Since it was founded in 1963 in the town of Bredebro in southwestern Denmark, ECCO has been owned and managed by the Toosbuy family. Today, Hanni Toosbuy Kasprzak – the daughter of Birte and Karl Toosbuy – is the sole owner of the Company and Chairperson of the Supervisory Board. Her husband, Dieter Kasprzak, is Chief Executive Officer (CEO), and Mikael Thinghuus is Chief Operating Officer (COO).

ECCO's landmark 'The Foot'

ECCO has come a long way

ECCO's philosophy is as simple as it is challenging: as shoemakers who are passionate about what we do, we constantly aim to challenge conventions and conventional expectations to footwear. We want to extend the limits of how to make innovative and exciting designs that appeal to modern, quality-conscious and independent consumers – without compromising on the quality and comfort concept which is the very foundation of our company.

ECCO has never hesitated to go its own way. While nearly all of our competitors have chosen to outsource all or most of their manufacturing processes, we have faithfully developed our now unique position as a shoe manufacturer in control of the entire value chain from cow to consumer.

For more than 40 years, ECCO has challenged conventional wisdom of how the innovative development, production and sale of modern casual shoes can be combined with profitable growth in an industry characterised by intense global competition. This strategy has proved to be the right one for ECCO, and 2005 was yet another year of excellent performance for us. With revenue growth of 13% and profit growth of 69% – In fact, almost a doubling after adjustment for the non-recurring costs related to the restructuring in Portugal – recent years' calculated development of ECCO's integral value chain is now paying off.

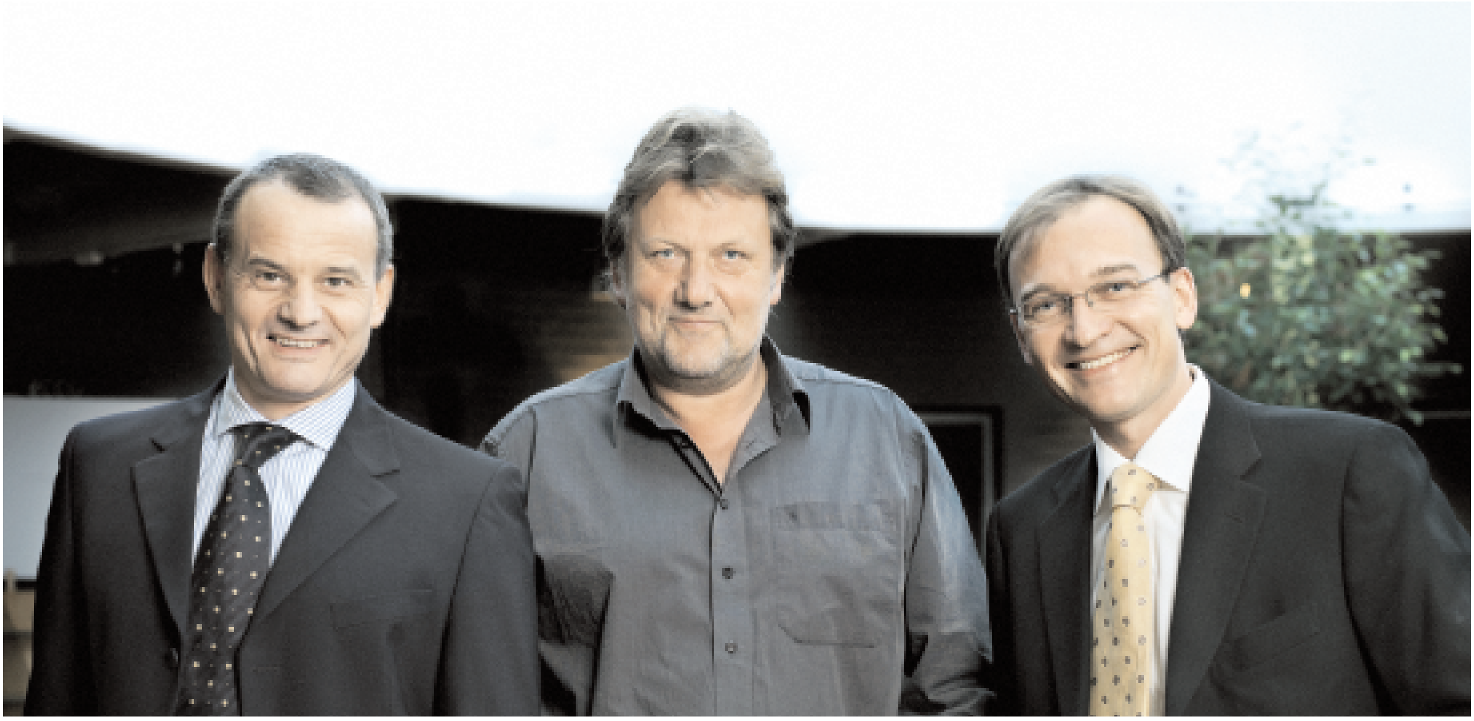
We owe this highly satisfactory performance to our efforts to ensure that decisions are made in the right place and by people who have the right qualifications for making them.

The power to make decisions close to the market is increasingly delegated to ECCO's sales regions and production units, while concept development in the form of innovation, branding and product portfolio management is carried out by centralised functions, as are financial, IT and administrative tasks.

ECCO has come a long way in its vertical integration process. Because we are in full control of our globalised value chain, we have been able to change our production and restructure in areas where such action was needed.

We are capable of organising procurement and logistics to suit market conditions, and our ability to adapt to new or changed situations is considerable. This is particularly important if individual markets are affected by unforeseen events such as economic downturns or protectionism.

All ECCO employees know that they must to make an effort on a daily basis if we want to continue the legacy of a founding father whose innovative power was legendary. Karl Toosbuy's constant and uncompromising striving towards better solutions to things that were traditionally considered impossible sets the standard for our performance.



ECCO's Managing Board, from left: Jens Christian Meier, EVP Production, Dieter Kasprzak, CEO, Mikael Thinghuus, COO.

ECCO has come a long way. The results achieved this past year were attributable to the active choices we made and the changes we implemented throughout our organisation. But we would not be true to the ECCO legacy if we were satisfied with that.

The balance between development, production and sales requires further fine-tuning to ensure the financial freedom to carry out the experiments and innovation that always have and will continue to be the prerequisite to our future success.

Our staff is a key reason for our success. They continued to drive our company forward in 2005 and played an active role in the constant learning and improvement processes of which they are a crucial part.

The importance of our staff's active participation in ECCO's continued success will not lessen in the years ahead, and employee development and training will be even more in focus. The ECCO Lean Project we have embarked upon is based on the philosophy that our employees are not just participants, but also our most important ambassadors for and carriers of change all across the company.

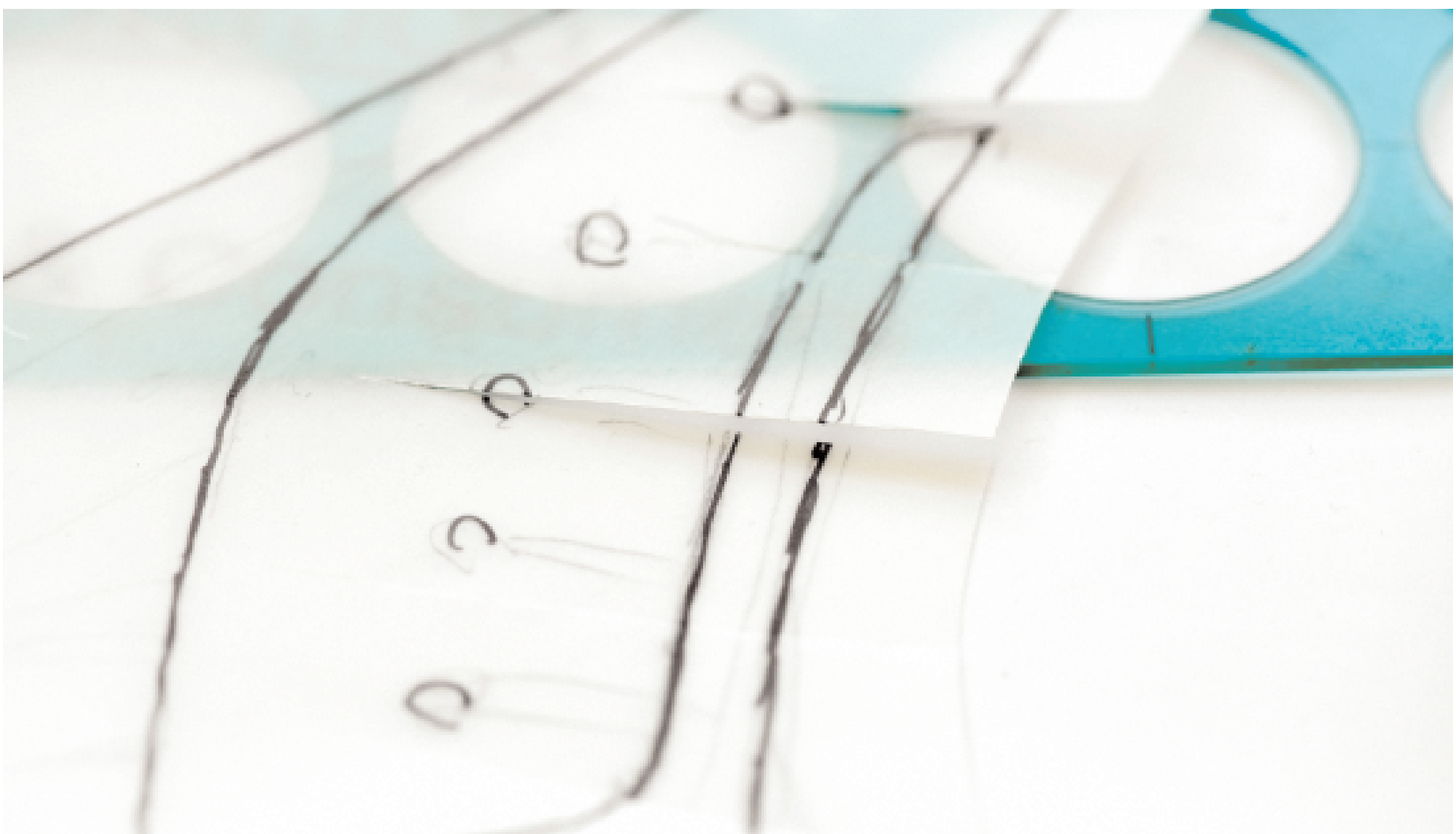
In the coming years, we will continue the possitive development in the markets we have selected. Generating profitable growth in production and retail remains a global priority, and we intend to accelerate our ongoing modernisation of products and brand perception, particularly in the mature European markets.

ECCO meets the requirements of active, quality-conscious, individualistic and independent consumers who demand modern casual shoes. We have achieved a great deal, but we aim to reach even higher in the years ahead.

Dieter Kasprzak
Chief Executive Officer

Mikael Thinghuus
Chief Operating Officer

Jens Christian Meier
Executive Vice President, Production



Consolidated financial highlights and key ratios

FINANCIAL HIGHLIGHTS DKK '000	2005	2004	2003	2002	2001
Net revenue	**3,830,546**	**3,393,693**	**3,168,930**	**3,359,838**	**3,216,314**
Profit before amortisation and depreciation	628,879	447,972	370,295	342,776	416,046
Amortisation and depreciation	(205,039)	(180,937)	(188,657)	(187,215)	(166,592)
Profit before financials	423,840	267,035	181,638	155,561	249,454
Net financials	(74,294)	(60,594)	(61,394)	(73,465)	(93,134)
Profit before tax	**349,546***	**206,441**	**120,244**	**82,096**	**156,320**
Income taxes	(124,512)	(42,883)	(49,264)	(21,743)	(32,917)
Group profit	225,034	163,558	70,980	60,353	123,403
Minority interests	697	(12,897)	(9,192)	(9,275)	(8,282)
Profit for the year	**225,731**	**150,661**	**61,788**	**51,078**	**115,121**
Fixed assets	1,075,306	1,112,597	1,073,447	1,024,182	963,957
Current assets	2,210,052	1,832,582	1,714,309	1,884,018	2,115,547
Assets	3,285,358	2,945,179	2,787,756	2,908,200	3,079,504
Equity	1,285,750	1,034,026	951,016	958,160	966,430
Other liabilities	87,358	56,877	31,257	37,413	12,285
Debt	1,912,250	1,854,276	1,805,483	1,912,627	2,100,789
Liabilities	3,285,358	2,945,179	2,787,756	2,908,200	3,079,504
Cash-flow from operating activities	515,078	272,973	336,378	594,382	(38,122)
Cash-flow from investing activities	(201,678)	(212,811)	(228,551)	(230,346)	(256,698)
Cash-flow from financing activities	(2,385)	(392)	(73,808)	(263,633)	206,287
Pairs of shoes sold (thousands)	12,906	12,045	11,225	10,564	10,145
Number of employees (as at 31 December)	10,534	9,657	9,388	8,839	9,087

*) Profit for the year is negatively influenced by a provision for non-recurring costs of DKK 48 million related to the restructuring of operations in Portugal. Profit for the year before tax and provisions for non-recurring costs amounted to DKK 398 million.

KEY RATIOS					
Operating margin	11,1%	7,9%	5,7%	4,6%	7,8%
ROAIC	13,6%	9,3%	6,4%	5,2%	8,4%
Return on assets	11,2%	7,2%	4,2%	2,7%	5,3%
Investment ratio	1,0	1,2	1,2	1,2	1,5
Return on equity	19,5%	15,2%	6,5%	5,3%	12,4%
Solvency ratio	39,1%	35,1%	34,1%	33,0%	31,4%
Liquidity ratio	2,9	2,0	1,9	2,0	2,1

DEFINITIONS OF KEY RATIOS

Operating margin: $\frac{\text{Profit before financials x 100}}{\text{Net revenue}}$

ROAIC: $\frac{\text{Profit before financials x 100}}{\text{Average assets}}$

Return on assets: $\frac{\text{Profit before tax x 100}}{\text{Average assets}}$

Investment ratio: $\frac{\text{Investments for the year}}{\text{Amortisation and depreciation}}$

Return on equity: $\frac{\text{Profit for the year x 100}}{\text{Average equity}}$

Solvency ratio: $\frac{\text{Equity x 100}}{\text{Assets}}$

Liquidity ratio: $\frac{\text{Current assets}}{\text{Short-term debt}}$

Highlights of 2005

Income statement

The ECCO's Group's performance was very satisfactory in practically all areas in 2005.

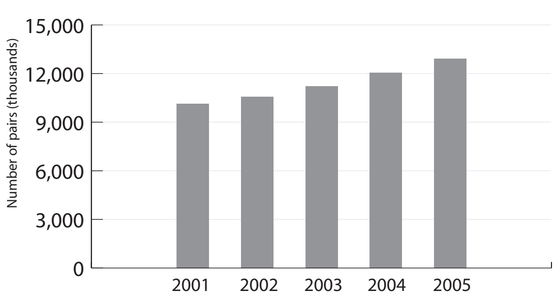
Profit before tax and provisions for non-recurring restructuring costs rose by 93%, or DKK 191.2 million, to DKK 397.6 million, up from DKK 206.4 million in 2004.

