

**adidas (UK) Limited**

**Directors' report and financial  
statements**

**Registered Number 1075951**

**31 December 2009**

WEDNESDAY



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

### Principal activities

The principal activity during the year was the distribution and retail of sports goods to the sports trade in the UK.

### Business review

#### *Development and performance of the business*

Sales increased by 3% versus prior year to £412 million. This growth has been achieved despite the difficult economic climate that has been facing all businesses in the UK and globally. We have maintained good relationships with our customers and continued to develop our business with them. We continue to place new product and marketing initiatives into the UK and follow their success.

Operating profit fell by 29% versus prior year to £11.9 million. Despite the growth in sales, within this tough economic climate, there was a slight decline in gross margins. Costs rose year on year driven largely by the cost of an onerous contract for £3 million.

#### *Principal risks and uncertainties*

The company's primary commercial and operational risks include loss of market share to competitors, retailer trading environment, bad debts and IT/power failures.

The management of these risks include process manuals and documentation, annual risk assessments, internal audits, disaster recovery procedures and insurance.

#### *Key Performance Indicators*

KPI's used to monitor the performance of the business include the following:

- Brand Share
- Market Growth
- Turnover
- Gross margin %
- Sales and margin by Product Group
- Sales and margin by Customer Group
- Sales and Outstanding Orders and Contracts by Customer Group
- Orderbook Conversion
- Operating Profit
- Employee headcount, turnover and absence

All financial KPI's are monitored compared to budget, forecast, and previous years.

### Results for the year

The profit for the year after taxation amounted to £7.2 million (2008: £12.4 million).

### Proposed dividend and transfer to reserves

No interim dividend has been paid in the year (2008: £nil).

The directors do not recommend the payment of a final dividend (2008: £nil).

The profit for the year retained by the company is £7.2 million (2008: profit of £12.4 million).

## **Directors' report** *(continued)*

### **Directors and directors' interests**

The directors who held office during the year were as follows

RH Auschel  
GACR Steyaert  
PA Suchoparek  
N Griffiths  
KL Smith  
RJ Lambert (Resigned 14/12/2009)  
AR Hackett

GACR Steyaert, KL Smith, RJ Lambert, PA Suchoparek, and AR Hackett were remunerated in their capacities as directors of adidas (UK) Limited. RH Auschel and N Griffiths were remunerated by other group companies.

### **Employment of disabled persons**

Consideration and effort is made to support the employment of disabled people wherever possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the company, through training and career development.

### **Employees**

The company arranges annual meetings to present financial information and factors affecting the achievements of the company, as well as matters of employee interest.

### **Political and charitable contributions**

The company made no political contributions during the year. Donations to UK charities amounted to £42,953 (2008 £54,048).

### **Supplier payment policy**

The company policy is normally to pay suppliers according to agreed terms of business. These terms are agreed upon entering into binding contracts and the company seeks to adhere to the payment terms providing the relevant goods and services have been supplied in accordance with the contracts.

### **Disclosure of information to auditors**


The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Directors' report** *(continued)*

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office

By order of the board



AR Hackett  
*Secretary*

The adidas Centre  
Pepper Road  
Hazel Grove  
Stockport  
Cheshire  
SK7 5SA

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## KPMG LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent auditors' report to the members of adidas (UK) Limited**

We have audited the financial statements of adidas (UK) Limited for the year ended 31 December 2009 set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Independent auditors' report to the members of adidas (UK) Limited *(continued)*

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Jonathan Hurst (Senior Statutory Auditor)  
for and on behalf of KPMG LLP Statutory Auditor  
*Chartered Accountants*  
St James Square  
Manchester  
M2 6DS

18 March 2010



**Profit and loss account**  
*for the year ended 31 December 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Turnover</b>	<i>1</i>	<b>412,463</b>	399,322
Cost of sales		(306,089)	(291,963)
<b>Gross profit</b>		<b>106,374</b>	107,359
Distribution costs		(81,008)	(79,907)
Administrative expenses		(13,472)	(10,640)
<b>Profit on ordinary activities before interest</b>		<b>11,894</b>	16,812
Other interest receivable and similar income	<i>5</i>	<b>4</b>	108
Interest payable and similar charges	<i>6</i>	(159)	(703)
<b>Profit on ordinary activities before taxation</b>	<i>2-6</i>	<b>11,739</b>	16,217
Tax on profit on ordinary activities	<i>7</i>	(4,532)	(3,846)
<b>Profit for the financial year</b>		<b>7,207</b>	12,371

