

MAJOR R & D LOCATIONS AND ACTIVITIES

	Main Activities	Location
adidas	Global Development Center (ait)	Herzogenaurach, Germany
	Global Development Center (ait)	Portland/Oregon, USA
	Global Testing Center (ait)	Scheinfeld, Germany
Reebok	Asian Design and Development Center	Shanghai, China
	Asian Product Creation Center	Tokyo, Japan
Reebok	Global Development and Testing Center	Canton/Massachusetts, USA
Reebok-CCM Hockey	Development and Testing Center	Montreal/Quebec, Canada
	Development and Testing Center	Saint-Jean-sur-Richelieu/Quebec, Canada
Rockport	Global Development and Testing Center	Canton/Massachusetts, USA
TaylorMade-adidas Golf	Global Development and Testing Center	Carlsbad/California, USA

360° R & D APPROACH AT ADIDAS R & D activities at brand adidas focus on the development of innovative footwear, apparel and hardware technologies. To solidify adidas' position as a leader in technology and innovation, the adidas Innovation Team (ait) is responsible for the ongoing development of new technologies and concepts in all key product categories. The Team is divided into groups that focus on individual product categories such as basketball, football or cross-category project areas such as Intelligent Products or Energy Management Systems (cushioning technologies).

R & D projects follow a holistic 360° approach that involves collaboration with various professional and amateur athletes in different sports categories each year such as Zinedine Zidane, Michael Ballack, Elena Isinbayeva, Allyson Felix and Jeremy Wariner. In addition, adidas works with clubs such as A.C. Milan and Bayern Munich to test and optimize products according to their needs and ideas. This approach of creating market-ready products clearly is a competitive advantage in the sporting goods industry.

In 2007, adidas collaborated with well-established global research partners such as the Sports Technology Research Group of the Universities of Loughborough and Sheffield, England, and the University of Calgary, Canada. Projects include, for example, long-term studies related to the characteristics of footballs, motion analysis in running and basketball and intelligent product solutions. In addition, adidas consults medical expert teams including doctors and physical therapists to analyze and measure the health-related impact of new innovations before commercialization. However, the amount of purchases for external R & D expertise was not a significant factor within the total adidas R & D expenses.

REEBOK R & D FOCUSED ON FIT IN 2007 Within the Reebok segment, each division runs separate R & D teams due to their heterogeneous product offerings.

⇒ At brand Reebok, the Reebok Advanced Concepts (RAC) and Reebok Equipment teams create footwear, apparel and equipment with the primary focus on developing product that provides "a perfect fit" for the consumer based on function, aesthetics and value. In 2007, Reebok implemented 893 "fit" initiatives into product for the spring/summer 2008 collection.

⇒ The R & D team at Reebok-CCM Hockey is dedicated to continuously creating state-of-the-art hockey equipment for both professional and recreational players.

⇒ Rockport's R & D function is a vertically integrated organization that covers all aspects of strategy, research, design, engineering and testing, while incorporating the Group's advanced proprietary athletic footwear technologies into casual and dress shoes.

In all Reebok divisions, R & D includes a development / engineering team as well as a design and commercialization team, a human performance laboratory and a prototype sampling group with the product marketing teams in each strategic business unit. Major projects involve extensive fit, wear and materials testing to qualify and assess the durability and functionality of Reebok products. R & D expertise from well-known external parties such as the Central Michigan University or the Massachusetts Institute of Technology (MIT) is also used for specific projects. However, the amount of purchases for external R & D expertise was not a significant factor within Reebok's R & D expenses in 2007.