In its 2005 financial statements, the Group has made a DKK 48 million provision for non-recurring costs as a result of the restructuring of operations in Portugal.

Consolidated profit before tax rose by 69% to DKK 349.5 million from DKK 206.4 million in 2004.

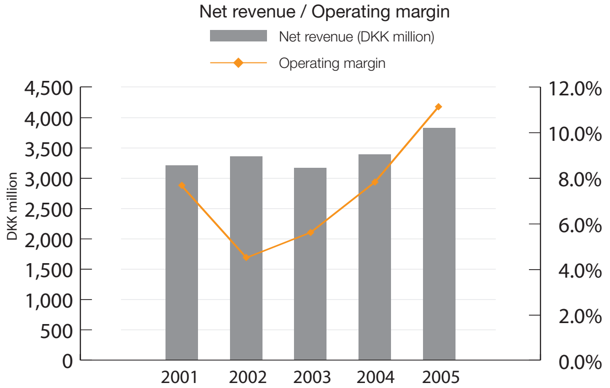
One of the reasons for the improved performance was a 7.2% increase in the sales volume to 12,906,000 pairs of shoes; to this should be added sales from ECCO's license manufacturer in Japan, whose sales totalled more than one million pairs of shoes. Growth was recorded in all product groups: Men's, Ladies', Kids', Performance and Golf shoes.

Pairs of shoes sold (thousands)



Net revenue rose by 12.9% year on year to DKK 3,831 million. Net revenue comprised sales of shoes, accessories, leather and wetblue.

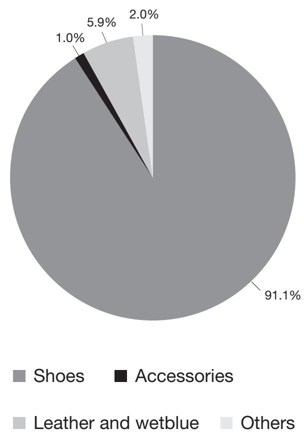
Net revenue / Operating margin



In the shoe business, revenue rose by 13%, which was partly a result of growth in the sales volume but also of a 5% increase in average price per pair which as opposed to 2004 was unaffected by fluctuations in exchange rates. In the accessories business, revenue rose by 17%, thus continuing the good performance seen in 2004.

The Group's third business area, leather and wetblue sales, rose by 15%, reversing the adverse trend from 2004, when revenue dropped by 11%.

Net sales of the ECCO Group (in %)



Profit before financials rose by 59% to reach DKK 423.8 million, and the operating margin rose from 7.9% to 11.1%. This excellent performance reflects both a substantial increase in Group earnings achieved through sales that improved in terms of both volumes and average sales prices, and the development of production prices that were favourably affected by high capacity utilisation at the Group's own factories. As regards capacity costs, a 6.8% increase was recorded in consolidated costs: mainly the result of new activities, including a continuing focus on intensifying marketing efforts and a resultant 14% increase in marketing costs in 2005.

Net financials amounted to an expense of DKK 74.3 million, compared with DKK 60.6 million in 2004. This was primarily the result of DKK 5.8 million in exchange losses related to debt denominated in foreign currency, compared with a corresponding gain of DKK 4.4 million in 2004. Changes were made to the Group's financing in 2005, so that a larger proportion of debt now consists of long-term fixed-rate loans. Together with a rising level of interest rates in the USA, this resulted in a small rise in interest expenses.

Income tax amounted to DKK 124.5 million in 2005. The effective tax rate was 35.6%, which was partly a result of changes in deferred tax due to restructuring and reorganisation of the corporate structure.

Profit for the year after tax and minority interests was DKK 225.7 million, compared with DKK 150.6 million in 2004.

Balance sheet
As of 31 December 2005, total assets stood at DKK 3,285 million, representing an increase by 11.6% or DKK 340 million.

Non-current assets totalled DKK 1,075 million, of which DKK 952 million was property, plant and equipment, which was on a level with the year before. Investments in new facilities were thus offset by corresponding depreciation charges.

The Group's inventories of finished goods rose by 12%; this is closely related to the pending invoicing of spring and summer products and the general increase in revenue, which is expected to continue in the first half of 2006.

The main cause of the growth in total assets was a DKK 310 million increase in cash.

Equity stood at DKK 1,286 million at 31 December 2004, up from DKK 1,034 at year-end 2004. Profit for the year contributed DKK 226 million to equity. Currency translation of the equity of foreign subsidiaries amounted to DKK 49 million, and currency translation of derivatives etc. amounted to DKK 7 million. In addition, DKK 30 million was paid out in dividend.

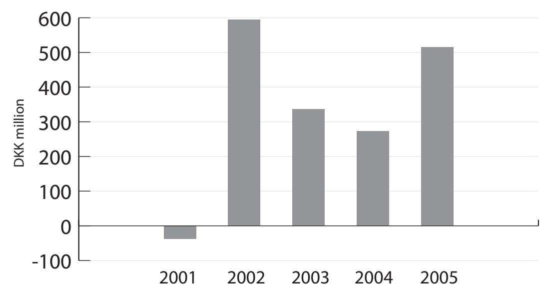
The solvency ratio rose from 35.1% to 39.1%, which supports ECCO's overall goal of retaining the greatest possible financial independence.

Cash flow statement
A consolidated cash inflow of DKK 311 million was recorded for the year, up from DKK 60 million in 2004.

The consolidated cash flow from operating activities was DKK 515 million, up from DKK 273 million in 2004, and this represents an increase of DKK 242 million or 89% year on year.

The net cash outflow for investing activities was DKK 202 million, compared with DKK 214 million in 2004.

Cash Flow from operating activities (DKK million)



The cash flow for investments in intangible assets was DKK 18 million, versus DKK 12 million in 2004, and the cash flow for investments in property, plant and equipment was DKK 184 million, down from DKK 201 million in 2004.

Investments in property, plant and equipment were primarily related to production, with establishment of the production unit in China being the most important. In addition, a number of investments were made in the continued development of ECCO's concept sales.

Additional long-term loans of DKK 209 million were raised during the financial year, whilst short-term debt was reduced by DKK 174 million.

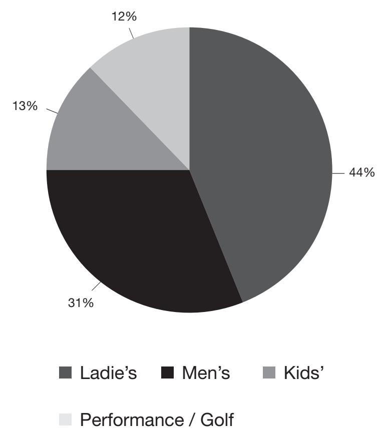
Dividend paid during the financial year amounted to DKK 30 million.

Collections

Innovation and design combine with production and sales to form the very core of ECCO: our collections of comfortable and well-designed shoes in demand with modern and quality-conscious consumers.

The collection mix is essential to ECCO's success in the market. In 2005, we were very successful in creating a good mix of newly developed and well-established models which, overall, appealed to more customers than ever before.

Composition of shoe sales, 2005
(in %)



The year also proved that our new products were particularly well received; in several product areas, these new items were decisive in the growth we achieved in 2005. ECCO's strong focus on the development of new collections is bearing fruit, and this highlights the strong coherence throughout our value chain, all the way from the development, design and production of collections to their marketing and sales and, not least, all the way to the customer.

Men's Division

In 2005, the Men's Division continued its excellent performance of recent years, maintaining and expanding its position as ECCO's most profitable division. In 2005, the division faced an extremely competitive Central European market with a strong focus on prices. Despite tougher conditions in the market, we nevertheless succeeded, driven in particular by new developments in our collections, in increasing overall sales.

The men's collection as a whole has seen significant growth for several years driven by our City products. These products have achieved a strong market position, and our focus is now on sustaining the growth momentum.

At the same time, ECCO expanded its collection in the internationally oriented casual lifestyle segments in 2005. Globally, this subsegment represents significant growth potential, and the Men's Division is pursuing this potential by transferring the brand, image and dynamism from the City shoes to these new casual components of the collection.

We made targeted efforts all through 2005 to perfect ECCO's image in the established markets. For the Men's Division, the 2005 collection in itself represented a significant step towards adopting a more modern style. At the same time, significant efforts were made in the individual markets to establish the new style elements as a genuine counterpart to the collection's already well-established expression.

ECCO
Century

Greatest successes of the year

ECCO Century was among the new developments best received by the market in 2005. The shoe combines elegant lines with a more youthful and masculine look and contributed strongly to adding new ideas and expressions to the classic business shoe and to ECCO's entire men's collection.

ECCO
Activa

Within the attractive casual lifestyle segment, ECCO Activa was positively received due to its functional, impulsive and cheerful look. ECCO Activa became a good exponent of the deliberate development towards a more youthful and modern style which the men's collection underwent in 2005.

New collection items

The collection is becoming increasingly characterised by newly developed products, which accounted for all the growth recorded for 2005. It is a clear goal for the ECCO Men's Division to constantly ensure a collection saturated with new developments, innovation and dynamism.

Key markets

High volumes and a good positioning made the USA an important market for the Men's Division in 2005. We expect this trend to continue in 2006.

The strongest sales growth rates were recorded in Hong Kong, China and Russia. These markets offer strong and potentially increasing growth rates.

Ladies' Division

In 2005, ECCO's Ladies' Division took further steps towards a more modern style. This development has been underway for a number of years and is now so well incorporated that the division has created a new platform in all markets.

The challenge for the Ladies' Division is to consolidate and maintain ECCO's traditionally strong position within high quality comfortable shoes as a development platform upon which the collection may be expanded. The collection will be gradually extended into segments that are more characterised by a niche focus, image perception and image creation and have a great potential for collections to be sold at full price.

The changes in the collection's overall image that we made in 2005 have already resulted in impressive growth rates in terms of full-price sales. As a result, the division has increased both earnings and average revenue per pair of shoes, although there was no significant increase in the total number of pairs of shoes sold.

In the years ahead, the Ladies' Division will continue the managed development of the collection's balance between more traditional products that generate stable sales and newly developed and more modern models.

ECCO Shark sandal

Greatest successes of the year

The ECCO Shark sandal was among the best received new products of 2005. The ECCO Shark formed part of the collection as early as 2003; the shoe has over several seasons left its distinct mark on the way ECCO's brand is perceived. The style is youthful, light, elegant and strong, and it has been ground-breaking for the way ECCO is perceived in most markets.

Another successful 2005 introduction was the ECCO Vibration, which is one of the lightest shoes in the collection. Actually, it is one of the lightest shoes ever made by ECCO. With its sporty and innovative look, the ECCO Vibration epitomises in many ways the clear change of style in the Ladies' Division. The ECCO Vibration appeals strongly to our younger customers and, accordingly, the shoe has further expanded ECCO's position in a demanding market segment with considerable purchasing power.

ECCO Vibration

New collection items

The strategic development of the ladies' collection towards a more modern expression is based on an established product platform consisting of well-known products that generate stable sales and that have been developed over a number of years. This base is deliberately used to leverage the development costs naturally connected with driving ECCO's image forward with sufficient momentum.

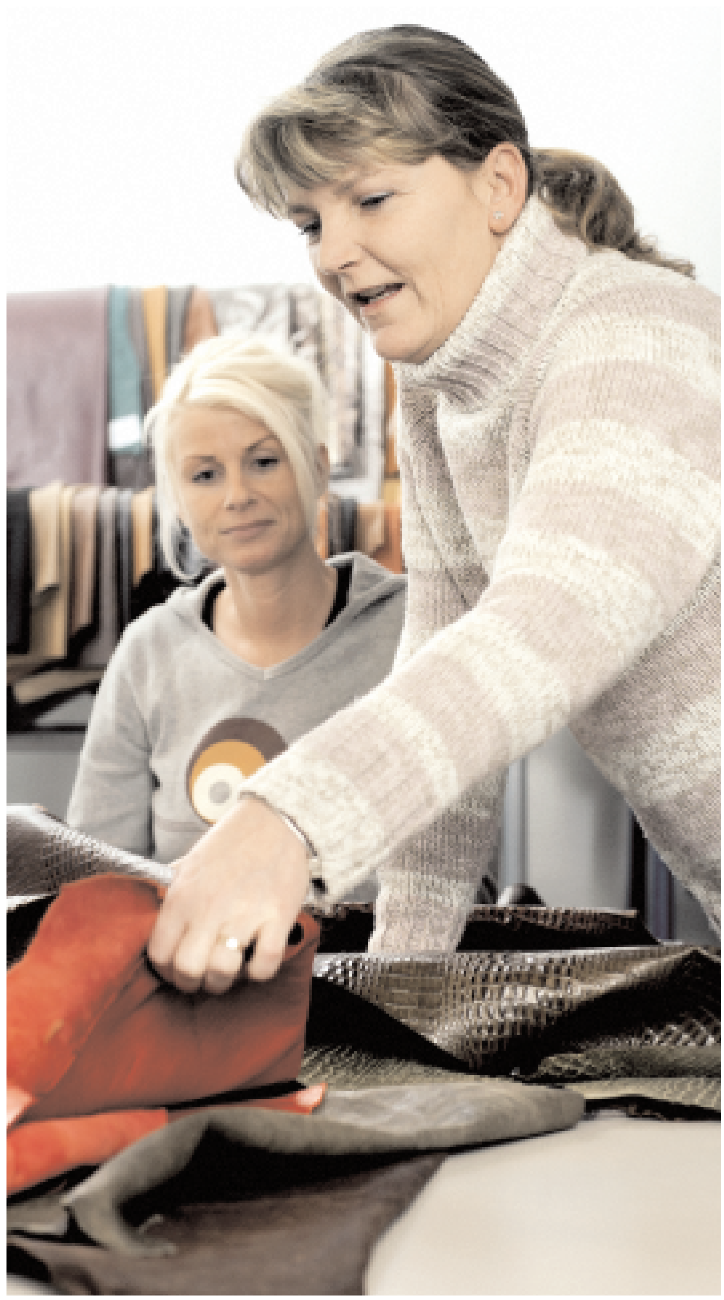
Key markets

The US market was a very important market for the Ladies' Division in 2005. The youthful and more modern styles were extremely well received by the market, and this helped ECCO generate strong growth in terms of full-price sales in the USA.

In 2005, the Ladies' Division's City products had an extremely good influence on the overall image of the ladies' collection in almost all regional markets.

In particular Eastern Europe generated growth through the new and more modern products in the collection.


AUTHENTIC COMFORT
ARCH SUPPORT
ecco
VEGETABLE TANNED
VEGETABLE TANNED LEATHER
ANTI FUNGAL



Kids' Division

The Kids' Division maintained its strong growth record in 2005, thereby continuing to utilise its strong potential within quality shoes for children.

The collection was additionally strengthened in 2005 with products based on ECCO's direct-injection technology, which was instrumental in generating more penetration power in our key markets. For example, the ECCO Mini Racer enabled deep penetration into the toddler segment in virtually all markets.