Turnover and operating profit all derive from continuing activities

The Company has no recognised gains or losses in either the current or preceding year other than those presented in the profit and loss account and therefore no statement of total recognised gains and losses has been presented

The notes on pages 10 to 18 form part of these financial statements


**Reconciliation of movement in shareholders' funds**  
*for the year ended 31 December 2009*

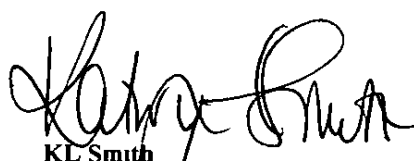
	2009 £000	2008 £000
Profit for the financial year	7,207	12,371
Dividends	-	-
Net addition in shareholders' funds	7,207	12,371
Opening shareholders' funds	30,685	18,314
Closing shareholders' funds	37,892	30,685

**Balance sheet**  
 at 31 December 2009

	Note	2009 £000	2008 £000
<b>Fixed assets</b>			
Tangible assets	8	29,923	33,594
Investments	9	560	560
		<u>30,483</u>	<u>34,154</u>
<b>Current assets</b>			
Stocks	10	2,574	2,503
Debtors	11	71,576	85,571
Cash at bank and in hand		1,005	3,748
		<u>75,155</u>	<u>91,822</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(64,421)</u>	<u>(92,410)</u>
<b>Net current assets/liabilities</b>		<u>10,734</u>	<u>(588)</u>
<b>Total assets less current liabilities</b>		<u>41,217</u>	<u>33,566</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(3,325)</u>	<u>(2,881)</u>
<b>Net assets</b>		<u>37,892</u>	<u>30,685</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account	16	36,892	29,685
<b>Shareholders' funds</b>		<u>37,892</u>	<u>30,685</u>

These financial statements were approved by the board of directors on 16/3/10 and were signed on its behalf by

  
 GACR Steyaert  
 Director

  
 KL Smith  
 Director

The notes on pages 10 to 18 form part of these financial statements

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of s408 of the Companies Act 2006 from the requirement to prepare group accounts

#### *Cash flow statement*

As a wholly owned subsidiary undertaking of a parent company established under the law of a member state of the European Union, the company has taken advantage of the exemption in FRS 1 and has not prepared a cash flow statement. The parent company's financial statements include a consolidated cash flow statement

#### *Related party transactions*

The directors have taken advantage of the exemption in FRS 8, paragraph 3 (c) and have not disclosed related party transactions with parent, fellow subsidiary and subsidiary undertakings

#### *Fixed assets, depreciation and impairment*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold buildings	-	25 years
Plant and machinery	-	4 to 5 years
Motor vehicles	-	3 to 4 years
Fixtures and fittings	-	3 to 10 years
Computer equipment	-	2 to 4 years

No depreciation is provided on freehold land

Premiums paid or incentives received on the acquisition of trading locations are written off over the period from store opening to the end of the lease or to the next rent review, whichever is shorter

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets

## Notes (continued)

### 1 Accounting policies (continued)

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or at the rate at which the company has contracted to purchase the relevant currency. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date or at the rate at which the company has contracted to purchase the relevant currency and the gains or losses on translation are included in the profit and loss account.

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Classification of financial instruments issued by the Company*

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

#### *Dividends on shares presented within shareholders' funds*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### *Pension costs*

The company operated a defined contribution pension scheme, the adidas (UK) Pension Plan, which was closed on 30<sup>th</sup> June 2009. On 1<sup>st</sup> July 2009 the company opened a stakeholder (defined contribution) pension plan operating as the adidas Group (UK) Pension Plan. The assets of these schemes are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to these schemes in respect of the accounting period.

## Notes (continued)

### 1 Accounting policies (continued)

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. All turnover is derived in the UK.

