

ecco®

MARKET

Many things have happened since Karl Toosbuy started shoe production in 1963 in Denmark in modest circumstances. Today ECCO is a global brand with more than 900 stores and over 1,500 shop-in-shops in 91 countries around the world selling more than seventeen million pairs annually.

Thousands of customers are in contact with ECCO every day – from Moscow to Dubai and from San Francisco to Tokyo. ECCO's success is closely linked with the way in which customers experience their visits to these stores. This is one of the reasons why the store concepts are one of the foundation stones in ECCO's business.

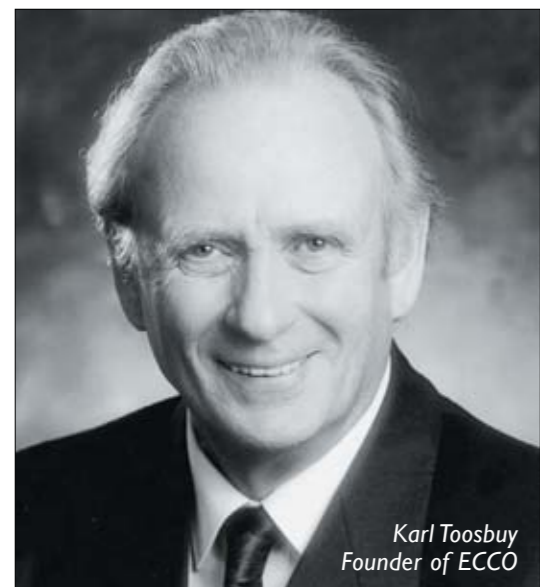
Basically the stores are designed in a simple, light and friendly style so that they radiate an inviting Scandinavian signal to customers. In addition to the store design ECCO invests considerable energy in training personnel to communicate what ECCO stands for. Their employees are well informed, competent and kind so that customers get a good impression of ECCO being 'The Most Comfortable place on earth.'

ACHIEVEMENTS

Over the last four decades ECCO has received more than its fair share of recognition around the world. The Middle East region is no exception to this rule and in 2009 ECCO was awarded "International Retailer of the Year" at the Retail Middle East awards in the UAE.

HISTORY

In 1963 ECCO was founded by Birte and Karl Toosbuy in the small town of Jutland in Bredebro, Denmark. The ECCO group headquarters are still located in Bredebro today. ECCO is a family owned company which initially produced ladies fashion shoes under the brand name Venus. The family business began to grow, fusing innovative



Karl Toosbuy
Founder of ECCO



ECCO Landmark "THE FOOT", Bronze Sculpture by Peter Brandes

technology, design and traditional craftsmanship with a perfect understanding of the human foot and its functionality. In 1978, "JOKE" was introduced, which is one of ECCO's true brand icons, being visually stunning as well as highly comfortable. Joke was followed by Free and Time, which have sold more than eight million pairs to date. Overall more than 250 million pairs of ECCO shoes have walked the earth since the company's inception.

After the death of Karl Toosbuy, in 2004, his son-in-law Dieter Kasprzak became the president of the ECCO group. Hanni Toosbuy Kasprzak, the daughter of Karl Toosbuy, is the owner and the chairman of the supervisory board.

In 2002 ECCO set up an office in Dubai to support the fast development of the ECCO franchise retail business across the Middle East and Africa. With the vision of being the leading quality, comfort shoe brand in the Middle East region, ECCO plans to have a network of over 100 stores in this region by 2013. ECCO is today already operating more than 50 ECCO stores spread across the UAE, Kuwait, Qatar, Bahrain, Oman, Iran, Iraq, Egypt, Syria, Jordan, Afghanistan and Pakistan through franchise partners. In 2010 ECCO expects the opening of at least fifteen new stores and the launch of franchise retail in two new markets - Saudi Arabia and Lebanon.

PRODUCTS

Design, comfort and quality are the key words for shoes made by ECCO. This requires uncompromising product development in which every detail from design to production is planned and carefully monitored.

ECCO controls the entire value chain from cow to consumer. This means that the whole process from the development of an idea, design, product development, production of leather and manufacturing of the shoes to marketing and sales take place within the framework of ECCO's complete control. This is unusual in a market where most of ECCO's competitors outsource parts of the value chain and, in particular, the production of shoes to subcontractors.

One of the big advantages of ECCO's philosophy of running the whole value chain itself is that the skills of employees are consistently being used and developed. This helps to secure a close cooperation and a strong entrepreneurial and innovative spirit.

The starting point at ECCO is that everything begins with the foot. This is a challenge to their designers because it is not difficult to design an attractive shoe if you are not concerned about comfort. But designing a shoe that is a delight to the eyes as well as fitting snugly and comfortably is a far bigger challenge.