The overall strategy for the division was unchanged in 2005: to offer children's shoes of the highest quality and in the high price range. This will remain the division's focus area in 2006.

ECCO
Snowdrop

ECCO
Hide & Seek

Greatest successes
The Hide & Seek was ECCO's first real sandal for toddlers. The Hide & Seek combines the support and protection required in baby shoes with the flexibility and lightness that sandals offer.

This new product arises out of ECCO's basic philosophy that unites the most innovative technology with unique comfort, and the sandal was very well received by customers.

The Kids' Division's first pure GORE-TEX® range designed especially for girls, ECCO Snowdrop, marks the beginning of a whole new era in children's footwear. The product accommodates a clear trend and a need for entire separate product ranges specifically targeting boys and girls.

New collection items
The dynamism of the kids' collection is clearly illustrated by the fact that growth is almost entirely generated by the new products. This relatively new division is still in the process of building a stable platform, a goal that can be achieved simply by continuing to focus on development – also in the years ahead.

Key markets
In 2005, the Kid's Division recorded considerable growth rates in many markets. Three individual markets already account for annual sales in excess of 200,000 pairs of shoes: Denmark, Germany and the USA.

Performance Division

The Performance Division integrated the successful brand Receptor in the division's overall brand, ECCO Performance, in 2005. The division divided its activities into three separate focus areas: running, walking and outdoor.

Characteristic for the division is its goal of creating unique products by combining state-of-the-art technology with the most detailed know-how about comfort. To achieve this goal, the division has signed a deal concerning the outdoor segment with the internationally recognised provider of high quality outsoles, Vibram.

The Performance Division is ECCO's newest division. The division has enjoyed a good start characterised by high growth rates; there is still a great deal of unrealised potential in this segment.

The division's primary focus area is the outdoor segment and the potential it offers. The demand for comfortable and modern shoes for travelling and outdoor activities is growing each season, and ECCO aims to take a large share of this market by continuing to introduce competitive products based on its Receptor technology.

Within the walking segment, ECCO holds a position as a natural player, and the division aims to generate moderate growth driven by a high level of quality in this segment.

For the past few seasons, the Performance Division has achieved considerable success within its running segment, resulting, among other things, in a nomination as "best newcomer" in Runner's World of one of the division's articles.

RECEPTOR®
X-treme Viking

Greatest successes of the year
The new 2005 products best received by the market included, not surprisingly, two Receptor products. The outsole of the extreme hiking boot Receptor X-treme Viking covers both heel and toe to ensure the best possible grip on all conceivable surfaces. The trendsetting design and the use of new technology in the boot appealed to many of the segment's most demanding customers.

RECEPTOR®
Ultra terrain

The RECEPTOR® Ultra Terrain also appealed to customers who shared the view that shoes should never be come in the way of adventure. The shoe is designed for all types of watersport.

New collection items
The division bases its activities predominantly on newly developed products. Development and innovation are key elements in ensuring the division's market share in the future.

Key markets
The key markets for the Performance Division in 2005 were Germany, Austria, Switzerland and Scandinavia. There is still a vast potential in the markets for ECCO's performance products. In the future, growth should be generated in the USA and in the large Asian markets.

Golf Division

In 2005, this division was highly successful in following up on the significant breakthrough achieved with its golf collection for 2004.

Through sponsorship agreements with some of the world's best golf players, ECCO's golf collection received heavy exposure in 2005. ECCO currently sponsors world-famous players such as Colin Montgomerie, Aaron Baddeley and Thongchai Jaidee, as well as Thomas Bjørn and Iben Tinning. In 2005, Montgomerie set a record by winning the Order of Merit for the eighth time on the European Tour, and Tinning won the Order of Merit on the Ladies' European Tour. In addition to ensuring a great deal of focus on ECCO's brand, the star players are active and committed contributors to developing the collection.

As an independent division, the Golf Division had optimal opportunities in 2005 to focus on further development of ECCO's unique position in the market for exclusive golf shoes. The collection has its own raison d'être, but also contributes very much to strengthening ECCO's overall brand.

In 2005, the new Casual Cool range was successfully introduced in several key markets and thus helped highlight ECCO's position as a leader in innovative golf technology. To continue this upward trend, a number of new distributor contracts have been signed in Australia, New Zealand, South Korea, South Africa, Spain and Portugal.

ECCO Golf Men's New Classic

Greatest successes of the year

ECCO Golf Men's New Classic was well received as a new but entirely classic golf shoe with a convincing technological basis. For example, the PU midsoles and the GORE-TEX® membrane ensure that ECCO's unique comfort complements its attractive design.

ECCO Golf Women's Sport also attracted significant interest due to its innovative design, with a transparent sole that matches the shoe's upper leather. In addition, ECCO Women's Sport uses the exclusive ECCO Hydromax™ leather, which is extremely water-repellent.

ECCO Golf Women's Sport

New collection items

In the Golf Division, the ability to develop new technology and create innovation is crucial in positioning the products strongly in the international market for top end golf shoes. The new products in the collection drive the growth of the division as a whole.

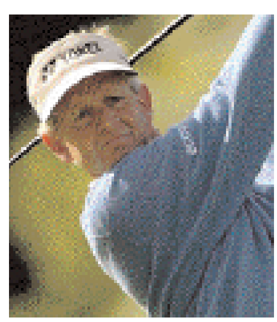
Key markets

The Golf Division's key markets include the USA, the UK, Canada, Sweden, Germany and Denmark and all of these markets still hold a significant potential for development. Future markets offering a great deal of potential for the division include Japan, China, South Korea and Southern Europe.

Thongchai Jaidee

Iben Tinning

Thomas Bjørn



Colin Montgomerie

Own production – crucial to ECCO

ECCO's unique choice
A prerequisite for ECCO's philosophy is control of the entire value chain – from cow to consumer. Development and profitable growth evolves out of involvement in the entire process, from the development of an idea and design to the production of leather and shoes and to marketing and sales.

For this reason, ECCO invests in own production units as an important part of its overall development strategy. The business model is more or less unique among the global brands in the shoe industry, which have outsourced most – if not all – of their production in recent years. Contrary to this trend, ECCO considers it important to retain and further develop in-house production, considering it a key element in the Group's continuing success.

This fundamental view was also at the core of ECCO's manufacturing activities and initiatives in 2005. Be it the development and use of technology, planning, logistics or utilisation of employee competencies, ECCO has constantly found synergies in its own controlled production set-up, synergies which provide ECCO with significant competitive advantages and substantiate its philosophy of keeping production in house.

ECCO's unique technology
The Group's long-term production strategy focuses on constantly refining and achieving efficiency improvements within ECCO's core competencies in the field of direct-injection soles. The technology is based on the unique direct injection technology, where the upper part of the shoe, the leg, is placed in a mould before the sole is sprayed directly onto the upper part under high pressure. This unique production technology forms the basis for the quality, lightness and comfort for which the ECCO brand is world famous.

In order to retain and develop an already unique technology and in full accordance with ECCO's focus on the entire value chain, ECCO began setting up its own mould workshops with specially trained specialists in Thailand and Denmark in 2005. The independent location of the mould workshops ensures a constant focus on reducing delivery times and development costs.

Own shoe factories
ECCO operates its own shoe factories in Portugal, Slovakia, Thailand, Indonesia and China.

ECCO's finished shoe production is divided among these units, which helps achieve a diversification of both political and foreign exchange risks. In 2005, 2.3 million pairs of shoes were manufactured at the factory in Portugal, 0.8 million pairs in Indonesia, 3.9 million pairs in Thailand, 2.8 million pairs in Slovakia and 0.5 million pairs in China.

ECCO's production capacity provides special opportunities for knowledge sharing and the exchange of best practice that cut across national borders. In addition, the broad extent of in-house production reduces the number of third-party suppliers necessary, which is an advantage both financially and with respect to control of processes.

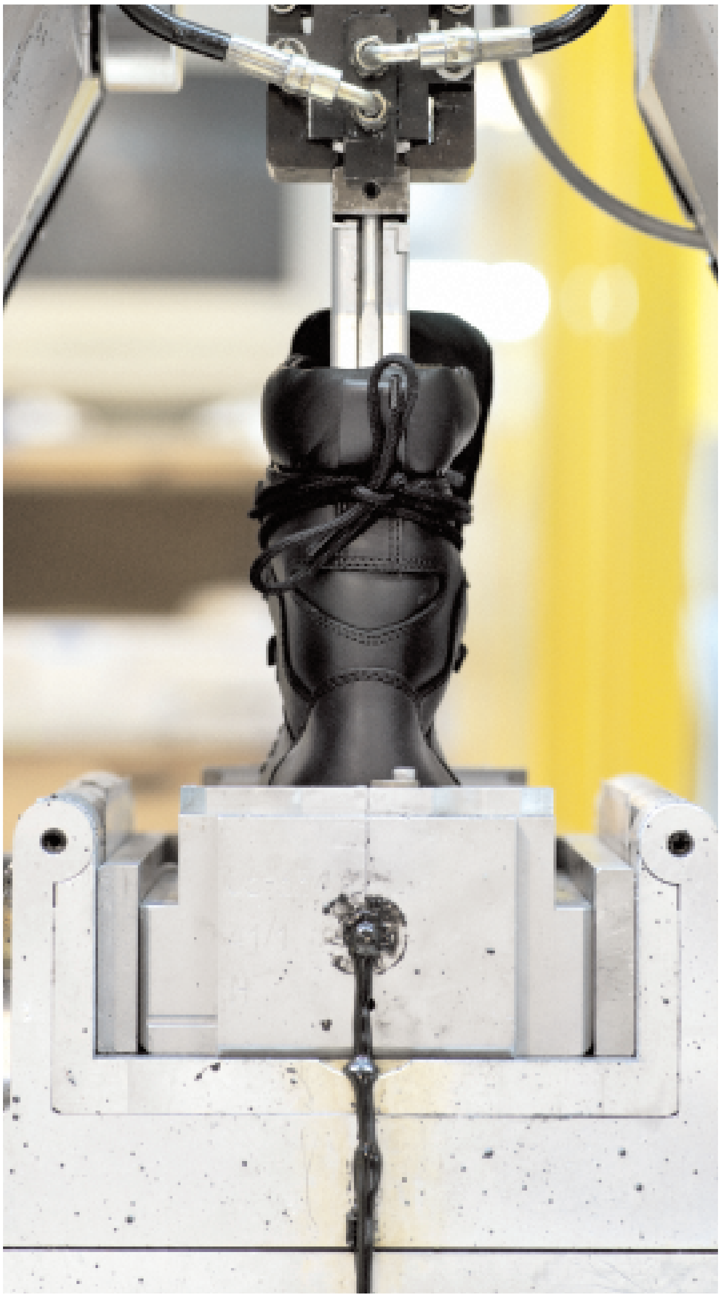
At ECCO, we consider ourselves a guest in the countries in which we operate. ECCO wishes to be a good corporate citizen everywhere. Respecting other cultures is not a subject to be discussed; it is a principle to be adhered to. ECCO has a set of ethical principles – the ECCO Code of Conduct – that must be applied in all Company operations throughout the world (see page 48). These rules together with extensive own production give ECCO unique opportunities of controlling that the principles are observed.

The factory in Portugal
In late 2005, ECCO completed an extensive restructuring of its operation in Portugal. As opposed to most of ECCO's global competitors, who have closed their Portuguese operations in response to the rising cost level, ECCO was able to handle this challenge in a different and more differentiated manner.

To retain the Group's competitiveness, some of the most simple production tasks were moved to other units, but ECCO chose to keep important high-tech and development-orientated tasks at the factory in Portugal. In recent years, the factory in Portugal and especially its Portuguese employees have gained a great deal of know-how in high-tech production processes.

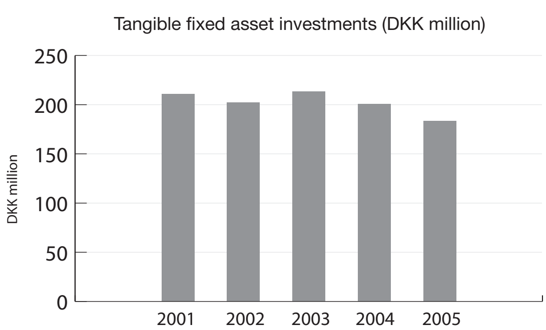
An example of this is the highly complicated process of laser roughening of leather used in attaching particularly sophisticated and technically demanding types of soles developed in Portugal. In future, the unit in Portugal will act as ECCO's R&D centre for the development of new, sophisticated production processes.

Setting up in China
In order to adapt to the global realities of the shoe industry, ECCO has set up production in the southern Chinese growth centre of Xiamen. The first of five planned production lines was started up in April 2005.



One particular reason for making this substantial investment in China is the availability of the right technological know-how, with the country's highly competent labour force already manufacturing more than 50% of the world's shoes. Moreover, the right sub-suppliers are already available in the country. Last but not least, Chinese authorities are working with great foresight and very determinedly to secure a natural position for China in global trade.

The EU's plan to introduce special duties on the import of leather shoes from countries such as China has been met with astonishment throughout the forward-looking part of the shoe industry. For ECCO, special customs duties on the Group's shoes from China would have substantial financial consequences, which would also impact the consumers, who would have to pay more for their shoes. ECCO's investment rate in China would, naturally, have to be adjusted as a consequence of antidumping duties. ECCO is seeking any kind of dialogue possible in order to prevent and reduce the impact of such duties.



Own tanneries
Leather is one of the most important raw materials in modern shoe production, which is why ECCO operates tanneries in the Netherlands, Thailand and Indonesia to make enough top-quality leather for the Group's entire shoe production. By constantly developing Group competencies in this field, we are ensuring that this crucial raw material always meets ECCO's strict quality requirements.

ECCO tanneries also sell a significant part of their production to external customers. Thus, ECCO's tanneries are among the leading producers of quality leather for purposes such as car and aircraft seats, gloves, bags and shoes made by other companies worldwide. It is expected that ECCO's Leather Division will continue its high level of performance and further expand its position on the world market in the years ahead.

ECCO Lean
In order to retain its competitive strength, ECCO must always be able to compare itself with the very best in all individual areas of the value chain.

The overall theme of ECCO's continuing development programme is Lean corporate development. The most important element of the Lean project is extensive employee involvement in and across the entire organisation. A key element is involving employees in the implementation of the principles behind the Lean project and the subsequent implementation of the methods and the creation of a corporate culture in which ongoing improvement is part of the everyday work and responsibility of all employees. All ECCO staff have ideas for improvements, and that innovative potential is very valuable and must be used.

The ECCO Lean project was initiated at the factory in Slovakia in 2005. As part of the Lean academy that was established, a team of specially selected ECCO employees from six countries are working to adapt the factory to follow the principles that create the greatest value for ECCO and consumers over time. After completing their training in Slovakia, these Lean change agents will support the rest of ECCO's organisation in meeting the goal of remaining at the forefront through constant development.

ECCO and the environment
Environmental considerations are high on ECCO's agenda. The Group's focus is both on optimising resources and production methods and on the development of new environmentally friendly methods.

