.o.	Tsjechie	Praag
	(Canada) Ltd.	Canada	Toronto
	Espana S.A.	Spanje	Zaragoza
	-Handels AG	Zwitserland	Luzern
	Hong Kong Ltd.	Hong Kong	
	industrial S.A. de C.V.	Mexico	
	(Ireland) Ltd.	Ierland	Cork
	de Mexico S.A. de C.V.	Mexico	Mexico-stad
	-Moskou Ltd.	C.I.S.	
	Polen Sp.z.o.o.	Polen	Warsaw
	Sarragan France S.A.R.L.	Frankrijk	Landersheim
	Sarragan Norge A/S	Noorwegen	Gjovik
	Sarragan Svenska AB	Zweden	Hugersten
	(south Africa)(Pty.)Ltd.	Zuid Afrika	Kaapstad
	Sport GmbH	Zwitserland	Lindau
	(U.K.) Ltd.	Ver. Koninkrijk	Poynton
	USA Inc.	Ver. Staten	Delaware
	Versicherungs-Vermittlungs GmbH	Duitsland	
Afrisports S.A.		Marokko	Mohammedia
Arena de Colombia S.A.		Colombia	

Erima GmbH	Duitsland	Reutlingen
Erima GmbH & Co.Sportbekleidungs KG	Duitsland	Reutlingen
Sarragan S.A.	Zwitserland	Fribourg
LCS Aquisition	Ver. Staten	
Sinutex S.A.R.L.	Tunesie	
Somoves S.A.	Tunesie	
Sotuves S.A.	Tunesie	
Sports Inc.	Ver. Staten	
Ventex S.A., Ets.	Frankrijk	Troyes

ADIDAS bestaat uit Adidas AG en Adidas Groep

Adres: Adidas AG

Adi-Dassler-Strasse 1-2

91074 Herzogenaurach

Postfach 1120

91072 Herzogenaurach

tel.: 0 91 32 84-0

fax.: 0 91 32 84-2241

Aktiviteiten:

Productie van sportschoenen, -kleding, ballen, tassen, en tennisrackets.

Fabrieken (v.d. AG)

Scheinfeld

Uffenheim (prod. en centr. opslag)

Thungfeld

in China:

Fuzhou; Dongguan; Guangzou; en Szenzhen

in Indonesie:

PT Indosepamas Anggun (Salim Group, produceert ook voor Reebok)

Financiële gegevens:

(DM)	AG	Group
omzet 1992:	922 miljoen	2.75 miljard
omzet 1993:	966 miljoen	2.63 miljard
omzet 1994:		3.30 miljard
omzet 1995:		3.51 miljard (est)
omzet 1996:		4.00 miljard (est)
omzet 1996:		4.30 miljard (est)

Ongeveer de helft van de omzet komt van schoenverkoop.

In 1995 verkoopt Adidas ongeveer 46 miljoen par schoenen

Werknemers/sters:

1993:1.473

6.569 wereldwijd, waarvan 23% in productie werkzaam

Eind 1982: totaal 11.591 (AG:2.059)

Mei 1994 berichtte de Sunday Times dat handgestikte voetballen die in het Ver. Koninkrijk gebruikt worden gemaakt zijn door onderbetaalde kinderen in Pakistan (Sialkot). Behalve Adidas kopen ook Mitre en Reebok hun ballen daar.

## ADIDAS

ADIDAS heeft ongeveer 5000 mensen in dienst waarvan 1400 in Duitsland. In 1993 realiseerde het bedrijf een geconsolideerde omzet van DM 2.6 miljard. De Dassler familie is niet langer betrokken bij Adidas' activiteiten. In 1990 werd het bedrijf verkocht aan de omstreden Bernard Tapie. De Managing Director Rene Jaggi werd in 1992 ontslagen, als gevolg van mismanagement. Zijn leiderschap had het marktaandeel van het bedrijf in de VS laten dalen van 15% in 1986 tot maar 2% in 1992. Tegelijkertijd veroverden de Amerikaanse giganten de Europese markt and sindsdien kwam Adidas in de rode cijfers. Het imago van de Adidas schoenen verslechterde en de productiekosten waren veel te hoog. Adidas reageerde door vele produktievestigingen in Duitsland en elders te sluiten, en nieuwe producenten en toeleveranciers te zoeken in China. Het aantal werknemers daalde aanzienlijk door de jaren heen. In 1982 waren nog 11,591 mensen in dienst bij de groep, terwijl dit aantal daalde tot 6,804 in 1993.

Slechts 23% van de totale staf werkte in de productie.

