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ECCO - ANOTHER RECORD YEAR

ECCO's CEO, Dieter Kasprzak, has announced that the company delivered its best ever results in 2013.

"It's a very pleasing performance," he said. "We have been successful in reorganising our production footprint, whilst growing our business and profits."

The key financial highlights of ECCO's 2013 performance were:

- Net revenue was EUR 1.131m, an increase of EUR 47.9m, equivalent to 4.4%.
- Profit before tax was EUR 165.4m, an increase of 8% over 2012. This produced a profit ratio of 14.6%, against 14.1% in 2012.
- The year's result is EUR 106.4m, an increase of 15.8% compared to 2012.
- Investments were reduced from the exceptionally high level of EUR 79.6m in 2012, to EUR 45.7m, but there have been more consumer and market-oriented investments than in 2012.
- The equity increased from EUR 418.4m to EUR 461.6m.
- The solvency at year-end was 59.8%, against 55% in 2012.
- The return on equity increased from 22.6% to 24.2%.

ECCO launched a significant number of new products and many became bestsellers. The special Anniversary shoe, ECCO MIND, sold out very quickly and proved again that iconic designs last.

ECCO continued to invest in upgrading its distribution in Europe, Asia, and North America. In 2013, 255 new shops and shop-in-shops were opened, bringing the total number of ECCO shops and shop-in-shops to 2,989.

In addition, more than 300 shops were upgraded and refitted during 2013, underlining ECCO's strategic commitment to offer consumers better shopping experiences.

In 2013, China and Russia recorded particularly strong sales. In several markets, ECCO's e-commerce grew significantly in 2013, becoming an increasingly important distribution channel.

The sales of ECCO produced leathers to manufacturers of other premium and luxury brands experienced another year of rapid growth, rising by 58% to EUR 82m. Sales of leather goods and shoe accessories continued their positive trend, growing by 12.6% to EUR 38m.

After its Thai factory was flooded in 2011, ECCO decided to change its factories, so no factory represented more than 20% of total capacity. This necessitated the move of 35% of ECCO's production machinery. This again created a need for a tight control of ECCO's growth to balance this against available capacity.

The more moderate growth rates, and very high product cost increases caused by soaring leather prices and fast-growing production wages, also required a tight focus on efficiencies, and on selling higher value products.

"We were successful in executing this during the year, and the operating margin improved from 15.0% to 16.2%, which is satisfactory," says Steen Borgholm, ECCO's CFO. "Controlled growth has been the key to ECCO's success in 2013 and we will continue this strategy in 2014".

"We expect 2014 to show increased revenue and profitability", concludes Borgholm.

Further information

- The ECCO Annual Report 2013 and press photos are available for download at newsroom.ecco.com
- ECCO Group Communication, VP Steen Frentz Laursen; +45 2065 3420

About ECCO

ECCO, a world-leading brand of shoes combining style and comfort, has built its success on quality and innovative technology. Founded in 1963, ECCO is one of the few major shoe manufacturers in the world to own and manage every step of the shoemaking process. Today, ECCO products are sold in 87 countries at 2,989 ECCO shops and shop-in-shops and a total of 15,000 sales points around the world. The company is family-owned and the workplace to 18,500 employees.