In 2005, ECCO focused on improving its collection and sharing of knowledge about the environment and health and safety at work at the global level. At the annual audits and Group environmental conferences, a network is being developed which will ensure the exchange of experience among all the environmental and working environment coordinators at the Group's tanneries and shoe factories, a vital process. ECCO attaches a great deal of importance to this global forum for the exchange of valuable ideas and best practice.

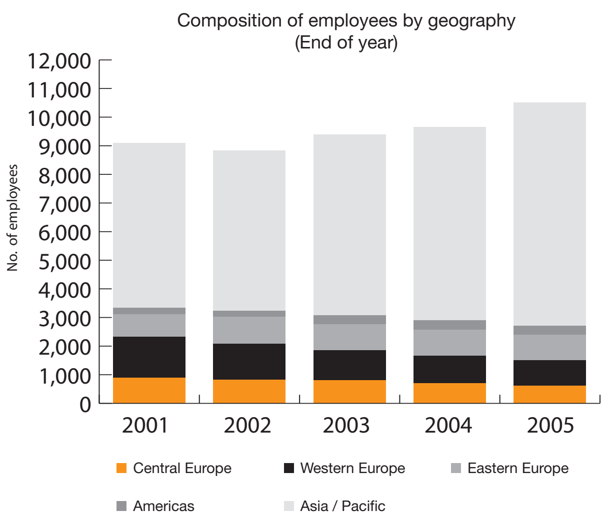
Additional information on the Group's environmental work is included in the Group Environmental Statement at the back of this Annual Report, which includes a presentation of the Group's policy for environment, health and safety, together with a number of initiatives from tanneries and shoe factories and statements from ECCO's production units with key figures for the year's environmental performance.

Organisation - decisions are made where things happen

ECCO's organisation reflects the basic philosophy that decisions should be made as close as possible to the market and by the people who are best qualified to make them.

Headquarters

One result of the reorganisation is that ECCO's headquarters will be in charge of brand, product and concept development and for other Group functions such as logistics, IT, finance, HR and legal services. In addition, the headquarters will act as a support and control unit for the individual business units.



Business units

ECCO's 11 business units have independent managements, independent boards of directors and their own budgets and financial statements. The 11 units are the leather group, the five production companies and the five sales regions, i.e. Central Europe, Western Europe, Eastern Europe, Americas and Asia / Pacific .

Accordingly, the business units have a direct and clear responsibility for their day-to-day business and the related processes, and they have a high degree of freedom of action.

Group structure as of 1 January 2006

ECCO Sko A/S

Subsidiaries, Sales

ECCO Europe West

THE NETHERLANDS
ECCO Europe West B.V.

UK
ECCO Shoes UK Limited

BELGIUM
ECCO Belgium N.V.

FRANCE
ECCO France Diffusion S.a.r.l.

PORTUGAL
ECCO (Portugal) Sales – Comercialização de Sapatos, Lda.

SPAIN
ECCO Shoes Iberica, S.L.

ITALY
ECCO Scarpe Italia S.r.l.

ECCO Europe Central

SWEDEN
ECCO Sverige AB

DENMARK
Salgsselskabet ECCO Danmark A/S

- DENMARK
  ECCO Retail A/S

NORWAY
ECCO Norge A/S

FINLAND
Oy ECCO-Suomi Ab

GERMANY
ECCO Schuhe GmbH

AUSTRIA
ECCO Trading GmbH

SWITZERLAND
ECCO Schuhe Schweiz GmbH

Accessories:
SWITZERLAND
ECCO Shoes International AG

ECCO Europe East and Middle East

POLAND
ECCO Europe East and Middle East Sp. z o.o.

- POLAND
  ECCO Shoes Poland Sp. z o.o.
- THE CZECH REP.
  ECCO Boty Ceská republika s.r.o.
- SLOVAKIA
  ECCO Shoes Slovakia, s.r.o

ECCO Americas

USA
ECCO USA, Inc.

- USA
  ECCO Retail LLC

CANADA
ECCO Shoes Canada, Inc.

ECCO Asia / Pacific

HONG KONG
ECCO Asia Pacific Limited

- HONG KONG
  ECCO Shoes Hong Kong Limited
- **SINGAPORE**
  ECCO Singapore Pte. Ltd.
  - AUSTRALIA
    ECCO Shoes Pacific Pty. Ltd.
  - NEW ZEALAND
    ECCO Shoes (NZ) Limited
  - INDIA
    ECCO India Trading Private Limited
  - SINGAPORE
    ECCO China Wholesale Holding (Singapore) Pte. Ltd.
    - CHINA
      ECCO (Shanghai) Co. Ltd.

Subsidiaries, Production

ECCO Shoe Factories

PORTUGAL
Ecco'let (Portugal) – Fábrica de Sapatos, Lda

SLOVAKIA
ECCO Slovakia, a.s.

INDONESIA
P.T. ECCO Indonesia

THAILAND
ECCO (Thailand) Co., Ltd.

SINGAPORE
ECCO China Holding (Singapore) Pte. Ltd.

- KINA
  ECCO (Xiamen) Co. Ltd.

ECCO Leather

THE NETHERLANDS
ECCO Leather B.V.

- THE NETHERLANDS
  ECCO Tannery (Holland) B.V.
- INDONESIA
  PT. ECCO Tannery Indonesia

THAILAND
ECCO Tannery (Thailand) Co., Ltd.

Dormant companies have been left out


ecco
ecco
ecco

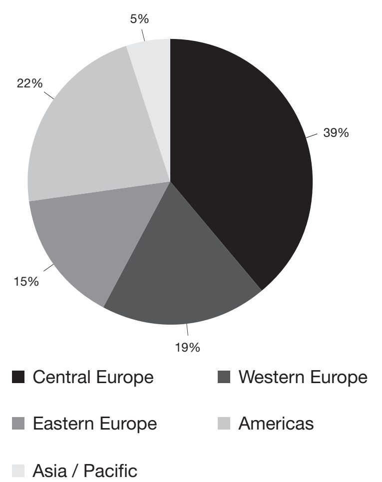
Sales – Markets and shop concept

Growth in all markets

All ECCO's sales regions recorded growth in their sales of shoes and accessories again in 2005. Total sales of shoes rose by almost 13% calculated in Danish kroner, and the growth in sales volume, i.e. in pairs of shoes sold, was just over 7%.

Much of the growth stemmed from ECCO's new collections attracting new customers with a great deal of purchasing power, also because the new products were typically more sophisticated and attractive and thus sold at higher prices than previously.

Composition of sales volume by geography, in 2005



Central Europe

ECCO's Central European region consists of the German-speaking countries and Scandinavia.

The year 2005 was a good year in this mature and highly competitive region, where the sales volume grew by 6% and revenue by as much as 11%.

All the markets in the region generated growth in 2005, with the highest relative growth rates being recorded in Austria, Switzerland and Norway.

Western Europe

ECCO's Western European region consists of the Benelux countries, the UK and Southern Europe.

The revenue growth of 2.4% was satisfactory in these mature markets. Overall revenue from the region was affected by a substantial reduction in sales of obsolete shoes in the United Kingdom. Performance was excellent in the Netherlands also in 2005.

Eastern Europe

The Eastern European region was again in 2005 the ECCO region that recorded the highest growth rate – roughly 35% – in both revenue and sales volume, reflecting the successful branding and efficient sales efforts. In these markets in particular, the ECCO brand is closely associated with innovation and modernity, which contributed greatly to the strong growth rates.

Americas

Whilst the growth in sales volume fell somewhat in 2005, revenue grew by more than 10%, which was highly satisfactory and a reflection of a significant reduction of the number of obsolete shoes combined with increased sales of new models. Growth was especially seen in the second half of the year.

Asia / Pacific

Revenue grew by almost 20% in 2005 on the basis of a largely unchanged sales volume. The figures show that ECCO holds a strong position on the important Asian market. As in Eastern Europe, the brand attracts a customer base with strong purchasing power who demand the latest and most sophisticated products.

The growth was very strong on most Asian markets. However, the overall growth was impacted by substantially lower sales to ECCO's Japanese licensing partner.

Accessories

Accounting for 1% of ECCO's overall revenue, accessory sales grew in 2005. Accessories such as matching bags help reinforce brand perception; advice on and sales of care products for ECCO shoes are a natural extension of the main product and form part of the excellent service provided in ECCO's shops.

Shop concept

ECCO is a global brand. Therefore, it is very important that ECCO products are marketed in surroundings that are able to reinforce the brand and the experience customers expect.

ECCO's strategy is therefore to focus sales efforts on own and, especially, partner-operated shops complemented by well-designed shops-in-shops, where the control of the overall customer experience is as great as possible.

In accordance with this strategy, ECCO expanded the number of both shop types by more than 10% in 2005. The growth was primarily in Eastern Europe, Asia and North America. Further expansion of the network of shops in all markets is planned, but with the main focus on the Eastern European and Asian regions.

	2004	2005
Shops	413	457
- of which own shops	97	97
Shops-in-Shops	696	769
- of which own shops	26	25

Note: ECCO simplified the definition of its shop types in 2005. The 2004 figures are restated to the new definitions.

ECCO Shop in USA


ECCO Shop in UK

ECCO Shop in Russia

ECCO Shop in Japan

ECCO Shop in Denmark

Financial matters

Financial risks
Due to the international scope of ECCO's business activities, a number of financial matters impact the Group's results of operations and its equity. The approach to handling financial risk is determined by the Supervisory Board and the Executive Board.

Foreign exchange risks
Foreign exchange risk is managed centrally. Through active management of purchase and selling currencies in our commercial transactions, we aim to minimise our net positions in the main currencies, EUR and USD. Material currency positions which are not used commercially are hedged at least 12 months ahead. Positions cannot be hedged more than 15 months ahead.

Interest rate risks
The Group's interest rate risks relate to fluctuations in interest rates on the Group's debt, including the refinancing of repayments. Interest rate risk is reduced by taking up fixed-interest loans and by interest rate swaps. At the end of 2005, 93% of the Group's long-term debt consisted of fixed-interest loans/interest rate swaps. Future borrowings have not been hedged.

Credit risks
The Group has no material credit risks apart from what has been recognised in the financial statements.

The Group collaborates with a number of suppliers and customers none of which constitute an unusual business risk.

Material events after 31 December 2005

In January 2006, ECCO announced its decision to restructure its production unit in Portugal. In future, ECCO Portugal will act as an R&D centre and continue its production of sophisticated and high-profile products. The unit will retain 260 jobs in high-tech production and development, but the labour force was cut by 369 with the reduction in overall production capacity from 2.5 million to 0.8 million pairs of shoes per year.

Costs incurred in connection with the restructuring are estimated at DKK 48 million, and provision for these costs was made in the 2005 financial statements.

The EU commission has proposed a 19.4% special duty on the import of certain types of leather shoes from China and Vietnam. Part of ECCO's production is in China, and levying this special duty could cost ECCO a substantial amount running into the double-digit millions. As a consequence, ECCO has decided to temporarily put the expansion plans for the recently opened factory in China on hold.

Management believes that no other significant events have occurred since the end of the financial year which will materially change the Group's financial status.

Outlook for 2006

Management expects growth in all ECCO's sales regions and product divisions in 2006. This projection is supported by the Group's sales of the Spring/Summer 2006 collection and the preliminary order intake for the Autumn/Winter 2006 collection. Overall, revenue is projected to grow by approximately 10%.

ECCO intends to continue to make sizeable investments in concept sales, selected own shops, expansion of its franchise shop network, and marketing in the growth regions of Eastern Europe, Asia and North America.

ECCO also expects to invest significant amounts in the more mature markets in Western and Central Europe.

On the basis of the above, the operating margin is expected to be on a level with 2005.

Annual accounts 2005

Statement by the Management on the Annual Report

The Supervisory Board and Managing Board of ECCO Sko A/S have today considered and adopted the Annual Report for 2005.

The Annual Report is presented in accordance with the Danish Financial Statements Act. We consider the accounting policies to be appropriate to the effect that the Annual Report gives a true and fair view of the Group's and the Company's assets, liabilities and financial position at 31 December 2005 and of the results of the Group's and the Company's operations and the consolidated cash flows for the financial year ended 31 December 2005. The Supplementary Environmental Statement of ECCO Sko A/S gives a true and fair view within the framework of generally accepted guidelines for the area.

We recommend that the Annual Report be adopted by the shareholders at the Annual General Meeting.

Bredebro, 15 March 2006

Managing Board

Dieter Kasprzak
Chief Executive Officer

Mikael Thinghuus
Chief Operating Officer

Jens Christian Meier
Executive Vice President, Production

Supervisory Board

Hanni Toosbuy Kasprzak
Chairperson

Karsten Borch
Vice Chairman

Torsten E. Rasmussen

Michael Fiorini

Aage Andersen
Employee representative

Bernd Scheelke
Employee representative

Jakob Møller-Hansen
Employee representative

Auditors' report

To the shareholders of ECCO Sko A/S
We have audited the Annual Report of ECCO Sko A/S for the financial year ended 31 December 2005, which is presented in accordance with the Danish Financial Statements Act. Our audit did not include the Supplementary Environmental Statement on pages 49-63, as this is not required by Danish law.

The Annual Report is the responsibility of the Company's Supervisory Board and Managing Board. Our responsibility is to express an opinion on the Annual Report, on pages 1-48, based on our audit.

Basis of opinion
We conducted our audit in accordance with Danish auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies used and significant estimates made by the Supervisory Board and the Managing Board, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not result in any qualifications.

Opinion
In our opinion, the Annual Report gives a true and fair view of the Group's and the Company's assets, liabilities and financial position at 31 December 2005 and of the results of the Group's and the Company's operations and the consolidated cash flows for the financial year ended 31 December 2005 in accordance with the Danish Financial Statements Act.

Esbjerg, 15 March 2006

KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

John Lesbo
State Authorised Public Accountant

Kenn K. Karlsen
State Authorised Public Accountant

Accounting policies

Basis of preparation
The financial statements of the Parent Company and the Group for 2005 are presented in accordance with the provisions of the Danish Financial Statements Act applicable to class C companies.

Basis of consolidation
The consolidated financial statements comprise ECCO Sko A/S and subsidiaries in which ECCO Sko A/S has a controlling influence on the company's operations. The consolidated financial statements are prepared on the basis of the audited financial statements of ECCO Sko A/S and its subsidiaries by adding items of a similar nature. The financial statements used for consolidation are adapted to the accounting policies of the Group.

On consolidation, intercompany income and expenses, intercompany accounts and gains on intercompany sales and purchases between the consolidated companies are eliminated. On acquisition of subsidiaries, the share of the acquired company's net asset value is determined based on the Group's accounting policies. If the acquisition price deviates from the net asset value, the difference is allocated, wherever possible, to the assets and liabilities or provisions that have a higher or lower value.

The income statements of foreign subsidiaries are translated at average exchange rates, and the balance sheet is translated at the exchange rates ruling on the balance sheet date. Exchange differences arising on the translation of the opening equity of foreign subsidiaries at the exchange rates ruling on 31 December, and differences between the net profit of subsidiaries at average exchange rates and the exchange rates ruling at 31 December are recognised in equity. As in previous years, property, machinery, plant and equipment in the production subsidiaries in Portugal, Indonesia, Thailand and Slovakia is measured at cost in DKK less accumulated depreciation. Currency translation of receivables from foreign subsidiaries, where the receivables are part of the total investment in the subsidiary, is recognised directly in equity.