Robert Louis-Dreyfus is chairman van het bedrijf sinds december 1994. Hij bracht het bedrijf terug in de zwarte cijfers door middel van grondige herstructureringen ten koste van vele banen. In Duitsland alleen al werden 4 productie-faciliteiten gesloten, ten koste van 1800 banen. Alleen de fabriek in Scheinfeld is nog steeds in bedrijf and planned een toename van haar werknemers aantal.

Ongeveer 50% van de verkoop wordt in schoenen gerealiseerd. In 1995 verkocht Adidas ongeveer 46 miljoen paar schoenen. In 1996 introduceerde het bedrijf een 'women's fitness category' in 60 markten, 'Workout' genaamd. Men hoopt dat de dames categorieën zullen gaan zorgen voor één-derde van de toekomstige verkopen. 98% van Adidas' schoenen worden geproduceerd in het buitenland, en elk seizoen worden er zo'n 600 verschillende sportschoen-modellen in de markt gezet.

Adidas heeft de derde positie onder alle consumenten merk-goederen in voormalig Rusland, direkt achter Sony en Coca-Cola. Adidas is en blijft nog steeds de nummer één in de voetbalschoenen markt, hoewel de concurrentie zwaar is.

De groep heeft 35 dochterbedrijven in Europa, de America's, Africa, Azië en Australië, maar haar hoofdmart is nog steeds Duitsland, waar een kwart van de totale omzet gerealiseerd wordt.

In 1994 had meer dan veertig procent van de Duitse zes-tot-negen-jarigen kleren van het Adidas merk! Le coq Sportif (tot 1995) en Sarragan behoren ook tot de Adidas Groep, naast nog enkele andere minder bekende merken. Maar 10% van Adidas' schoenen worden tegenwoordig in Duitsland gemaakt. En in het algemeen heeft er een verschuiving plaats gevonden van de focus van produktie naar marketing, met behulp van zware investeringen in nieuwe technologieën.

Zoals ook het geval is met andere giganten in sport schoeisel is Adidas' reputatie niet onbesproken. Meerdere incidenten met betrekking tot haar personeel hebben plaatsgehad.

Bijvoorbeeld in Indonesië, worden bij PT Indosepamas Anggun, een fabriek gelieerd aan de Salim Group, Adidas schoenen geproduceerd, evenals Reebok. In Oktober 1994 vond een staking plaats van 4,000 werkneemsters van de schoenen fabriek vlakbij Jakarta. Mochtar Pakpahan, leider van de onafhankelijke (door de overheid niet geregistreerde) vakbond SBSI werd veroordeeld tot 8 maanden gevangenis voor 'opruïing'. Bovendien ontdekte journalisten van 'The Sunday Times' in mei 1995 in het Verenigd Koninkrijk dat hand-gestikte

voetballen werden geproduceerd door onderbetaalde kinderen in Sialkot, Pakistan. En in de zomer van 1995 schreven werkneemsters van de Chipman union Inc. in de VS een brief aan Steffi Graf, die wordt gesponsord door de Adidas company. In deze Chipman fabriek worden alle Adidas sokken geproduceerd onder een exclusieve overeenkomst, voor de VS en voor export. Net voor de halve finales in Wimbledon vroegen de werkneemsters de aandacht van Steffi Graf voor hun gevaarlijke arbeidsomstandigheden, slechte betalingen, en discriminatie. De Amerikaanse regering klaagde de onderneming aan in verband met onveiligheid in de fabriek en discriminatie van de voornamelijk zwarte werkneemsters.

In Duitsland verklaarde het 'Gewerkschaft LEDER' zich solidair met de Amerikaanse Adidas werkneemsters, en vroeg tevens om aandacht van het management van Adidas voor deze misstanden. In Augustus 1995 echter hadden zowel het management als Steffi nog geen enkele stap tot actie ondernomen.

Adres:

**Adidas AG**

Adi-Dassler-Strasse 1-2  
91074 Herzogenaurach

Postfach 1120  
91072 Herzogenaurach  
Germany

tel.: 00 49 91 32 84-0  
fax.: 00 49 91 32 84-2241  
internet: <http://www.adidas.de>

Grootste aandeelhouder: Sogedim S.A., België (25%)  
rue du Serpentin 33,  
B-1050 Brussel, België

Geschiedenis:

- 1920: Adi Dassler begint met productie van sportschoenen.
- 1949: de drie strepen werden als handelsmerk geregistreerd.
- 1990: Bernard Tapie neemt bedrijf over
- 1992: verkoopt Le Coq Sportif  
introduktie van business units, in 2 internat. centra: de VS en Europa.
- 1993: koopt Le Coq Sportif weer terug  
koopt aandelen in Sports, Inc.  
Robert Louis-Dreyfus koopt Adidas uit samen met 2 Franse banken  
1994/95 verschillende JV's in Nederland, België, Portugal,  
Italië, Griekenland, Singapore, Maleisië, en Indonesië.
- 1995: verkoopt Le Coq Sportif opnieuw, aan Brown Group Inc.
- 1995: presentatie van Response TR schoenen in Ver. Koninkrijk  
uitbreiding van aantal winkels tot 60  
opening van concept-store in Tallinn, Estland  
opening afd.kantoor in Taipei: ADIASPA  
wil JV opzetten i.s.m. Magnum International Trading Ltd. (20%) in New  
Delhi, India (Adidas Trading India Ltd.)  
Adidas International Holding GmbH (dochter van Sogedim S.A.) fuseert  
met de AG, per 1 januari.  
Sogedim S.A. verkoopt aandelen in Adidas en heeft daarmee niet meer de  
meerderheid in aandelen. Aandeel blijft nog meer dan 25%.
- 1995/96: Adidas AG gaat publiek met ongeveer de helft vd aandelen
- 1996: introduktie 'Workout', vrouwen fitness categorie (deze  
categorie moet groeien van 5% van verkoop naar 30-35%)  
introduktie 'Feet you wear' concept  
introduktie nieuw bedrijfslogo, de naam en de 3 strepen in een ander  
beeldmerk.  
Adidas is de officiële sponsor van de 1988 World Cup geworden, met  
wereldwijde licentie-rechten.  
Adidas heeft ook getekent als officiële sponsor en licentiehouder van de

## Internationale Amateur Atletiek Federatie.

Dochterbedrijven: [zie JV 1995 p.53 t/m 57]

zie Annex

### Aktiviteiten:

Productie van sportschoenen, -kleding, ballen, tassen, en tennisrackets.

In 1994 startte Adidas 9 nieuwe activiteiten in dochterbedrijven, in 1995 zes nieuwe dochterbedrijven. De 15 nieuwe bedrijven werden opgestart in Europa; Azië en Latijns-amerika.

Sinds 1996 is het 'Feet you wear' concept geïntroduceerd, waaronder categorieën als: hardloop-, tennis-, basketball-, adventure-, trainings- en indoorschoenen.

In het kader van het Sponsorship van de FIFA World cup in 1998 gaat Adidas 12.000 officials en vrijwilligers van outfit voorzien. Adidas voorzorg al in de wedstrijdbal en scheidsrechtersuitrusting.

### productie:

Amerika is de hoofdmarkt van Basketball, training en avontuur. Productie van deze categorieën worden derhalve ontworpen en ontwikkeld in Portland, Oregon waar het N-Amerikaanse hoofdkwartier van Adidas is.

Ontwerp en ontwikkeling voor voetbal, tennis en hardlopen vinden echter in Herzogenaurach plaats.

Adidas zal zich versterken op de markt voor 'vrouwen en kinderen'.

Alle Adidas kleding en 98% van het schoeisel wordt tegenwoordig geproduceert in lage-lonen-landen. Alleen de fabriek in Scheinfeld, waar voetbalschoenen en Olympisch schoeisel wordt gemaakt is behouden.

Meer dan 90% van sportschoenen worden in Azië gemaakt.

Kleding komt vanuit Azië, Europa (40%), Noord-Africa en Noord en Zuid Amerika.

### Fabrieken

In Duitsland: Scheinfeld

in **China:**

Fuzhou; Dongguan; Guangzhou; en Shenzhen

in **Indonesië:**

PT Indosepamas Anggun (Salim Group, produceert ook voor Reebok)

### verkoop:

In Europa is Adidas de grootste marketer van sportschoeisel en merk atletiekleding. In de UK groeide verkoop in 1995 met 30%; in Frankrijk met 12%.

In Duitsland is Adidas marktleider in atletisch schoeisel; in Frankrijk marktleider in sportkleding. In Japan is Adidas het grootste buitenlandse sportmerk.

De nieuwste strategie is om de distributie door onafhankelijke distributeurs te verschuiven naar licentiehouders en Joint-venture partners, zowel als eigen verkoopkantoren.

## Financiële gegevens:

(DM)

omzet 1992:	2,675 miljoen
omzet 1993:	2,544 miljoen
omzet 1994:	3,196 miljoen
omzet 1995:	3,500 miljoen

De gekombineerde omzet van Adidas met haar licensiehouders (1.450 miljoen DM) bedroeg in 1995: DM4,95 miljard.