### 2 Profit on ordinary activities before taxation

	2009 £000	2008 £000
<i>Profit on ordinary activities before taxation is stated after charging /(crediting)</i>		
Auditors remuneration		
Audit	83	78
Other services	45	86
Depreciation and other amounts written off tangible fixed assets		
Owned	6,248	5,146
Leased	7	73
Impairment charge	294	-
Hire of plant and machinery – rentals payable under operating leases	(9)	5
Hire of other assets - operating leases	5,908	8,447
Profit on disposal of fixed assets	(16)	(18)
Onerous contract	3,000	-
	<u>          </u>	<u>          </u>

## Notes (continued)

### 3 Remuneration of Directors

	2009 £000	2008 £000
Directors' emoluments	993	1,142
Company contributions to money purchase pension schemes	114	110
	<u>1,107</u>	<u>1,252</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £310,000 (2008 £386,000), and company pension contributions of £52,000 (2008 £35,000) were made to a money purchase scheme on his behalf

At the end of the year, 4 directors (2008 4) were accruing benefits under a money purchase scheme

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees 2009	2008
Office management	359	410
Distribution and retail	542	610
	<u>901</u>	<u>1,020</u>

The aggregate payroll costs of these persons were as follows

	2009 £000	2008 £000
Wages and salaries	21,959	25,209
Social security costs	2,118	2,445
Other pension costs (see note 20)	897	1,008
	<u>24,974</u>	<u>28,662</u>

### 5 Other interest receivable and similar income

	2009 £000	2008 £000
Interest receivable from group undertakings	1	80
Other	3	28
	<u>4</u>	<u>108</u>

## Notes (continued)

### 6 Interest payable and similar charges

	2009 £000	2008 £000
Amounts payable to group undertakings	136	587
Finance charges payable in respect of finance leases and hire purchase contracts	-	9
Bank Interest	23	107
	<u>159</u>	<u>703</u>

### 7 Taxation

#### Analysis of charge in period

	2009 £000	2008 £000
<i>Current taxation</i>		
UK corporation tax at 28% (2008 30%) on profits for the year	4,992	4,614
Adjustments in respect of prior periods	(759)	(31)
	<u>4,233</u>	<u>4,583</u>
<i>Deferred taxation</i>		
Timing differences	(67)	(1,205)
Adjustment in respect of prior years	366	468
	<u>299</u>	<u>(737)</u>
Tax on profit on ordinary activities	<u>4,532</u>	<u>3,846</u>

#### Factors affecting the tax charge for the current period

The effective rate of tax for the year of 36% (2008 27%) is higher than (2008 lower) the standard rate of corporation tax in the UK of 28% (2008 28%) due principally to the differences explained below

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	11,739	16,217
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 28% (2008 28%)	3,287	4,541
<i>Effects of</i>		
Expenses not deductible for tax purposes	1,638	661
Depreciation for the year higher/(lower) than capital allowances	235	(1,081)
Other timing differences	(168)	270
Adjustments to tax charge in respect of previous years	(759)	(31)
Others	-	223
Total current tax charge (see above)	<u>4,233</u>	<u>4,583</u>



**Notes (continued)**

**8 Tangible fixed assets**

	Freehold Land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>						
At beginning of year	19,517	19,226	21,206	9,861	92	69,902
Additions	32	580	2,347	125	-	3,084
Disposals	(130)	-	(2,896)	(4,768)	(92)	(7,886)
At end of year	19,419	19,806	20,657	5,218	-	65,100
<b>Depreciation</b>						
At beginning of year	7,539	5,290	14,261	9,140	78	36,308
Charge for year	824	2,030	3,059	334	7	6,254
Impairment charge	-	14	280	-	-	294
On disposals	(75)	-	(2,759)	(4,760)	(85)	(7,679)
At end of year	8,288	7,334	14,841	4,714	-	35,177
<b>Net book value</b>						
At 31 December 2009	11,131	12,472	5,816	504	-	29,923
At 31 December 2008	11,978	13,936	6,945	721	14	33,594

Included in the cost of land and buildings is £17,299,000 (2008 £17,397,000) of depreciable assets