Minority interests
Minority interests' share of profits and equity of subsidiary undertakings is stated separately.

Income statement
Net revenue: Sales are recognised on dispatch of products, and net revenue consists of amounts invoiced excluding VAT and less returned products, discounts and rebates.

Raw materials and consumables: Raw materials and consumables include raw materials and consumables used for in-house production. Cost also includes consumption of commercial products.

Other external costs: Other external costs comprise costs relating to the Company's primary, ordinary activity, including lasts, cutting dies, maintenance, rent of plant, premises, office expenses, sales promotion expenses, fees, etc.

Staff costs: Staff costs comprise remuneration to employees, including pension and social security costs.

Profit from subsidiaries: Profit from subsidiaries comprise the proportionate share of profits before tax. The proportionate share of tax in the companies is recognised in the line item "income taxes".

Unrealised intercompany profits: Unrealised intercompany profits comprise profits unrealised in the Group on trading in products and fixed assets between consolidated companies.

Income taxes: Estimated tax on the profit for the year is recognised in the income statement along with the year's change in deferred tax. No tax is set aside for investments in subsidiaries as it is intended to hold the investments for more than three years.

ECCO Sko A/S and the Danish subsidiaries are encompassed by the Danish regulations regarding mandatory joint taxation. Subsidiaries are a part of the joint taxation from the moment, where they are a part of the consolidation in the annual accounts to the moment, where they are omitted from the consolidation.

ECCO HOLDING A/S is the administrative company in the joint taxation and settles all payments of corporate tax in the Danish subsidiaries with the tax authorities.

The current Danish corporate tax is allocated by paying a joint taxation contribution between the companies in the joint taxation. The contribution is allocated according to the taxable income in the companies. Companies in the joint taxation with a taxable deficit receive a joint taxation contribution from companies, which have been able to use this deficit to reduce their taxable income.

The tax of this year, which consists of the current corporate tax, the joint taxation contribution and the change in deferred tax – also changes which are caused by reduction of the corporate tax rate – is a part of the income statement with the share, which can be allocated to profit of the year, and is a part of the equity with the share, which can be allocated to entries in equity.

According to the Danish regulations regarding mandatory joint taxation, the debt of ECCO Sko A/S and the Danish subsidiaries towards the tax authorities is settled when the companies have paid the joint taxation contribution to the administrative company.

Deferred tax is calculated at 28% of the difference between the carrying amounts and tax values of current assets and fixed assets. Furthermore, the tax value of tax losses carried forward is recognised in the amount at which they are expected to be used.

If, on a net basis, there is a tax asset, the amount of future tax savings is recognised, provided that it is deemed more likely than not that the deduction can be offset against future taxable profits.

Balance sheet

Intangible assets: Intangible assets are recognised at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over 5-10 years.

Development projects: Development projects which are clearly defined and identifiable and which are deemed to be marketable in the form of new products in a future potential market are recognised as intangible assets.

Development costs are recognised at cost under intangible assets and are amortised over the expected useful life of the project, when the criteria for such treatment are met.

Development costs that do not meet the criteria for recognition in the balance sheet are recognised as costs in the income statement when incurred.

Recognised development costs are measured at the lower of cost less accumulated amortisation and writedowns and the recoverable amount.

Patents and trademarks: The costs of registering new patents and trademarks are recognised and amortised over the term of the patent/trademark or its economic life (5 years).

Costs of maintaining existing patents/trademarks are recognised in the income statement when incurred.

Goodwill on consolidation: Goodwill on consolidation is determined at the date of acquisition as the difference between the cost and the net asset value of the acquired company applying the Group's accounting policies. Consolidated goodwill acquired from and including 1 January 2002 is capitalised and amortised on a straight-line basis over the expected useful economic life, determined on the basis of earnings projections for the individual business areas, not to exceed 20 years.
When the Parent Company acquires shares at a price higher than the value determined applying the equity method, such excess value is recognised as an intangible asset and amortised over the same period as goodwill on consolidation.

Property, plant, and equipment: Property, plant and equipment is recognised at cost plus any revaluation and less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected useful lives of the assets.

The expected useful lives are as follows:

- Buildings	20 years
- Plant and machinery, vehicles, fixtures and fittings	5 years
- Computer software	3 years

Depreciation is not charged on land and staff housing. Assets with a cost of less than DKK 11 thousand per unit are charged to the income statement in the year of acquisition. Investment grants are offset against the assets that form the basis for the grants.

If an asset type is revalued, this applies to all assets within that group of assets.

Investments: Investments in subsidiaries are recognised applying the equity method at the proportionate share of the equity of the companies, determined based on the Group's accounting policies, less unrealised intercompany profits.

Dividend receivable in subsidiaries is recognised in the balance sheet when adopted by the shareholders at the annual general meeting.

Dividends to be paid by the Parent Company are recognised as a liability in the financial statements at the time of adoption by the shareholders at the annual general meeting. Dividend proposed in respect of the financial year is stated as a separate line item under equity.

Inventories: Raw materials are measured at cost determined on the basis of the most recent purchases. Work in progress and finished products are measured at calculated cost, consisting of the cost of raw materials and consumables and manufacturing costs plus a share of production overheads.
Commercial products are valued at acquisition price. Products with a net realisable value lower than the cost or acquisition price are written down to the lower value.

Receivables: Receivables are measured at amortised cost less provisions for anticipated losses determined based on an individual evaluation.

Securities: Securities are measured at the most recently quoted market price.

Financial instruments: Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently remeasured at their fair value. Derivative financial instruments are included in other receivables and other debt.

Changes in the fair value of derivative financial instruments that meet the criteria to be designated as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the fair value of the hedged asset or hedged liability.

Changes in the fair value of derivative financial instruments that meet the conditions for hedging future assets or liabilities are recognised in equity under retained earnings. Income and expenses relating to such hedge transactions are transferred from equity on realisation of the hedged item.

Treasury shares: The cost of treasury shares is recognised directly on the Company's share capital and is consequently not stated as an asset in the balance sheet.

Currency translation: Receivables and payables denominated in foreign currencies are translated to the exchange rate ruling at year-end.

Provisions

Provisions comprise anticipated costs of warranty obligations, restructuring, etc. Provisions are recognised when, as a consequence of a past event, the Company has a legal or constructive obligation, and it is likely that the obligation will materialise.

Cash flow statement

The cash flow statement shows the Group's cash flow during the year and liquidity position at the beginning and end of the year. The cash flow statement is divided into three principal areas: operating, investing and financing activities. Cash and cash equivalents in the cash flow statement comprise cash and securities carried as current assets.

In the statements, figures in brackets represent losses or items deducted.

Income statement for the year ended 31 December 2005

Note	DKK '000	Group 2005	Group 2004	Parent Company 2005	Parent Company 2004
1	**Net revenue**	**3,830,546**	**3,393,693**	**2,621,123**	**2,314,365**
	Change in inventories of finished products and work in progress	43,083	(81,957)	74,321	(97,395)
	Costs of raw materials and consumables	(1,625,267)	(1,346,339)	(1,910,383)	(1,671,913)
	Other external costs	(769,850)	(713,786)	(241,258)	(253,267)
2	Staff costs	(849,633)	(803,639)	(208,100)	(222,238)
5,6	Amortisation and depreciation	(205,039)	(180,937)	(58,053)	(56,046)
	Profit before financials	**423,840**	**267,035**	**277,650**	**13,506**
3	Financial income	40,754	32,256	14,712	8,064
	Financial expenses	(115,048)	(92,850)	(61,929)	(36,260)
	Profit from subsidiaries	-	-	193,401	198,465
	Intercompany profit	-	-	(73,860)	5,146
	Profit before tax	**349,546**	**206,441**	**349,974**	**188,921**
4	Income taxes	(124,512)	(42,883)	(124,243)	(38,260)
	Group profit	**225,034**	**163,558**	**225,731**	**150,661**
11	Minority interests	697	(12,897)	-	-
	Profit for the year	**225,731**	**150,661**	**225,731**	**150,661**

Proposed allocation:			
Revaluation reserve for undistributed profit in subsidiaries		5,446	120,720
Retained earnings		185,285	(59)
Proposed dividend		35,000	30,000
		225,731	**150,661**

Balance sheet as of 31 December 2005

		Group		Parent Company	
	Assets	**2005**	**2004**	**2005**	**2004**
Note	DKK '000				
	FIXED ASSETS:				
	Intangible rights	62,611	51,856	22,463	9,018
5	**Total intangible assets**	**62,611**	**51,856**	**22,463**	**9,018**
	Land and buildings	487,922	468,069	113,531	126,132
	Plant and machinery	208,396	209,456	7,224	15,175
	Other fixtures and fittings, tools and equipment	206,341	222,114	52,159	83,376
	Property, plant and equipment in progress	49,495	48,766	26,358	18,742
6	**Total property, plant and equipment**	**952,154**	**948,405**	**199,272**	**243,425**
7,8	Investments in subsidiaries	-	-	988,875	912,060
8	Receivables from subsidiaries	-	-	166,606	82,691
9	Deferred tax	60,541	112,336	38,858	95,996
	Total long-term financial assets	**60,541**	**112,336**	**1,194,339**	**1,090,747**
	TOTAL FIXED ASSETS	**1,075,306**	**1,112,597**	**1,416,074**	**1,343,190**
	CURRENT ASSETS:				
	Raw materials and consumables	188,492	171,520	-	5,887
	Work in progress	42,395	59,064	-	91
	Finished products and commercial products	737,663	659,472	425,277	350,864
	Total inventories	**968,550**	**890,056**	**425,277**	**356,842**
	Trade receivables	411,714	416,659	49,770	60,905
	Receivables from subsidiaries	-	-	364,324	322,128
	Other receivables	114,338	125,548	13,436	42,022
	Prepayments	56,402	52,286	34,531	9,586
	Total receivables	**582,454**	**594,493**	**462,061**	**434,641**
	Securities	**4,852**	**3,608**	**125**	**146**
	Cash	**654,196**	**344,425**	**105,970**	**23,397**
	TOTAL CURRENT ASSETS	**2,210,052**	**1,832,582**	**993,433**	**815,026**
	TOTAL ASSETS	**3,285,358**	**2,945,179**	**2,409,507**	**2,158,216**

Balance sheet as of 31 December 2005

		Group		Parent Company	
	Equity and liabilities	**2005**	**2004**	**2005**	**2004**
Note	DKK '000				
	Share capital	5,500	5,500	5,500	5,500
	Revaluation reserve	-	-	525,156	470,429
	Retained earnings	1,280,250	1,028,526	755,094	558,097
10	**Total equity**	**1,285,750**	**1,034,026**	**1,285,750**	**1,034,026**
11	**Minority interests**	**38,829**	**44,338**	**-**	**-**
	Provisions	**48,529**	**12,539**	**-**	**-**
	Credit institutions	1,162,789	954,107	777,056	648,366
12	**Total long-term debt**	**1,162,789**	**954,107**	**777,056**	**648,366**
	Short-term part of long-term debt	134,953	126,176	84,556	64,831
	Credit institutions	240,205	422,940	66,314	216,565
	Trade payables	176,511	131,102	49,691	39,387
	Payables to subsidiaries	-	-	91,489	80,787
4	Income taxes	25,400	21,417	201	6,771
	Other payables	128,378	153,253	13,509	25,853
	Deferred income	44,014	45,281	40,941	41,630
	Total short-term debt	**749,461**	**900,169**	**346,701**	**475,824**
	Total debt	**1,912,250**	**1,854,276**	**1,123,757**	**1,124,190**
	TOTAL EQUITY AND LIABILITIES	**3,285,358**	**2,945,179**	**2,409,507**	**2,158,216**

13 Contingent liabilities and collateral security
14 Fees to auditors appointed at the annual general meeting
15 Related parties

Consolidated cash flow statement for the year ended 31 December 2005

DKK '000	2005	2004
Cash flow from operating activities		
Profit before tax	349,546	206,441
Adjustment for non-cash operating items:		
Amortisation and depreciation	205,039	180,937
Exchange rate adjustments	40,425	(42,456)
Tax adjustments	2,926	(975)
Working capital adjustments:		
(Increase)/Decrease in inventories	(78,494)	42,238
(Increase)/Decrease in receivables	12,039	(100,741)
Increase/(Decrease) in payables	45,409	(21,475)
Increase/(Decrease) in other payables	(26,142)	35,960
Increase/(Decrease) in provisions	35,990	5,384
Income taxes paid	(71,660)	(32,340)
	515,078	**272,973**
Cash flow from investing activities		
Payments to invest in fixed assets:		
Intangible assets	(18,293)	(12,323)
Property plant and equipment	(183,385)	(200,488)
	(201,678)	**(212,811)**
Cash flow from financing activities		
Change in minority interests	(7,109)	8,335
(Repayment of)/proceeds from new long-term debt	208,682	58,372
Increase/(Decrease) in short-term debt	(173,958)	(44,099)
Dividend paid	(30,000)	(23,000)
	(2,385)	**(392)**
Cash flow from operating, investing and financing activities	**311,015**	**59,770**
Cash and cash equivalents at beginning of year	348,033	288,263
Cash and cash equivalents at year-end	**659,048**	**348,033**
Breakdown of cash and cash equivalents:		
Securities	4,852	3,608
Cash	654,196	344,425
	659,048	**348,033**

Notes to the Group and Parent Company financial statements

1 Segment information

DKK '000	Group 2005	Group 2004
Segment information		
Shoes & accessories	3,527,334	3,132,004
Others	303,212	261,689
Total net revenue	**3,830,546**	**3,393,693**
Net revenue shoes & accessories		
ECCO Europe West	623,969	609,593
ECCO Europe Central	1,259,492	1,134,730
ECCO Europe East and Middle East	483,135	357,290
ECCO Americas	952,463	855,024
ECCO Asia / Pacific	208,275	175,367
Total shoes & accessories	**3,527,334**	**3,132,004**

Reference is made to the ECCO Group structure page 21 regarding the definition of the geographic regions.