### **Omzet naar geografisch gebied 1992-1995**

(DM Miljoen)

	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Europa	2.335	2.101	1.860	1.995
Noord-Amerika	767	768	490	417
Azië/Pacific	307	243	129	150
Latijns Amerika	91	85	65	113

### **Omzet naar activiteit 1992-1995**

(DM Miljoen)

	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Schoeisel	1.790	1.749	1.360	1.452
Kleding	1.528	1.256	1.007	1.051
Hardware	131	132	117	118

Ongeveer de helft van de omzet komt van schoenverkoop.

In 1995 verkocht Adidas ongeveer 46 miljoen paar schoenen.

## **1996**

### **Omzet eerste helft 1996; Q3; en totaal**

(DM miljoen)

	<u>helft '96</u>	<u>3e kwartaal</u>	<u>totaal</u>
<b>regio</b>			
omzet Azie/Pac.	187	119	
omzet Lat. Amer.	49	28	
omzet VS	483	314	
omzet Europa	1.532	1.010	2.542
<b>productgroep</b>			
omzet schoeisel	1.118		
omzet kleding	1.023		
omzet hardware	101		
<b>totaal</b>			
totale omzet	2.242	1.472	3.714
tot.net income	184	140	324

Groei in de eerste helft van 1996 was het sterkst in kleding, waar verkoop met 50% toenam.

Europa moet adidas' kernregio blijven, maar Amerika en Azie nemen nu al bijna 40% van het totaal voor hun rekening.

Op 30 september 1996 waren er al een half miljoen paar schoenen van het 'feet you wear' concept verkocht.

Adidas heeft strikte kwaliteitsstandaards vastgesteld voor haar produkten, die worden gecontroleerd op fabrieksnivo (full time on-site-presence). Kwaliteitskontrolle en inspektie procedures worden uitgevoerd door locale 'liaison offices' in alle relevante (?) landen waar ingekocht wordt (JV 1995).  
[dmv dat systeem zouden ze gelijk arbeidsomstandigheden kunnen kontroleren]

#### Aandelen

Adidas aandelen zijn genoteerd op de Frankfurt Stock Exchange, en de Paris Bourse.

#### Werknemers/sters:

MANAGEMENT:  
[ZIE P.25, jv 1996]

Eind 1982: totaal 11.591 (AG:2.059)  
1993:1.473

6.569 wereldwijd, waarvan 23% in produktie werkzaam

In 1995 is ongeveer 70% van het totale personeel werkzaam in verkooporganisaties, in meer dan 160 landen.

Adidas is trots op haar unieke verzameling nationaliteiten en kulturen onder haar personeel.

#### **Pakistan**

Mei 1994 berichtte de Sunday Times dat handgestikte voetballen die in het Ver. Koninkrijk gebruikt worden gemaakt zijn door onderbetaalde kinderen in Pakistan (Sialkot). Behalve Adidas kopen ook Mitre en Reebok hun ballen daar.

#### **Oost Europa**

Tsechië: Adidas CR s.r.o.  
Zorovnicka 5, 10617 Praag; tel.: 2-762544  
Aantal werkn.: 22  
Aktiviteit: verkoop

Hongarije: Adidas Budapest Kft.  
Vaci utca 24, 1052 Boedapest; tel.: 1-2666611  
Aantal werkn.: 93  
Aktiviteit: Verkoop

Polen: Adidas Poland Sp. zo.o.  
Ul. L. Krzywickiego 34 02-087 Warshau;  
tel.: 48-22-299276



Aantal werkn.: 58  
Aktiviteit: Verkoop

Code en controle:

Zover bekend hanteert Adidas geen 'Code of Conduct' of iets dergelijks ten aanzien van haar eigen produktie-praktijken.

In Maart 1997 heeft de wereldvoetbalbond FIFA aan meer dan 60 voetbalproducenten de oproep gedaan om kinderarbeid te weren uit het produktieproces. De bedrijven ondertekenden in Atlanta een akkoord waarbij ze onafhankelijke inspektieteams zullen toelaten voor controle op o.a. kinderarbeid. Ook maken ze geld vrij voor onderwijsprogramma's voor ontslagen werknemers.

Met name in Pakistan waar 75% van 's werelds handgestikte voetballen worden gemaakt, werken volgens de ILO zo'n 7000 kinderen onder de 14 jaar in de produktie van voetballen.

Het WVA beschouwt het akkoord als een stap in de goede richting maar vraagt zich af hoe onafhankelijk de controle daadwerkelijk zal zijn. Ook waarschuwd de WVA voor sumptombestrijding. Waar het uiteindelijk om dient te gaan is armoedebestrijding door middel van betere arbeidsvoorwaarden voor volwassenen.