Included in the total net book value of motor vehicles is £nil (2008 £14,905) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £7,057 (2008 £73,000)

**9 Fixed assets investments**

	Shares in group undertakings £000
<b>Cost and net book value</b>	
At beginning of year and end of year	560

## Notes (continued)

### 9 Fixed assets investments (continued)

The companies in which the company's interest is more than 10% are as follows

	Country of registration or incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Larasport (UK) Limited	England	Dormant	100% ordinary
adidas (Ilkley) Limited	England	Dormant	100% ordinary
Three Stripes Limited	England	Dormant	50% ordinary
Sarragan (UK) Limited	England	Dormant	100% ordinary

### 10 Stocks

	2009 £000	2008 £000
Finished goods and goods for resale	2,574	2,503

There is no material difference between the replacement cost of stocks and their balance sheet value

### 11 Debtors

	2009 £000	2008 £000
Trade debtors	15,739	41,511
Amounts owed by parent and fellow subsidiary undertakings	26,524	11,476
Other debtors	375	788
Prepayments and accrued income	28,500	30,517
Corporation tax	-	542
Deferred tax asset (Note 14)	438	737
	<u>71,576</u>	<u>85,571</u>

All debtors fall due within one year, with the exception of prepayments and accrued income. For this category, £17,841,000 (2008 £14,757,000) falls due after more than one year.

### 12 Creditors amounts falling due within one year

	2009 £000	2008 £000
Bank loans and overdrafts	6,264	1,147
Obligations under finance leases and hire purchase contracts (see note 13)	-	21
Trade creditors	27,059	27,139
Amounts due to subsidiary undertakings	560	560
Amounts due to parent and fellow subsidiary undertakings	12,373	48,867
Taxation creditors	4,658	-
Other creditors	39	52
Accruals and deferred income	13,468	14,624
	<u>64,421</u>	<u>92,410</u>

**Notes (continued)**

**13 Creditors : amounts falling due after more than one year**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Accruals and deferred income	<b>3,325</b>	<b>2,881</b>

***Finance leases and hire purchase contracts***

The maturity of obligations under finance leases and hire purchase contracts, net of finance charges allocated to future periods, is as follows

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Within one year	-	21
In the second to fifth years	-	-
	<b>-</b>	<b>21</b>

**14 Provisions for liabilities and charges**

**Deferred tax**

An analysis of the deferred taxation asset is set out below

	<b>2009</b>
	<b>£000</b>
Deferred tax brought forward	737
Current year movement	(299)
Deferred tax carried forward	<b>438</b>

**15 Called up share capital**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b><i>Authorised</i></b>		
Ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>
<b><i>Allotted, called up and fully paid</i></b>		
Ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>

## Notes (continued)

### 16 Reserves

	Profit and loss account £000
At beginning of year	29,685
Retained profit for the year	7,207
	<hr/>
At end of year	<b>36,892</b>
	<hr/>

### 18 Contingent liabilities

Adidas (UK) Limited has given guarantees to HM Customs & Excise in respect of VAT and duty deferment of £1,000,000 (2008 £1,000,000)

### 19 Commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2009 £000	Other 2009 £000	Land and buildings 2008 £000	Other 2008 £000
Operating leases which expire				
within one year	172	-	34	-
within two to five years	2,051	-	2,183	4
in over five years	5,550	-	4,903	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>7,773</b>	<b>-</b>	<b>7,120</b>	<b>4</b>
	<hr/>	<hr/>	<hr/>	<hr/>

### 20 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £897,000 (2008 £1,008,000)

No contributions (2008 £nil) were payable to the fund at the year-end

### 21 Ultimate parent company and parent undertaking of larger group of which the company is a member

The immediate parent company is Reebok International Limited, incorporated in the United Kingdom. Their address is 4<sup>th</sup> Floor, 11/12 Pall Mall, London, SW1Y 5LU. The ultimate parent company is adidas AG, incorporated in Germany. The consolidated accounts of the group may be obtained from adidas AG, Adi-Dassler-Strasse 1-2, D-91074 Herzogenaurach, Germany.