2 Staff costs and management and staff information

	Group		Parent Company	
DKK '000	2005	2004	2005	2004
Salaries	770,325	723,127	195,214	209,572
Pensions	22,433	27,230	11,455	11,115
Other social security costs	56,875	53,282	1,431	1,551
Staff costs	**849,633**	**803,639**	**208,100**	**222,238**
Average number of employees	9,981	9,682	483	593
Number of employees at year-end	10,534	9,657	467	553
Fees to Managing Board and Supervisory Board:				
Managing Board	-	-	11,373	9,491
Supervisory Board	-	-	400	321

Notes to the Group and Parent Company financial statements

3 Financial income

DKK '000	Parent Company 2005	Parent Company 2004
In the Parent Company, interest income from subsidiaries amounted to	12,352	9,360

4 Income taxes

	Group		Parent Company	
	Cost	Debt	Cost	Debt
DKK '000	2005	2005	2005	2005
Income taxes payable as at 1 January		21,417		6,771
Income taxes paid in 2005				(4,169)
Prior-year adjustment			(1,030)	(2,602)
Estimated tax for 2005	75,643	75,643	5,108	5,108
of which paid		(71,660)		(4,907)
Tax in subsidiaries			65,953	
Year's adjustment of deferred tax	48,869		54,212	
	124,512	**25,400**	**124,243**	**201**

5 Intangible assets

DKK '000	Group	Parent Company
Cost at 1 January	99,190	18,736
Currency translation	4,879	-
Reclassification	(545)	-
Additions	23,738	16,866
Disposals	(5,459)	-
Cost at 31 December	**121,803**	**35,602**
Accumulated amortisation at 1 January	47,334	9,718
Currency translation	1,349	-
Reclassification	(546)	-
Amortisation	11,069	3,421
Amortisation on assets sold	(14)	-
Accumulated amortisation at 31 December	**59,192**	**13,139**
Carrying amount at 31 December	**62,611**	**22,463**
Amortised over	5-10 years	5-10 years

Notes to the Group and Parent Company financial statements

6 Property, plant and equipment

DKK '000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction
GROUP				
Cost at 1 January	682,730	697,381	709,718	48,766
Currency translation	6,392	223	15,793	121
Reclassification	4,744	-	(3,611)	(588)
Additions	48,955	81,016	78,117	35,809
Disposals	(13,164)	(13,963)	(49,238)	(34,613)
Cost at 31 December	**729,657**	**764,657**	**750,779**	**49,495**
Revaluation	-	-	-	-
Depreciation base at 31 December	**729,657**	**764,657**	**750,779**	**49,495**
Accumulated depreciation at 1 January	214,661	487,925	487,604	-
Currency translation	208	124	7,864	-
Reclassification	1,758	-	(1,212)	-
Depreciation	32,928	80,065	80,977	-
Depreciation on disposals	(7,820)	(11,853)	(30,795)	-
Accumulated depreciation at 31 December	**241,735**	**556,261**	**544,438**	**0**
Carrying amount at 31 December	**487,922**	**208,396**	**206,341**	**49,495**
PARENT COMPANY				
Cost at 1 January	228,513	95,586	223,908	18,742
Reclassification	984	-	(984)	-
Additions	431	275	13,634	10,379
Disposals	(4,612)	(3,193)	(20,950)	(2,763)
Cost at 31 December	**225,316**	**92,668**	**215,608**	**26,358**
Revaluation	-	-	-	-
Depreciation base at 31 December	**225,316**	**92,668**	**215,608**	**26,358**
Accumulated depreciation at 1 January	102,381	80,411	140,532	-
Reclassification	1,068	-	(1,068)	-
Depreciation	12,751	7,401	34,480	-
Depreciation on disposals	(4,415)	(2,368)	(10,495)	-
Accumulated depreciation at 31 December	**111,785**	**85,444**	**163,449**	**0**
Carrying amount at 31 December	**113,531**	**7,224**	**52,159**	**26,358**
Depreciated over	20 years	5 years	3-5 years	

(The officially rated cash property value at 1 October 2004 of the Parent Company's properties was DKK 199,170 thousand).

Notes to the Group and Parent Company financial statements

7 Investments in subsidiaries

	Ownership interest	Share capital	
ECCO (Thailand) Co., Ltd.	95%	200,000	k THB
ECCO Slovakia, a.s.	94.78%	230,000	k SKK
Ecco'let (Portugal) Fábrica de Sapatos, Lda.	100%	2,770	k EUR
P.T. ECCO Indonesia	100%	43,976,000	k IDR
ECCO China Holding (Singapore) Pte. Ltd.	80%	26,000	k USD
ECCO (Xiamen) Co. Ltd.	80%	10,000	k USD
ECCO Shoe (Xiamen) Co. Ltd. (dormant)	80%	315	k USD
ECCO Tannery Holding (Singapore) Pte. Ltd. (dormant)	100%	1,100	k USD
ECCO Tannery (Xiamen) Co. Ltd. (China) (dormant)	100%	1,000	k USD
ECCO Tannery (Thailand) Co. Ltd.	100%	185,000	k THB
ECCO Tannery (Netherlands) B.V.	100%	1,000	k EUR
ECCO Leather B.V. (Netherlands)	100%	400	k EUR
PT. ECCO Tannery (Indonesia)	100%	37,403,550	k IDR
ECCO Accessories Ltd. (UK) (dormant)	100%	100	k GBP
ECCO Asia Pacific Limited (Hong Kong)	100%	21,500	k HKD
ECCO Belgium N.V.	100%	360	k EUR
ECCO Boty Ceska republika s.r.o. (Czech Republic)	100%	5,000	k CZK
ECCO China Wholesale Holding (Singapore) Pte. Ltd.	50%	200	k USD
ECCO Europe East and Middle East Sp. z o. o. (Poland)	100%	4,750	k PLN
ECCO Europe West B.V. (Netherlands)	100%	23	k EUR
ECCO Exportadora Ltda (Brazil) (dormant)	100%	48	k BRL
ECCO France Diffusion S.a.r.l.	100%	8	k EUR
ECCO India Trading Private Limited	100%	1,000	k INR
ECCO Internet, INC. (USA)	100%	100	k USD
ECCO Norge A/S (Norway)	100%	15,000	k NOK
ECCO (Portugal) Sales-Comercialização de Sapatos, Lda.	100%	800	k EUR
ECCO Retail A/S (Denmark)	100%	1,000	k DKK
ECCO Retail LLC (USA)	100%	300	k USD
ECCO Scarpe Italia S.r.l.	100%	150	k EUR
ECCO Schuhe GmbH (Germany)	100%	1,790	k EUR
ECCO Schuhe Schweiz GmbH (Switzerland)	100%	170	k CHF
ECCO (Shanghai) Co. Ltd	50%	2,100	k USD
ECCO Shoes (NZ) Limited (New Zealand)	100%	100	k NZD
ECCO Shoes Canada, Inc.	100%	6,502	k CAD
ECCO Shoes Hong Kong Ltd.	100%	1,000	k HKD
ECCO Shoes International Ltd (Switzerland)	100%	2,250	k CHF
ECCO Shoes Pacific Pty. Ltd. (Australia)	100%	3,250	k AUD
ECCO Shoes Poland Sp. z o. o.	100%	2,250	k PLN
ECCO Shoes Slovakia s.r.o	100%	5,000	k SKK
ECCO Shoes UK Limited	100%	4,000	k GBP
ECCO Singapore Pte. Ltd.	100%	2,510	k SGD
ECCO Shoes Iberica, S.L. (Spain)	100%	4	k EUR
ECCO Sverige AB (Sweden)	100%	1,000	k SEK
ECCO Trading GmbH (Austria)	100%	400	k EUR
ECCO USA, Inc.	100%	7,500	k USD
ECCO Wholesale Limited (UK) (dormant)	100%	1,200	k GBP
Eccolet Portugal ApS (Denmark)	100%	200	k DKK
Oy ECCO-Suomi Ab (Finland)	100%	102	k EUR
Salgsselskabet ECCO Danmark A/S	100%	1,000	k DKK

Notes to the Group and Parent Company financial statements

8 Investments in subsidiaries

DKK '000	Investments in subsidiaries 2005	Investments in subsidiaries 2004	Receivables from subsidiaries 2005	Receivables from subsidiaries 2004
Cost at 1 January	551,355	425,641	82,691	85,987
Additions	95,947	125,714	87,493	1,892
Disposals	-	-	(3,578)	(5,188)
Cost at 31 December	**647,302**	**551,355**	**166,606**	**82,691**
Accumulated revaluation at 1 January	470,429	384,056	-	-
Currency translation of foreign subsidiaries	49,282	(34,347)	-	-
Profit after tax of subsidiaries	127,446	155,210	-	-
Dividend	(122,000)	(34,490)	-	-
Net revaluation	54,728	86,373	-	-
Accumulated revaluation at 31 December	**525,157**	**470,429**	**0**	**0**
Intercompany gains	**(183,584)**	**(109,724)**	**-**	**-**
Carrying amount at 31 December	**988,875**	**912,060**	**166,606**	**82,691**

9 Deferred tax

DKK '000	Group 2005	Group 2004	Parent Company 2005	Parent Company 2004
Deferred tax comprises:				
Inventories, unrealised intercompany gains	58,166	31,739	50,697	31,739
Tax loss	3,113	84,982	-	82,425
Other assets	(738)	(4,385)	(11,839)	(18,168)
Recognised at 31 December	**60,541**	**112,336**	**38,858**	**95,996**
Recognised at 1 January	**(112,336)**	**(101,867)**	**(95,996)**	**(89,296)**
Total adjustment	**(51,795)**	**10,469**	**(57,138)**	**6,700**
Of which adjusted in equity	(2,926)	975	(2,926)	975

Notes to the Group and Parent Company financial statements

10 Equity

	Group		Parent Company	
	2005	2004	2005	2004
DKK '000				
The share capital consists of:				
112 shares (in amounts from DKK 500 to DKK 1,658,200)				
Total share capital	**5,500**	**5,500**	**5,500**	**5,500**
Reserve for net revaluation according to the equity method				
Reserve for net revaluation at 1 January	-	-	470,429	384,056
Net revaluation	-	-	54,727	86,373
Reserve for net revaluation at 31 December	-	-	525,156	470,429
Revaluation of properties at 1 January	-	-	-	-
Revaluation	-	-	-	-
Revaluation of properties at 31 December	-	-	-	-
Total revaluation	**0**	**0**	**525,156**	**470,429**
Brought forward from prior years/revaluation reversed	1,028,526	945,516	558,097	561,460
Proposed dividend in respect of the financial year	35,000	30,000	35,000	30,000
Dividend paid	(30,000)	(23,000)	(30,000)	(23,000)
Exchange rate adjustment to year-end exchange rates	49,282	(34,347)	-	-
Currency translation of subordinated loan capital in subsidiaries	5,294	(2,275)	5,294	(2,275)
Gain on financial swap	1,986	-	1,986	-
Retained from profit for the year	190,731	120,661	185,286	(59)
Adjustment of currency hedges of future sales	(569)	(8,029)	(569)	(8,029)
Total retained earnings	**1,280,250**	**1,028,526**	**755,094**	**558,097**
Total equity	**1,285,750**	**1,034,026**	**1,285,750**	**1,034,026**

The nominal value of treasury shares is DKK 550 thousand; they were acquired in 1989 at DKK 6,875 thousand. The treasury shares are carried at DKK 0.

Notes to the Group and Parent Company financial statements

11 Minority interests

DKK '000	Group 2005	Group 2004
Minority interests at 1 January	44,338	24,102
Additions	30,742	14,045
Disposals	(37,851)	(5,711)
Share of profit for the year	(697)	12,897
Currency translation	2,297	(995)
Minority interests at 31 December	**38,829**	**44,338**
Breakdown of minority interests:		
Minority interests regarding ECCO (Thailand) Co., Ltd,	5,413	4,695
Minority interests regarding ECCO Europe West B.V. (Netherlands)	-	19,881
Minority interests regarding ECCO Slovakia, a.s.	5,458	6,640
Minority interests regarding ECCO China Holding (Singapore) Pte. Ltd.	27,363	13,122
Minority interests regarding ECCO China Wholesale Holding (Singapore) Pte. Ltd.	595	-
	38,829	**44,338**

12 Long-term debt

	Group		Parent Company	
DKK '000	2005	2004	2005	2004
Long-term debt due more than five years after the end of the financial year	77,732	127,227	77,732	119,888

Notes to the Group and Parent Company financial statements

13 Contingent liabilities and collateral security

	Group		Parent Company	
	2005	2004	2005	2004
DKK '000				
CONTINGENT LIABILITIES				
Rent and lease liabilities	492,096	411,389	39,752	20,444
Guarantees and letters of comfort for staff	865	864	865	864
Guarantees to suppliers	10,550	16,768	3,087	10,364
Litigation	1,865	5,088	1,865	5,088
Sponsorships	11,681	10,115	11,681	10,115
COLLATERAL SECURITY				
The following assets have been lodged in security of the Group's loans from credit institutions and other long-term debt:				
Bearer mortgages on property, plant and equipment	174,500	174,084	80,000	80,000
Guarantee for import duty	31,368	28,582	-	-

14 Fees to auditors appointed at the annual general meeting

	Group		Parent Company	
	2005	2004	2005	2004
DKK '000				
Total fees to auditors appointed at the annual general meeting:				
KPMG	6,688	4,899	1,220	939
Others	730	307	87	-
	7,418	**5,206**	**1,307**	**939**
Of which fees for non-audit services:				
KPMG	2,592	1,459	677	409
Others	156	-	87	-
	2,748	**1,459**	**764**	**409**

15 Related parties

ECCO Sko A/S has the following related party with controlling influence:

ECCO HOLDING A/S
Industrivej 5, Bredebro, Denmark

There have been no material transactions with the Parent Company other than the distribution of dividend.

ECCO Sko A/S' related parties with controlling influence comprise the Company's shareholders, Supervisory Board, the Managing Board as well as relatives of these persons. Related parties also comprise companies in which the individuals mentioned above have material interests.

ECCO Sko A/S trades on normal market conditions with companies in which the same individuals have controlling influence.
The Company's list pursuant to section 28b of the Danish Companies Act of shareholders with more than 5% of the votes or more than 5% of the nominal value of the share capital includes:

- ECCO HOLDING A/S, Bredebro, Denmark (Parent Company)

ECCO's Code of Conduct

Objectives:
ECCO designs, manufactures and markets footwear and related accessories to consumers around the world. Over the last more than 40 years, ECCO has developed from a local Danish company into an international company with production units and sales subsidiaries all over the world.

Today, ECCO is one of the world's leading manufacturers and marketers of high-quality footwear. ECCO has attained this position through constant innovation and sound business principles. However, it is just as crucial to ECCO's success that the company leads the way when it comes to good corporate citizenship.

No matter where in the world ECCO operates, this is done according to a set of principles which stipulate that we will behave in a correct and decent manner. This is our heritage as a Danish company. The principles apply to employee relations, to environmental considerations and to relations with business partners.

As expressed by K. Toosbuy, the founder of ECCO, 'ECCO is a guest in each of the countries in which it operates and shall as such respect the culture of the country'.

The respect for other people and cultures is deeply rooted in the company. As a large employer, ECCO understands its responsibility and accepts it.

ECCO will only achieve long-term business success by demonstrating good corporate citizenship, which in turn can only be secured if the business is based on constant achievement of good results.

This is the very heart of the ECCO Code of Conduct as regards sustainable development, issues related to religion, employee relations, health and safety, environmental protection and community relations.

It is essential to ECCO that the ECCO Code of Conduct is an integral part of the entire value chain. We therefore expect not only the companies within the ECCO Group, but also our external suppliers, wholesale and retail customers to acknowledge and respect the ECCO Code of Conduct. We regularly control that the ECCO Code of Conduct is being complied with.

ECCO's 10 Commitments:

1. ECCO is a guest in each of the countries in which it operates and will as such respect the culture of the individual country.