In fact the work of creating a new pair of ECCO shoes actually begins before the designer draws the first lines on the paper. ECCO is a leader when it comes to comfort. This is partly due to the fact that ECCO makes significant investments in



understanding the anatomy of the foot and partly due to the fact that ECCO uses this knowledge to constantly improve the last and moulds that make up the "template" of the shoes that ECCO develops. ECCO designers always base their new shoes on ECCO's lasts and moulds. In this way optimal comfort is ensured.

The Leather

Leather is one of the most important raw materials for the manufacturing of shoes.

ECCO owns the tanneries in which top quality leathers are produced. These tanneries are in close contact with ECCO's designers, who make high demands for constant development of new types of leather. One example is ECCO's "Premium Collection" in which the head designer for Ladies' shoes, Niki Taesten, worked together with ECCO's CEO, Dieter Kasprzak, in designing a high end collection for ECCO's "Premium Stores" based on exotic leathers. The result is an exceptionally elegant and exclusive collection which customers have appreciated since the spring of 2009.

The most exclusive golf shoe in the world, "Premium 109", introduced in October 2009, is one other milestone to highlight ECCO's experience and technical know-how in combining special premium leathers and comfort features to give their consumers a top quality exclusive product.

The recent breakthrough in technological advancement came through the introduction of the BIOM running shoes in 2009. BIOM,

The design is tested in practice

Even though the design is in place, the shoes are not yet ready for production. In line with its own philosophy, ECCO also owns its own shoe laboratory, in which each individual shoe model has to go through extensive tests. Amongst other things the shoes are tested for slip resistance, durability and flexibility. Their ability to withstand cold and heat is also tested with the help of advanced equipment.

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Dieter Kasprzak - President of the ECCO Group

the world's first direct injected running shoe, is designed to allow the natural movements of the foot while running, just like being barefoot without actually going barefoot by using ECCO's proprietary "natural motion" technology. But ECCO is not persuaded by machines alone. The shoes are also tested on the feet because comfort is not simply a factor that can be measured. Some of the crucial important adjustments are not made until after ECCO's employees have evaluated the shoes through extensive testing of comfort and durability. Therefore it is not unusual to see next year's collections being worn by employees in their everyday lives.

RECENT DEVELOPMENTS

The ongoing focus on training and store tests adds to customers' experience in ECCO stores. You can have the most exclusive stores at the best addresses, but if your personnel are not sufficiently trained in customer service, you will never succeed. This is why ECCO is working intensively with training courses that consist of the following:-

Brand Ambassador sales programme provides a strong foundation for all shop assistants and trains them to give customers a world class experience when they enter ECCO stores.

Shop manager courses consist of more than 25 areas of focus that are related to coaching, leadership, delegating assignments, planning and much more.

Mystery shopping programme – ECCO is striving to be the best shoe company in the world. One of the steps taken to secure the right development is the mystery shopping programme where the stores are continuously tested by anonymous customers who investigate how employees are succeeding in their work.

ECCO's ambition is to be a highly attractive workplace for its employees and offer employees lifelong training, enabling them to develop at all levels.

PROMOTION

Each year, altogether with a number of recognised aid organisations, ECCO organises the ECCO Walkathons all over the world. Since 1999 Walkathon participants have supported charities with their feet. For every kilometre walked by a participant ECCO donates approximately one Euro to selected charitable projects. All projects that have received donations within the past three years are gathered under the concept ECCO Walk for Life.



Ladies Premium Collection, Spring '10

Charitable work has always been a natural part of ECCO's activities. That is why their commitment and obligations in this important area are clearly defined in ECCO's Code of Conduct.

With their entire Walk for Life programme ECCO focuses on protecting natural environments, supporting education of young people and promoting an active and healthy lifestyle. In 2009 more than 60,000 people participated in Walkathons all over the world, contributing more than 500,000 Euros for worthy causes.

BRAND VALUES

At ECCO they are passionate shoemakers. They constantly aim to defy conventions. They strive to surprise and they want to develop innovative designs and products – without having to compromise on the quality and comfort concept that lies at the heart of every ECCO product and indeed of their company. They do not aim to be the biggest – they just want to be the best. ECCO aim to generate profitable growth so that they can maintain the greatest possible degree of financial independence and the financial strength to pursue their long-term targets on their own terms. ECCO's results are created by people who believe and are confident that they will shape the future by doing things differently. This approach was an important part of Karl Toosbuy's business philosophy and outlook on life and it has characterised ECCO since the company's inception. Staying connected with the best feats of their past will help shape their future.

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Things you didn't know about ECCO

ECCO is the third largest leather manufacturer in the world and ECCO's largest single investment ever was made on the new state of the art tannery in Xiamen in 2009.

On an average every second day, ECCO opens a retail location somewhere around the globe.

ECCO is the leading footwear brand in the Islamic Republic of Iran.

In 2009 ECCO opened its first franchise store in Iraq, with more stores to follow soon.

ECCO was awarded "Company of the Year" in the USA in 1994, only a few years after having expanded into this market.

ECCO's famous Yak leather hiking boots have been worn to the summits of Mount Everest and other famous mountains.

Superbrands