2. ECCO supports, respects and has a proactive approach to the protection of internationally defined human rights.

3. ECCO respects equal opportunities and supports abolishment of discrimination in the workplace.

4. ECCO respects a person's right to freedom of religion.

5. ECCO respects the right to freedom of association.

6. ECCO wishes employees to have access to a workplace free of harassment or abuse and condemns any forms of compulsory labour.

7. ECCO supports the UN Convention on the Rights of the Child.

8. ECCO provides training, education and further development of human resources on all levels.

9. ECCO aims to be a leading company in the area of environment, health and safety and aims to promote sustainable development.

10. ECCO wishes to ensure that the conduct of its business as an absolute minimum always complies with all relevant laws and regulations.

Read more about the ECCO Code of Conduct at:
http://corporate.ecco.com/coc.pdf

Group environmental statement 2005

ECCO and the environment

The Group's global environmental activities
The Group's environmental impact is not confined within national borders; it is by definition often global. For this reason, the ECCO Group's activities in the environmental protection field are also internationally organised and have an international focus.

The ECCO Group is facing a number of challenges in its cross-border activities. The individual markets are characterised by legislative and cultural differences that make demands on the organisation's procedures and strategic development. This also applies to the environmental field. Preparing, implementing and anchoring an environmental programme in a global enterprise such as the ECCO Group involves many players in the individual organisational units, while also being carried out in a dynamic organisation whose sphere of activity literally includes the whole world.

The ECCO Group's Policy for Environment, Health and Safety represents the overall framework for the Group's global environmental activities.

The ECCO Group's Policy for Environment, Health & Safety

The ECCO Group is a global company with approximately 10,000 employees. The Group has the whole value chain at its disposal in terms of tanneries, shoe factories, sales subsidiaries and shops. In this way the Group controls the whole process from rawhides to finished shoes.

We seek to achieve an environmentally suitable development and production of our products. The ECCO Group uses a minimum of harmful substances and absolutely no forbidden substances. All raw materials and components must fulfil the international recognized SG list for leather products published by German test institutes. The ECCO Group has chosen to extend the list so as to include harmful chemical substances, which we find critical.

Environmental Issues
It is the ECCO Group's objective actively to minimize the environmental impact on near and distant surroundings. This is done by optimum utilization of raw materials and energy sources and by reducing and re-using waste from tannery processes and shoe production wherever possible.

To ensure an appropriate development of the Group in terms of environmental issues every ECCO tannery and shoe factory shall continuously:
- Promote the four R's: Reduce, Re-use, Repair, Recycle
- Ensure the lowest possible consumption of resources and amount of waste
- Minimize the use of harmful substances
- Train and educate employees to minimize the environmental impact

Health & Safety Issues
The ECCO Group's most important resource is the employees. The ECCO Group wishes to promote and strengthen a physical, psychological and social health working environment for all employees. This is among other things done by actively involving employees in preventing work accidents and by minimizing health and safety impact for all employees.

To ensure an appropriate development of the Group in terms of health and safety issues every ECCO tannery and shoe factory shall continuously:
- Reduce health and safety impact for the individual employee to a minimum
- Strengthen, prevent and improve health and safety impact to prevent any kind of work accident and prevent repetition
- Ensure the employees' job satisfaction and health at the workplace
- Use the employees' resources in the most appropriate way for all parties
- Establish one or more organisations to handle health and safety issues and hereby ensure a high level of employee involvement
- Train and educate employees to ensure an optimum working environment

The ECCO Group will engage the employees in environmental, health and safety issues through information, training and education. It rests on the employee to take responsibility and do an active effort aiming at continuous improvements of environmental, health and safety issues.

The ECCO Group will openly co-operate with authorities and at all times meet the legislation related to environmental, health and safety issues. The ECCO Group will on a yearly basis re-assess the ECCO Group's Policy for Environment, Health & Safety at the yearly environmental conference held for all tanneries and shoe factories.

D. Kasprzak	M. Thinghuus	J.C. Meier
CEO	COO	EVP Production

The Group's cross-border environmental work is a collaboration between ECCO's Group Environmental Department and decentralised environmental entities within and outside ECCO.

At the annual audits and Group environment, health and safety conferences, a network is developed which ensures the gathering of knowledge and exchange of experience among all the environment, health and safety coordinators at the Group's tanneries and shoe factories, a vital process. ECCO attaches a great deal of importance to this global forum for the exchange of valuable ideas and best practice.

The global environmental programme is electronically supported by the Group's in-house IT tool: the ECCO Environmental Management System.

ENVIRONMENTAL MANAGEMENT SYSTEM

Employee involvement is a cornerstone of ECCO's global environmental programme. All tanneries and shoe factories have an environmental, health and safety committee with both management and employee members. The committees are pivotal in the day-to-day environmental activities in the production units. In addition, training in environmental, health and safety issues forms an integral part of the in-house training programme "From cow to consumer", in which employees' extensive experience and numerous ideas are being put to use.

International criteria for harmful chemical substances

In its global environmental activities, the ECCO Group aims to meet the criteria for harmful chemical substances based, among other things, on the internationally recognised SG list for shoes. SG is an abbreviation of the German term Schadstoffgeprüft (tested for harmful/toxic substances). The SG list contains threshold values for harmful chemical substances in leather products. The list is based on the latest knowledge about the effect of certain chemicals on human beings and animals and it is published by the recognised German testing institute TÜV Produkt und Umwelt GmbH, Rheinland in collaboration with the Institut Fresius GmbH and Prüf- und Forschungsinstitut Pirmasens. These institutes constantly assess the effects of different substances used in the industry.

ECCO has chosen to extend the list to include harmful chemical substances which we consider to be critical: see the "ECCO Supplement to the SG-list". The Group Environmental Department updates these requirements for harmful chemical substances on an ongoing basis to ensure that they are always in compliance with the international criteria.

ENVIRONMENTAL IMPACT IN THE ECCO GROUP

Environmental impact is defined by ECCO to be the effect on human beings and the external environment which results from the production, use and disposal of ECCO products.

Internal environmental impact means:
The effects on the employees manufacturing the products, i.e. health and safety issues such as physical, chemical, biological and ergonomic factors, employee conditions and rights, as well as social factors.

External environmental impact means:
The effect on the near and distant environments, i.e. soil, water and air, for example in the form of waste, wastewater and emissions.

Resource consumption from cow to consumer

The production of ECCO shoes requires a number of different resources, including energy, water, raw materials and components. For several years, we have made dedicated efforts to reduce the consumption of resources in our production of shoes, among other things by ensuring that the best possible production technologies are used and that the production equipment used at all ECCO tanneries and factories is well-functioning and up to date. As you will read below, the use of laser technology is one of our most recent contributions to improving the working environment at ECCO.

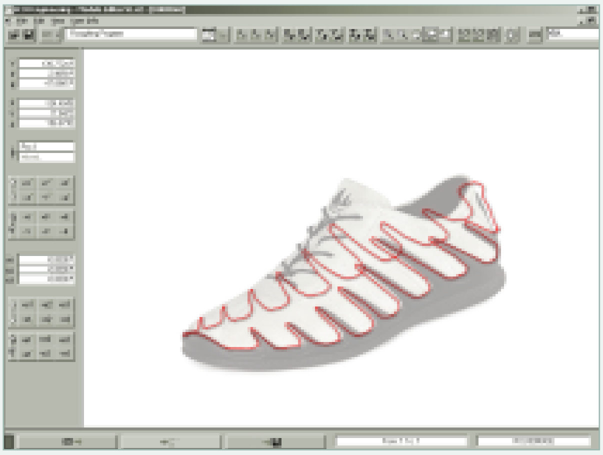
Our tanneries turn out process wastewater, whereas our shoe factories mainly produce domestic wastewater. The main environmental impact from our shoe factories derives from energy consumption and waste production. All tanneries have sophisticated wastewater treatment plants for the treatment of tannery wastewater. This way, ECCO ensures that wastewater is treated to such a degree that we not only meet local discharge requirements but also comply with the Best Available Technology (BAT) for tanneries.

Global environmental activities foster many initiatives, some of which are described below. At the end of this group environmental statement, there are statements containing information and key figures in relation to environmental, health and safety aspects for all ECCO tanneries and shoe factories for the past five years. The key figures for the individual production units are not materially different from those of the preceding years; the trend seen in recent years is continuing.

For additional information please go to **www.ecco.com/environment**

Laser technology improves ECCO Portugal working environment

ECCO's products are always breaking new ground through innovation. The Shark collection is a good example in which innovative design pushes production technology beyond limits.



Computer reproduction outlining the position of the advanced sole, which is attached very precisely to the individual shoe.

As the successful Shark collection evolved and began using new materials, existing technology could no longer be employed. The challenge was to obtain adhesion between the sophisticated sole and the rest of the shoe that lived up to the usual quality of the ECCO brand. The Shark sole design involves treatment of the upper side of the shoe so the intricately shaped sole will stick.

As the growing success of the Shark collection continued with the new SuperCross and Vibration collections, finding a solution to this challenge became increasingly important. Since laser technology can be used to pre-treat surfaces with millimetre precision, the idea came up to use laser roughing technologies.

Research and development activities began in January 2004 at ECCO Portugal. Different calibrations of the laser were tested and after several months of testing how the technology worked on all leather types and colours, the optimal method was identified. A special software application was developed to provide communication between the production line, a robot and the laser machine in order to fit the technology into a normal production process.

Laser technology represents considerable potential for a shoe industry in which ECCO – driven by its design ambitions – is at the forefront of technological developments. The technology is also applicable to other processes in the production line. An important side benefit of using laser to pre-treat surfaces is a considerable reduction in noise level and particulate.

By developing and applying laser technology, ECCO achieved a significant synergy between design, production and working environment improvements. The laser roughing technology will allow ECCO to develop new, innovative designs, while also optimising production processes and reducing their impact on the working environment.

Safety and environment in Thai for the 11th consecutive year…

At ECCO's shoe factory in Thailand, the environmental policy is carried into practice through a wide range of different initiatives. In 2005, the 11th safety and environment week was held featuring a large number of events, including competitions, stalls, quizzes and talk shows, all aiming to give top priority to safety and environment.

In addition to the factory's own environment, health and safety officers, the local hospital and the Thailand Ministry of Labour also participated in this year's event.

The purpose of the event was to focus on environmental, health and safety aspects in the day-to-day production of shoes and to involve all 2,500 employees in our environmental activities. Safety and protection of the environment is everybody's responsibility.

Since 2000, the shoe factory in Thailand has participated in projects to save energy. The results have been very positive – both environmentally and financially. The results for the past five years are shown below.

	Savings (kWh)
2001:	**390,108**
2002:	**165,048**
2003:	**972,161**
2004:	**684,280**
2005:	**448,215**
- Modify toe mould machine to reduce air leak from damage seal from heat by relocate pneumatic cylinder	43,049
- Continued correct compressed air leak	46,628
- Electrical phase balancing for single phase machines at stitching hall	1,716
- Add switches to switch on/off fans for each point during break time at production lines	3,978
- Install automatic drain unit for condensated water in compressed air system	54,432
- Remove unnecessary high sodium lamp (400 watts) at Hall 2 from 60 units to 20 units	71,997
- Install pressure control unit for compressed air that can reduce system pressure from 10 bars to be 8 bars	226,415

In collaboration with the Energy Research Institute, Chulaongkorn University, Thailand, the ECCO Thailand Energy Conservation Committee carried through an energy-saving project from August 2003 to March 2004. In addition to specific savings, the project resulted in a prize awarded by the Thailand Ministry of Energy.

Walkathon raised money for Borneo's amazing nature

Denmark's capital city Copenhagen held its seventh ECCO Walkathon in 2005. The almost 20,000 participants could choose between routes six, ten or 15 kilometres long and, accordingly, how much of Copenhagen they wanted to cover to raise money for a good cause. For each kilometre they walked, ECCO donated DKK 5 to the work of the three organisations.

In Copenhagen, a total of DKK 1,000,000 was raised for the World Wide Fund for Nature, the Danish Heart Association and Unicef. The contribution to the World Wide Fund for Nature will be used to create long-term solutions to improve the living conditions of the people and animals inhabiting the world's third-largest island, Borneo. One area, called the Heart of Borneo, has one of the world's oldest rain forests, which is home to orangutans, elephants and rhinoceroses. This 220,000-square-kilometre area also hosts manifold and exceptional flora such as orchids and ginger, and many of the species are unique to this place.

In recent decades, large sections of the rain forest have been deforested to make room for oil palm plantations, etc. As a result, Borneo's wildlife is losing its habitats, and the population is losing natural resources on which they are heavily dependent. The World Wide Fund for Nature is working to preserve Borneo's unique natural resources and to ensure that future generations will also be able to enjoy one of the world's most interesting ecosystems.

The 2005 ECCO Walkathon was also held in Berlin (Germany), Warsaw (Poland) and Yokohama (Japan).

Pongo pygmaeus Orang Utan baby, Semengoh Rehabilitation Center Sarawak, Borneo, Indonesia CREDIT: (c) WWF-Canon / Michel TERRETTAZ IMAGE No.: 18817

FACTS:

· Every 20 seconds, an area the size of a football field is deforested in Borneo.

· Over the past 15 years, the number of anthropoid apes has been reduced by two-thirds, to only 55,000 animals. They are at risk of becoming extinct before 2020.

· An amount of just EUR 30 is enough to plant eight feed trees for orangutans.

Source:
WWF report from ECCO Walkathon, Berlin

Don’t waste the waste

The Research and Development Centre of ECCO’s tannery division is situated at the tannery in the Netherlands. This centre plays a unique role in the development and innovation of ECCO’s three tanneries, including by reducing the environmental impact from tanning processes.

“We find inspiration in nature”

ECCO’s production of leather generates relatively large amounts of waste and this waste is derived especially from the tanning processes. However, this waste may be recycled for energy (biogas) through microbial processes. Biogas is one of today’s alternative sources of energy.

ECCO’s Research and Development Centre in the Netherlands is working intensively to reduce the volume of waste (e.g. meat offal, sludge and wastewater) and recycle larger amounts of waste for biogas. New technology and knowledge from microbial research is used for this purpose.

Microorganisms in the form of bacteria are vital in the production of biogas. This procedure is well-known in nature where it is seen in many different contexts, for example in cow stomachs and in the base layers of lakes and marshes.
In addition, these bacteria may be used in technical biogas reactions in which the bacteria transform hydrogen (H_2) and carbon dioxide (CO_2) into methane (CH_4), also known as biogas.

Trials with biogas plant carried out at our tannery in the Netherlands have shown the following potential:

Biogas production from solid waste:
2000 m^3/day. Waste reduction approximately 50 – 60%.

Biogas production from wastewater:
1000 m^3/day. Reduction in pollution: 40%.

The introduction of biogas technology contributes to replacing conventional energy sources. Because of the increasing prices of conventional energy sources, investments in biogas plants are beginning to make financial sense. Our research within the field of biogas will continue in 2006.

The project shows that applied biogas technology may utilise natural processes for the benefit of the environment and the economy – without compromising on the quality of our leather.

“ECCOTAN”
(Eco-friendly tanning at ECCO Tannery Holland B.V.)

As described in ECCO’s Annual Report 2004, we have initiated a comprehensive three-year project called “ECCOTAN” at our Research and Development Centre in the Netherlands. The project is subsidised through the EU LIFE programme. The project focuses on reducing the consumption of water and energy by introducing new drums in our tanning processes. This intensive work to optimise the drums and thereby reduce our resource consumption continued in 2005. Rebuilding the existing drums has also generated a large potential for energy savings. Exploring the potential for converting meat offal into biogas is also part of this project.

Pieces of meat are cut from the rawhides (left photo) and the biogas potential of the meat offal is thoroughly examined in the experimental setup at the laboratory at the tannery’s Research and Development Centre (right photo).

“FLESH TO FUEL”

Meat offal is one of our largest waste groups. Approximately 20% of the rawhides is meat offal that we need to disposed of. The meat offal is recycled in a so-called “Flesh to Fuel” plant. This technology allows us to separate tallow from solid waste and wastewater. The oily tallow may be used as fuel in the production of hot water for tanning processes. The Research and Development Centre in the Netherlands has chosen this solution for the tannery in Indonesia. This initiative will be carried into effect in 2006.

The environment opens the door to China

In 2005, the first ECCO shoes were produced at the Group's new production facility in the Chinese city of Xiamen. The city aims to be the Chinese city with the greatest focus on the environment, and demands are strict on companies wanting to establish production in the area.

Although globalisation is attracting many companies to China, the city authorities of Xiamen have actually rejected a number of foreign companies because their production would involve too much pollution.

However, a visit at ECCO's other production units in Europe and Asia accelerated the approval process for the construction of the plant. The Chinese authorities saw clear environmental benefits from allowing ECCO's sophisticated production and cleaning technology into the country. According to the city government, they will refer to ECCO's standards in the area in order to induce other companies to apply the same high standards.

So far, one of five planned shoe production halls have been put into operation in Xiamen, all with the latest production technology. Furthermore, all necessary permissions have been received for the planned construction of a tanning unit, including a fully developed purification plant.

ENVIRONMENT
HEALTH & SAFETY
ECCO XIAMEN

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ECCO's global environmental programme will be integrated in the facility, for instance by way of a local environment, health and safety and working environment committee with participation from the management and employees. This will act as a strong and functional platform for handling day-to-day environmental activities in the production unit.

Statements from ECCO units - Denmark

Production Development Denmark

Location	Bredebro, Denmark
Activity	Development and preparation of new articles and prototype testing
Year of incorporation:	1963
No. of employees	95
Special environmental information:	An important part of ECCO's shoe production is the moulding of soles, which is subject to approval according to item D11. On 14 March 2002, the production was granted environmental approval by Sønderjyllands Amt (regional authority) covering shoe production as the main activity and production of polymer materials (soles) as the secondary activity. It should be noted that there has been no violation of conditions during the financial year and that no claims have been received related to this.

	2005	2004	2003	2002	2001
Production output					
Uppers produced [pairs]	1,868	3,805	3,720	4,482	5,281
Shoes produced [pairs]	7,645	20,577	38,000	211,413	478,674
Energy and water consumption					
Electricity [MWh]	2,353	2,560	2,734	2,896	3,586
Gas [m^3]	130,463	132,873	139,970	118,335	139,980
Water [m^3]	2,145	2,407	3,013	3,738	4,436
Consumption of sole material					
Polyol and isocyanate [kg]	23,680	23,660	21,280	174,400	306,140
TPU [kg]	7,400	5,600	8,700	17,200	31,150
Hardener [kg]	-	-	2,800	12,810	16,650
Colour paste [kg]	522	30	75	3,050	2,600
Release agent [kg]	292	292	930	3,648	5,422
Finishing products [kg]	30	-	440	2,343	2,645
Waste					
Recyclable waste [tons]	302[1]	344[1]	459[1]	266[1]	660[1]
Waste otherwise disposed of [tons]	115	198	150	164	253
Waste to Kommunekemi [tons]	24	32	36	38	44
Industrial accidents					
Accidents causing less than 1 day's absence	10	12	7	16	12
Accidents reported to the Danish National Working Environment Authorityt	2	2	3	4	11

[1] *The amount of recyclable waste stated includes cardboard which is disposed of for recycling purposes from ECCO's distribution warehouse, DC-Tønder, At DC-Tønder, shoes are repacked in shoe boxes from the factories according to customer specifications, which results in the production of a certain amount of packaging material waste which is disposed of to a recycling company.*

Statements from ECCO units - Portugal

Ecco'let (Portugal) Fábrica de Sapatos, Lda.

Location:	Santa Maria da Feira, Portugal
Activity:	Shoe factory. Production of uppers and shoes
Year of incorporation:	1984
No. of employees:	637

	2005	2004	2003[2]	2002	2001
Production output					
Uppers produced [pairs]	18,741	20,737	79,690	241,961	438,299
Shoes produced [pairs]	2,315,342	2,649,178	2,442,395	2,590,327	3,769,754
Energy and water consumption					
Electricity [MWh]	4,923	5,894	5,474	5,547	7,170
Gas [m^3]	58,976	48,178	17,702	7,607	-
Oil [l]	-	-	-	-	39,702
Water [m^3]	1,583	3,013	3,551	8,661	11,000
Consumption of sole material					
Polyol and isocyanate [kg]	815,760	872,130	884,746	922,340	1,817,771
TPU [kg]	108,006	83,783	76,651	174,843	81,027
Hardener [kg]	35,326	42,323	68,040	18,290	14,553
Colour paste [kg]	19,307	19,326	18,507	20,346	38,662
Release agent [kg]	14,752	17,126	18,079	11,625	17,550
Finishing products [kg]	26,097	22,531	20,393	18,666	28,332
Waste					
Recyclable waste [tons]	247	212	330	184	193
Waste otherwise disposed of [tons]	192	352	360	394	820
Chemical waste [tons]	121	94	67	63	92
Industrial accidents					
Accidents causing less than 1 day's absence	68	80	128	137	-
Accidents causing 1 or more day's absence	10	23	17	18	-

[2] *The tannery activities were permanently discontinued with effect from Q1 2003.*

Statements from ECCO units - Indonesia

P.T. ECCO Indonesia & P.T. ECCO Tannery Indonesia

Location:	Surabaya, Indonesia
Activity:	Tannery and shoe factory. Production of wetblue, crust, leather, uppers and shoes
Year of incorporation:	1991
No. of employees:	3,908

	2005	2004	2003	2002	2001
Production output					
Wetblue produced [ft²]	18,532,447	18,249,560	15,970,001	15,338,582	8,432,162
Leather produced [ft²]	13,296,854	15,098,971	14,062,152	12,048,197	15,566,070
Uppers produced [pairs]	5,382,521	5,326,300	4,664,023	4,063,840	3,968,559
Shoes produced [pairs]	812,461	246,018	29,119	-	-
Energy and water consumption					
Electricity - tannery [MWh]	7,952	14,072	9,556	6,830	7,309
Electricity - factory [MWh]	8,228	4,300	5,375	6,772	4,255
Oil - tannery [l]	534,000	560,000	608,000	469,000	502,615
Oil - factory [l]	-	-	-	-	32,359
Water - tannery [m³]	322,981	430,738	419,263	392,178	477,787
Water - factory [m³]	87,900	81,970	106,018	162,901	58,404
Waste					
Recyclable waste - tannery [tons]	4,684	9,668[3]	4,764	2,667	3,774
Recyclable waste - factory [tons]	260	24	-	229	1,225
Waste otherwise disposed of - tannery [tons]	5,334	5,585	5,012	5,398	2,922
Waste otherwise disposed of - factory [tons]	27	19	20	-	235
Chemical waste - tannery [tons]	22	25	28	-	-
Chemical waste - factory [tons]	-	4	-	-	-
Tannery wastewater					
Volume [m³]	293,587	327,367	351,808	369,471	325,349
BOD [mg/l]	29-36	19-49	50-65	40-55	45-115
Chromium [mg/l]	0.09-0.18	0.05-0.17	0.03-0.13	0.03	0,04-0.10
pH	6.2-6.7	7.1-7.2	6.8-7.1	6.8-7.1	7.0-8.0
Industrial accidents					
Accidents causing less than 1 day's absence - tannery	8	17	18	15	-
Accidents causing less than 1 day's absence - factory	84	57	88	103	53
Accidents causing 1 or more day's absence - tannery	5	2	9	6	-
Accidents causing 1 or more day's absence - factory	27	8	22	33	14

[3] The relatively high figure is due to the replacement of various machinery.

Statements from ECCO units - Thailand

ECCO (Thailand) Co., Ltd & ECCO Tannery (Thailand) Co. Ltd.

Location:	Ayudhthaya, Thailand
Activity:	Tannery and shoe factory. Production of crust, leather, uppers and shoes
Year of incorporation:	1993
No. of employees:	2,700
Special environment information:	ECCO Thailand has been certified to the ISO 14001 standard

	2005	2004	2003	2002	2001
Production output					
Leather produced [ft²]	9,978,619	10,095,425	9,138,590	8,046,037	8,291,589
Uppers produced [pairs]	3,127,255	3,237,054	2,868,227	2,708,639	2,891,591
Shoes produced [pairs]	3,860,069	3,910,382	3,319,623	3,264,747	3,102,710
Energy and water consumption					
Electricity - tannery [MWh]	5,663	5,827	5,456	5,129	4,826
Electricity - factory [MWh]	10,880	10,671	9,038	7,460	7,347
Oil - tannery [l]	366,219	390,000	360,000	307,350	360,000
Oil - factory [l]	10,069	13,044	4,800	4,800	-
Water - tannery [m³]	96,766	107,704	97,484	95,424	99,347
Water - factory [m³]	53,164	45,932	51,961	66,375	50,836
Consumption of sole material					
Polyol and isocyanate [kg]	1,143,301	1,280,455	928,548	1,115,821	1,208,570
TPU [kg]	269,431	111,424	56,796	-	-
Hardener [kg]	83,419	104,234	236,381	99,521	109,347
Colour paste [kg]	27,359	28,833	24,809	34,706	39,660
Release agent [kg]	18,726	29,587	8,590	10,168	6,510
Waste					
Recyclable waste - tannery [tons]	32	38	585	264	718
Recyclable waste - factory [tons]	124	144	168	404	95
Waste otherwise disposed of - tannery [tons]	1,668	1,600	1,253	1,124	1,140
Waste otherwise disposed of - factory [tons]	756	815	326	330	773
Chemical waste - tannery [tons]	47	50	158	50	-
Chemical waste - factory [tons]	2	28	408	397	-
Tannery wastewater					
Volume [m³]	84,267	83,367	88,389	87,133	98,875
BOD [mg/l]	10.0-13.0	5.7-13.0	5,3-8,0	6.0-8.0	7.6-10.0
Chromium [mg/l]	0.10	0.20-0.21	0.04-0.17	0.09-0.10	0.10-0.15
pH	7.5-7.7	7.5-7.6	7.3-7.6	7.5-7.8	7.9-8.2
Industrial accidents					
Accidents causing less than 1 day's absence - tannery	13	21	7	16	90
Accidents causing less than 1 day's absence - factory	31	64	46	72	83
Accidents causing 1 or more day's absence - tannery	2	3	1	1	1
Accidents causing 1 or more day's absence - factory	8	16	16	7	7

Statements from ECCO units - Slovakia

ECCO Slovakia, a.s.

Location:	Martin, Slovakia
Activity:	Shoe factory. Production of uppers and shoes
Year of incorporation:	1998
No. of employees:	777

	2005	2004	2003	2002	2001
Production output					
Uppers produced [pairs]	75,786	163,297	259,136	792,473	287,694
Shoes produced [pairs]	2,841,235	2,771,025	2,265,312	1,974,408	1,657,498
Energy and water consumption					
Electricity [MWh]	6,204	5,722	4,730	4,337	3,475
Gas [m^3]	274,611	250,204	179,301	96,457	93,035
Oil [l]	-	-	2,281	1,600	500
Water [m^3]	12,163	11,460	14,419	12,565	4,037
Consumption of sole material					
Polyol and isocyanate [kg]	1,049,100	1,134,160	724,030	539,681	510,410
TPU [kg]	144,050	158,249	150,524	140,825	133,071
Hardener [kg]	51,900	50,310	41,340	30,390	29,550
Colour paste [kg]	20,800	17,085	15,034	9,550	9,064
Release agent [kg]	13,960	12,888	8,985	6,175	5,053
Finishing products [kg]	18,210	24,958	15,662	13,309	10,548
Waste					
Recyclable waste [tons]	108	55	44	67	91
Waste otherwise disposed of [tons]	282	220	233	194	225
Chemical waste [tons]	44	45	40	21	-
Industrial accidents					
Accidents causing less than 1 day's absence	77	23	17	24	26
Accidents causing 1 or more day's absence	12	19	18	13	8

Statements from ECCO units - The Netherlands

ECCO Tannery (Holland) B.V.

Location:	Dongen, The Netherlands
Activity:	Tannery. Production of wetblue.
	Leather development and research centre
Year of incorporation:	Acquired by ECCO in 2001
No. of employees:	121

	2005	2004	2003	2002	2001
Production output					
Wetblue produced [ft²]	36,631,214	39,863,636	26,704,106	30,886,062	23,686,640
Energy and water consumption					
Electricity [MWh]	6,133	5,192	5,704	5,677	5,855
Gas [m³]	1,065,340	846,300	672,286	864,715	1,053,559
Water [m³]	337,996	244,593	273,784	287,676	286,944
Waste					
Recyclable waste [tons]	17,895	4,249	9,480	11,702	9,616
Waste otherwise disposed of [tons]	295	141	125	182	377
Chemical waste [tons]	570	430	552	650	-
Tannery wastewater					
Volume [m³]	365,820	267,668	302,895	306,138	315,359
BOD [mg/l]	12.5-14.0	9.0-14.0	9.0-22.0	7.0-20.0	4.0-7.0
Chromium [mg/l]	0.10-0.20	0.20-0.30	0.10-0.20	0.20-0.30	0.20-0.30
pH	7.7-8.0	7.2-7.7	7.0-8.0	6.6-7.6	7.4-7.6
Industrial accidents					
Accidents causing less than 1 day's absence	7	2	-	-	-
Accidents causing 1 or more day's absence	1	6	-	-	-

Statements from ECCO units - China

ECCO Xiamen

Location:	Xiamen, China
Activity:	Shoe factory. Production of uppers and shoes
Year of incorporation:	2005
No. of employees:	916

	2005
Production output	
Uppers produced [pairs]	428,076
Shoes produced [pairs]	475,724
Energy and water consumption	
Electricity [MWh]	3,435
Gas [m^3]	-
Oil [l]	-
Water [m^3]	23,096
Consumption of sole material	
Polyol and isocyanate [kg]	152,479
TPU [kg]	-
Hardener [kg]	7,744
Colour paste [kg]	2,945
Release agent [kg]	1,133
Finishing products [kg]	2,046
Waste	
Recyclable waste [tons]	8.4
Waste otherwise disposed of [tons]	0.5
Chemical waste [tons]	3.6
Industrial accidents	
Accidents causing less than 1 day's absence	24
Accidents causing 1 or more day's absence	2